

BRAHMANANDA REDDY & ASSOCIATES

CHARTERED ACCOUNTANTS

D.No. 4-17/1, Near Rajiv Gandhi College,
Ramanayyapeta, KAKINADA - 533 005. (A.P.)
Phone : 0884 - 2376770



STANDALONE INDEPENDENT AUDITOR'S REPORT FOR HALF YEAR AND YEAR ENDED MARCH 31, 2018

To the Board of Directors of,

RKEC Projects Limited

1. We have audited the accompanying standalone financial statements of RKEC Projects Limited for the half year ended March 31, 2018, being submitted by company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, read with SEBI Circular No. CIR/CFD/FA/62/ 2016 dated July 5, 2016.

This statement is the responsibility of the company's Management and is approved by the Board of Directors. The statement, as it relates to the half year ended March 31, 2018, has been compiled from the related interim financial statements prepared in accordance with Accounting Standards for Interim Financial Reporting (AS- 25) and as it relates to the year ended March 31, 2018, has been compiled from the related annual financial statements prepared in accordance with Accounting Standards, prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statements based on our audits of such interim condensed standalone financial statements and annual standalone financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal financial control.



An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

3. In our opinion and to the best of our information and according to the explanations given to us, these half yearly financial results as well as the year to date results are:
- (i) Presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular No. CIR/CFD/FA/62/2016 dated July 5, 2016 and
 - (ii) gives a true and fair view in conformity with the aforesaid accounting standards and other accounting principles generally accepted in India of the profit and other financial information of the company for the half year and year ended March 31, 2018.

for Brahmananda Reddy & Associates
Chartered Accountants

Firm Registration Number: 016662S

M. R. Brahmananda Reddy
(M.R. Brahmananda Reddy)

Partner

Membership Number: 023958

Visakhapatnam, 30th May, 2018



BRAHMANANDA REDDY & ASSOCIATES

CHARTERED ACCOUNTANTS

D.No. 4-17/1, Near Rajiv Gandhi College,
Ramanayyapeta, KAKINADA - 533 005. (A.P.)
Phone : 0884 - 2376770



CONSOLIDATED INDEPENDENT AUDITOR'S REPORT FOR HALF YEAR AND YEAR ENDED MARCH 31, 2018

To the Board of Directors of,

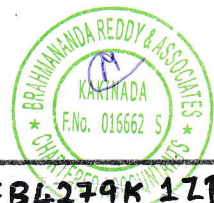
RKEC Projects Limited

1. We have audited the accompanying Consolidated financial statements of RKEC Projects Limited for the half year ended March 31, 2018, being submitted by company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, read with SEBI Circular No. CIR/CFD/FA/62/ 2016 dated July 5, 2016.

This statement is the responsibility of the company's Management and is approved by the Board of Directors. The statement, as it relates to the half year ended March 31, 2018, has been compiled from the related interim financial statements prepared in accordance with Accounting Standards for Interim Financial Reporting (AS- 25) and as it relates to the year ended March 31, 2018, has been compiled from the related annual financial statements prepared in accordance with Accounting Standards, prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statements based on our audits of such interim condensed consolidated financial statements and annual consolidated financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal financial control.



An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the

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

3. Based on our audit conducted as above, In our opinion and to the best of our information and according to the explanations given to us, these consolidated half yearly financial results as well as the year to date results:

- a) Include the year to date results of the following:
 - i) M/s. RKEC Projects Limited audited by us.
 - ii) M/s. RKEC and Suryadevara JV (AOP) audited by others.
- b) Are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular No. CIR/CFD/FA/62/2016 dated July 5, 2016 and
- c) gives a true and fair view in conformity with the aforesaid accounting standards and other accounting principles generally accepted in India of the profit and other financial information of the company for the half year and year ended March 31, 2018.

for Brahmananda Reddy & Associates

Chartered Accountants

Firm Registration Number: 016662S

M. R. Brahmananda Reddy

(M.R. Brahmananda Reddy)

Partner

Membership Number: 023958

Visakhapatnam, 30th May, 2018.



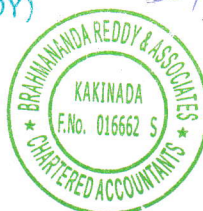
**RKEC Projects Limited**

An ISO 9001, 14001, and OHSAS 18001 Certified Company

CIN - L45200AP2005PLC045795

RKEC PROJECTS LIMITEDRegd Office: 10-12-1, 3rd floor, Rednam Alcazar, Rednam Gardens, Opp. SBI Main Branch, Visakhapatnam - 530002.
Statement of Standalone & consolidated Audited Financial Results (As per Schedule III of Companies Act, 2013 - Non-Ind AS)

	Particulars	Half Year Ended (Standalone)		Year Ended (Standalone)		Half Year Ended (Consolidated)		Year Ended (Consolidated)	
		31-03-18	30-09-17	31-03-18	31-03-17	31-03-18	30-09-17	31-03-18	31-03-17
		Audited	Un-Audited	Audited	Audited	Audited	Un-Audited	Audited	Audited
I	REVENUE								
II	Revenue from operations	1,16,84,26,637	1,22,88,16,326	2,39,72,42,963	1,97,24,43,348	1,16,84,26,637	1,22,88,16,326	2,39,72,42,963	1,97,24,43,348
III	Other income	44,01,417	60,56,243	1,04,57,660	2,87,72,599	44,01,417	60,56,243	1,04,57,660	2,87,72,599
	Total Revenue (HII)	1,17,28,28,054	1,23,48,72,569	2,40,77,00,623	2,00,12,15,947	1,17,28,28,054	1,23,48,72,569	2,40,77,00,623	2,00,12,15,947
IV	EXPENSES								
a	Cost of materials consumed	39,65,59,988	67,50,78,933	1,07,16,38,021	75,70,40,623	40,09,69,264	67,50,78,933	1,07,60,47,297	75,70,40,623
b	Construction expenses	42,68,07,669	28,29,04,677	70,97,12,346	57,99,73,047	42,71,47,951	28,29,04,677	71,00,52,629	57,99,73,047
c	Changes in inventories of work-in-progress	7,65,06,266	(8,58,48,108)	(93,41,842)	18,83,75,291	7,16,49,150	(8,58,48,108)	(1,41,96,958)	18,83,75,291
d	Employee benefits expense	5,20,76,428	10,23,95,677	15,44,72,105	12,59,81,335	5,20,76,428	10,23,95,677	15,44,72,105	12,59,81,335
e	Depreciation expense	1,79,23,693	1,29,53,126	3,08,76,820	2,73,83,425	1,79,23,693	1,29,53,126	3,08,76,820	2,73,83,425
f	Other expenses	4,18,45,959	2,33,90,886	6,52,36,645	3,59,36,623	4,19,53,516	2,33,90,886	6,53,44,402	3,59,36,623
g	Finance cost	1,45,09,649	2,40,37,652	3,85,47,301	8,40,43,708	1,45,09,649	2,40,37,652	3,85,47,301	8,40,43,708
	Total expenses	1,02,62,29,652	1,03,49,11,944	2,06,11,41,596	1,79,87,34,054	1,02,62,29,652	1,03,49,11,944	2,06,11,41,596	1,79,87,34,054
V	Profit before exceptional and extraordinary items and Tax (III-IV)	14,65,98,402	19,99,60,625	34,65,59,027	20,24,81,892	14,65,98,402	19,99,60,625	34,65,59,027	20,24,81,892
VI	Exceptional items (See notes)	-1,14,69,691	3,26,20,739	2,11,51,048	-	(1,14,69,691)	3,26,20,739	2,11,51,048	-
VII	Profit (+) from Extra ordinary items	15,80,68,093	16,73,39,886	32,54,07,978	20,24,81,892	15,80,68,093	16,73,39,886	32,54,07,978	20,24,81,892
VIII	Extraordinary items	-	-	-	-	-	-	-	-
IX	Profit Before Tax (VII - VIII)	15,80,68,093	16,73,39,886	32,54,07,978	20,24,81,892	15,80,68,093	16,73,39,886	32,54,07,978	20,24,81,892
X	Tax Expenses								
	(1) Current Tax	6,26,55,167	6,00,92,680	12,27,47,847	6,92,17,280	6,26,57,807	6,00,92,680	12,27,50,487	6,92,17,280
	(2) Deferred Tax	-3,32,469	(5,47,352)	(8,79,821)	40,08,420	(3,32,469)	(5,47,352)	(8,79,821)	40,08,420
XI	Net profit from ordinary activities after Tax (IX-IX)	9,57,45,394	10,77,94,558	20,35,39,952	12,92,56,191	9,57,42,754	10,77,94,558	20,35,37,312	12,92,56,191
XII	Extraordinary items	-	-	-	-	-	-	-	-
XIII	Net profit (+) for the period from Continuing operations (XI-XII)	9,57,45,394	10,77,94,558	20,35,39,952	12,92,56,191	9,57,42,754	10,77,94,558	20,35,37,312	12,92,56,191
XIV	Net profit (+) for the period from discontinuing operations	-	-	-	-	-	-	-	-
XV	Tax Expenses of Discontinuing operations	-	-	-	-	-	-	-	-
XVI	Net profit (+) for the period from discontinuing operations (after Taxes)	-	-	-	-	-	-	-	-
	Profit / (Loss) for the period ended	9,57,45,394	10,77,94,558	20,35,39,952	12,92,56,191	9,57,42,754	10,77,94,558	20,35,37,312	12,92,56,191
	Share of Profit / (loss) of associates	-	-	-	-	-	-	-	-
	Transfer to Minority Interest	-	-	-	-	-	-	-	-
	Consolidated Net profit / (loss) for the period	9,57,45,394	10,77,94,558	20,35,39,952	12,92,56,191	9,57,42,754	10,77,94,558	20,35,37,312	12,92,56,191
XVIII	Profit / (Loss) for the period	9,57,45,394	10,77,94,558	20,35,39,952	12,92,56,191	9,57,42,754	10,77,94,558	20,35,37,312	12,92,56,191
	Paid up equity share capital	23,99,06,000	19,31,26,000	23,99,06,000	19,31,26,000	23,99,06,000	19,31,26,000	23,99,06,000	19,31,26,000
	Reserves excluding Revaluation as per Balance sheet of previous accounting year	23,06,00,874	27,68,28,577	50,74,29,551	16,90,34,120	23,06,00,874	27,68,28,577	50,74,29,551	16,90,34,120
XIX	Earnings per share (EPS)								
	(a) Basic	4.42	5.58	9.40	6.69	4.42	5.58	9.40	6.69
	(b) Diluted	4.42	5.58	9.40	6.69	4.42	5.58	9.40	6.69

For **BRAHMANANDA REDDY & ASSOCIATES**
Chartered Accountants
Firm Registration No. 016662S*M. R. Brahmananda Reddy***(M.R. BRAHMANANDA REDDY)**
PARTNER
M.No. 023958For **RKEC PROJECTS LIMITED***G. Radhakrishna*
G. RADHAKRISHNA
Managing Director**RKEC Projects Limited**

GST No. : 37AACCR9682A1Z8

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



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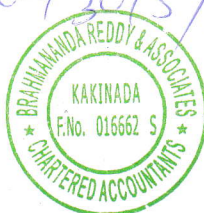
RKEC PROJECTS LIMITED

Regd Office: 10-12-1, 3 rd floor, Rednam Alcazar, Rednam Gardens, Opp.SBI Main Branch, Visakhapatnam -530002.
Standalone & Consolidated Statement of Assets and Liabilities (As per Schedule III of Companies Act,2013 - Non- Ind AS)

S.No.	Particulars	Standalone		Consolidated	
		As at 31 st Mar, 2018	As at 31 st Mar, 2017	As at 31st Mar, 2018	As at 31st Mar, 2017
I	EQUITY AND LIABILITIES				
1	Shareholders' funds				
a	Share Capital	23,99,06,000	19,31,26,000	23,99,06,000	19,31,26,000
b	Reserves and Surplus	50,74,29,551	16,90,34,120	50,74,26,911	16,90,34,120
c	Money Received against Share Warrants	-	-	-	-
		74,73,35,551	36,21,60,120	74,73,32,911	36,21,60,120
2	Share Application money pending allotment				
3	Non-Current Liabilities				
a	Long Term borrowings	1,19,58,334	42,46,908	1,19,58,334	42,46,908
b	Deferred Tax Liabilities (net)	-	-	-	-
c	Other Long-term liabilities	-	-	-	-
d	Long-term provision	16,57,574	33,42,165	16,57,574	33,42,165
		1,36,15,908	75,89,073	1,36,15,908	75,89,073
4	Current Liabilities				
a	Short-term borrowings	13,83,36,787	-	13,83,36,787	-
b	Trade Payables	41,31,10,359	28,94,05,169	41,92,21,373	28,94,05,169
c	Other Current liabilities	15,29,35,592	45,33,44,034	15,29,35,592	45,33,44,034
d	Short Term provisions	3,15,39,432	2,00,34,469	3,15,42,072	2,00,34,469
		73,59,22,370	76,27,83,672	74,25,35,824	76,27,83,672
	TOTAL-EQUITY AND LIABILITIES	1,49,68,73,829	1,13,25,32,865	1,50,34,84,644	1,13,25,32,865
II	ASSETS				
1	Non-Current Assets				
a	Fixed Assets				
i)	Tangible assets	14,21,35,416	10,80,40,178	14,21,35,416	10,80,40,178
ii)	Intangible assets	3,71,355	45,812	3,71,355	45,812
iii)	Capital Work-in-progress	-	-	-	-
iv)	Intangible assets under development	-	-	-	-
b	Non Current Investments	8,543	-	-	-
c	Deferred tax asset (Net)	88,49,540	79,69,719	88,49,540	79,69,719
d	Long Term Loans and advances	-	-	-	-
e	Other Non-Current Assets	-	-	-	-
		15,13,64,853	11,60,55,709	15,13,56,311	11,60,55,709
2	Current Assets				
a	Current Investments				
b	Inventories	15,09,96,666	31,90,01,852	15,58,53,781	31,90,01,852
c	Trade receivables	82,03,36,195	39,52,49,867	82,03,36,195	39,52,49,867
d	Cash and Bank balances	18,43,31,463	22,49,35,099	18,48,86,322	22,49,35,099
e	Short-term Loans and advances	17,44,77,100	6,11,48,920	17,56,82,775	6,11,48,920
f	Other Current assets	1,53,67,553	1,61,41,418	1,53,69,262	1,61,41,418
		1,34,55,08,977	1,01,64,77,156	1,35,21,28,335	1,01,64,77,156
	TOTAL ASSETS	1,49,68,73,830	1,13,25,32,865	1,50,34,84,645	1,13,25,32,865

For BRAHMANANDA REDDY & ASSOCIATES
Chartered Accountants
Firm Registration No. 016662S

M.R. Brahmananda Reddy 20/5/18
(M.R. BRAHMANANDA REDDY)
PARTNER
M.No. 023958



For RKEC PROJECTS LIMITED

G. RADHAKRISHNA
Managing Director

RKEC Projects Limited

GST No. : 37AACCR9682A1Z8

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

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



An ISO 9001, 14001, and OHSAS 18001 Certified Company

CIN - L45200AP2005PLC045795

Notes:

- 1) The above audited financial statements for half year ended March 31, 2018 have been reviewed and recommended by the audit committee at its meeting held on May 30, 2018 and approved by the board of directors at its meeting held on May 30, 2018. The statutory auditors have expressed an unqualified opinion.
- 2) The information presented above is extracted from audited standalone/consolidated financial statements for the financial year ended March 31, 2018. The said financial statements are prepared in accordance with the accounting standards as issued by the Institute of Chartered Accountants of India and as specified in the Section 133 of the Companies Act, 2013 and the relevant rules thereof.
- 3) The Company's operations predominantly consist of construction / project activities. The Company also in to the business of survey works under Unmanned Aerial Systems (UAS). The Business of UAS is not very significant to identify as reportable segment. Hence there are no reportable segment under Accounting Standard -17. During the year under report, Company has carried out all the business operations in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary. Hence segment reporting is not required.
- 4) In the above Audited Financial Results, the comparative figures for the half year ended March 31, 2017 are not available as financial year 2017-18 is the first year of Listing of the Company. Previous half year/ year figures have been restated wherever necessary to make them comparable. The figures for the six months ended March 31, 2018 have been arrived by deducting the figures for the six months ended September 30, 2017 from the figures of the year ended March 31, 2018.
- 5) During the Financial Year ended March 31, 2018 the Company has issued 46,78,000 equity shares of Rs. 10 each at premium of Rs.35 per share in the Initial Public Offer apart to offer by share holders.
- 6) IPO expenses were net off recovery from selling shareholders and GST. For the half year ended 30th september, 2017 pre issue IPO expenses were considered as expenses and for the half year ended March 31, 2018 the recovered amount was shown as recovery of IPO expenses. These items are shown as exceptional items in the above statements.
- 7) Consolidated financial statements were applicable only for the half year ended March 31, 2018. For the earlier periods standalone figures were given for comparison.
- 8) The board of directors have proposed a Final Dividend of Re. 1 per share (10%) on equity shares subject to approval by shareholders at annual general meeting.
- 9) The Companies Shares are listed in NSE-Emerge (SME) On October 09,2017 (SM-RKEC)

For BRAHMANANDA REDDY & ASSOCIATES
Chartered Accountants
Firm Registration No. 016662S

M. R. Brahmananda Reddy

(M.R. BRAHMANANDA REDDY)
PARTNER
M.No. 023958



30/5/18

For RKEC PROJECTS LIMITED

G. Radhakrishna
G. RADHAKRISHNA
Managing Director

RKEC Projects Limited

GST No. : 37AACCR9682A1Z8

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