RKEC Projects Limited

21st ANNUAL GENERAL MEETING

to be held on

30th September 2026 at 3:30 P.M. IST

Through

Video Conferencing ("VC") / Other Audio-Visual Means ("OVAM")

REGISTERED 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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THE BOARD

- **Shri G Radhakrishna……** ***Chairman***
- **Shri R Jayachandran……** ***Managing Director***
- **Shri G V Rama Mohan…….** ***WTD/Chief Operating Officer***
- **Smt G Parvathi Devi……*****Whole Time Director***
- **Vice Admiral Satish Soni……** ***Independent Director***
  PVSM, AVSM, NM (Retd)
- **Brig J Kameswara Rao……** ***Independent Director***
- **Lt. Gen PR Kumar (Retd)…….** ***Independent Director***
- **Dr. Lucas Peter Thalakala (till 23.06.2026) ….** ***Independent Director***
- **Smt. Jeevan Jyoti Volla (Since 10.08.2026)…** ***Independent Director***
- **Shri Sobhag Mal Jain……** ***Independent Director***

Key Managerial Personnel

Shri G Radhakrishna	Chairman
Shri R Jayachandran	Managing Director/CFO
Deepika Rathi	Company Secretary & Compliance Officer
Vijay Jonnada (Since 19.06.2026)	Company Secretary & Compliance Officer

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.

Bankers

Bank of Baroda

Bandhan Bank

ICICI Bank

Catholic Syrian Bank

Registrar & Share Transfer

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,

Vasant Oasis, Makwana Road, Marol,

Andheri East, Mumbai 400059, Maharashtra

Registered Office

CIN: L43900AP2005PLC045795

10-12-1, Rednam Alcazar, Rednam Gardens

Opp. SBI Main Branch, Visakhapatnam

PIN-530002, Andhra Pradesh, India

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.

MISSION / OVERARCHING GOALS

To provide world class products and services by consistently meeting customer's expectations, quality and on-time delivery thus earning professional respect of customers and competitors.

Achieve sustainable business growth by value creation through continuous innovation in capabilities, products and services while leveraging technology delivered by 'best in environment professionals' whilst constantly remaining agile and adaptable.

Follow fair, transparent and ethical practices and encourage a culture of empathy, safe and healthy work environment, people empowerment as well as protection of environment and natural resources.

Practice 'Leadership by Example' and inculcating self-accountability, by pursuing best practices on Care for our Environment, Community, Customers, Shareholders, People and creating a culture that will reinforce our values Work to understand the needs and requirements of our clients before proposing a solution.

MAKE A DIFFERENCE BY:

- **Developing responsive proposals that provide cost-effective solutions to our clients need.**
- **Deploy the right mix of professionals and products to deliver value-added services and solutions to our clients.**
- **Follow-up on the quality of our services and solutions to our clients.**
- **Appreciate the trust that our clients put in us as we work with them to improve their business.**
- **Ensure continuous profitably across our core competence and allied areas, by focussed and aggressive marketing.**

- **Become the lead adopter of technology with a spirit of pioneering and calculated risk taking.**
- **Enable employees and associates to achieve and unleash their full potential to deliver outcomes in a sustainable way.**

VALUES

Our Values are our Backbone and mean EVERYTHING to us

- **Integrity and Honesty - Our commitment and integrity to be irreproachable, our honesty sacrosanct even if required to present hard truths.**
- **Safety - Safety is a core value over which no business objective can have a higher priority.**
- **Agility and Adaptability - Speed, Responsiveness and Proactive approach, achieved through leadership from the top, non-linearity of thought and action, collaboration and empowering employees. Staying ahead of the technological, marketing and management loop.**
- **Care and Respect - Care for Stakeholders, the Environment, Customers & Shareholders – both existing and potential, and our employees and partners.**
- **Diligence - Do everything (planning, preparation, deployment of assts, analyse, execute, review, mitigate risks etc) with a thoroughness that delivers quality and excellence on time in all areas.**
- **Passion, Ambition and Innovation: We enjoy what we do, work with passion in an innovative manner using 'out of box' solutions were required, and our ambition will enthuse our clients to excel.**

BUSINESS SEGMENTS

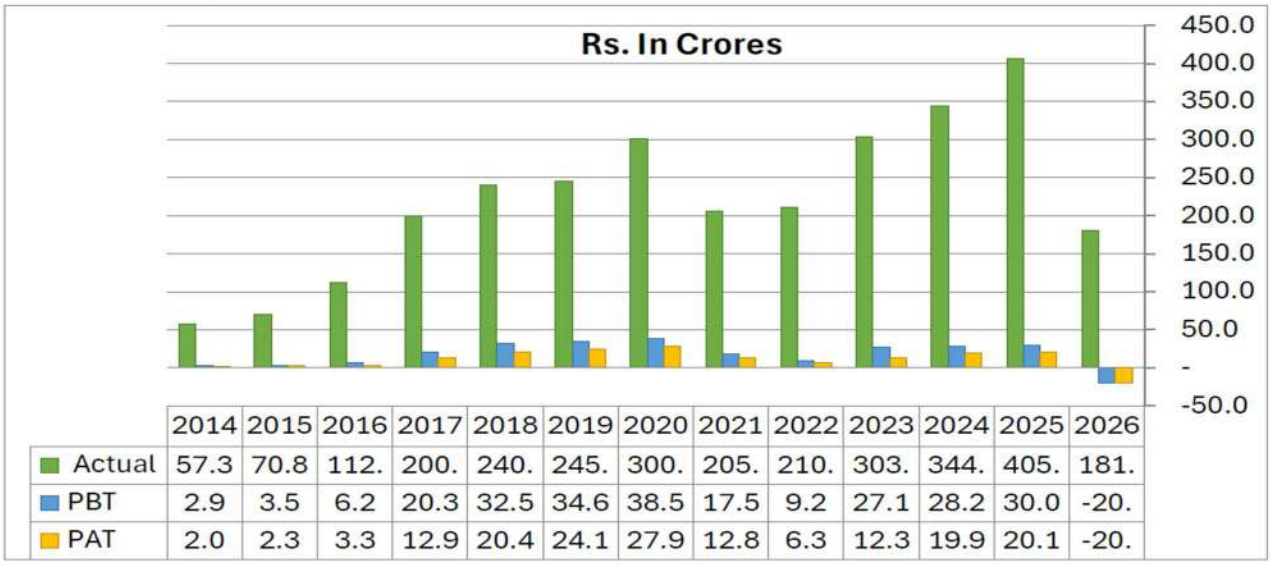
MARINE STRUCTURES

BRIDGE CONSTRUCTION

ROADS & BUILDINGS

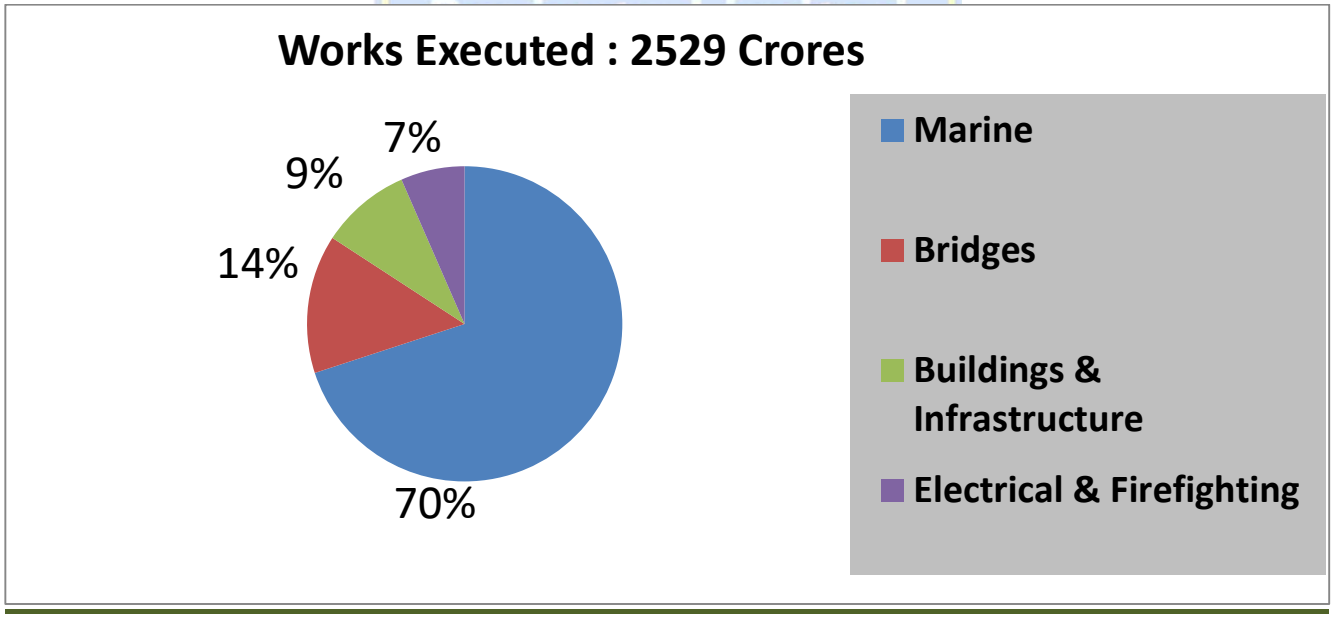
OUR CLIENTELE

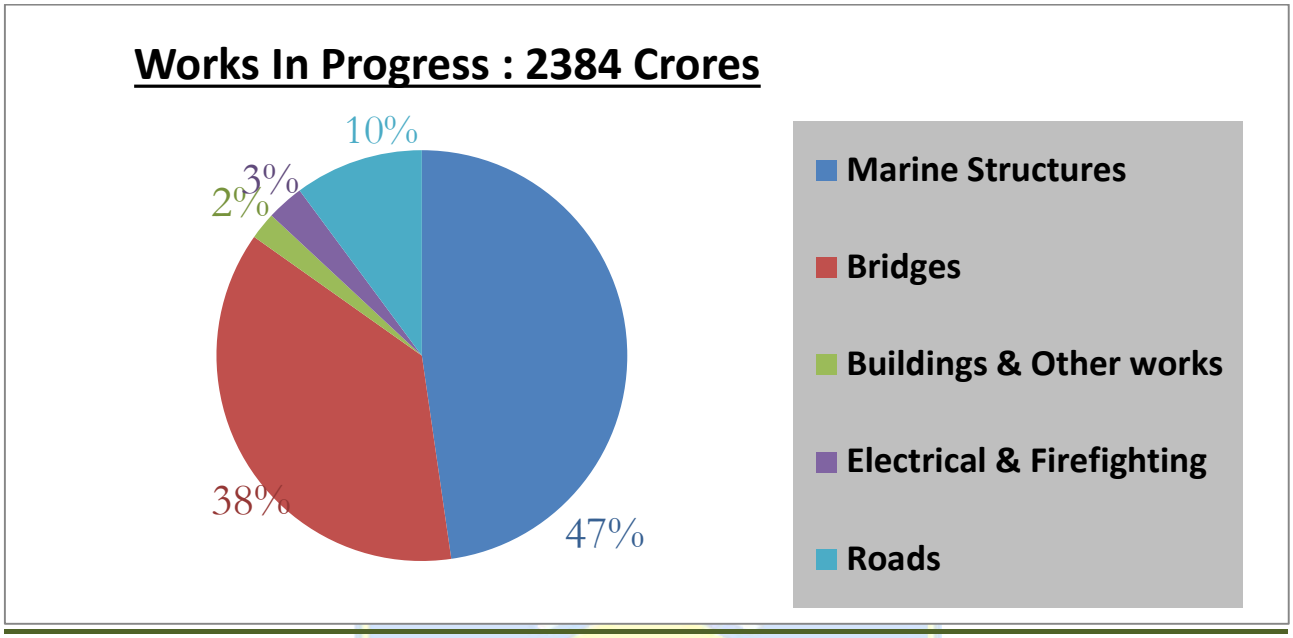
KEY FINANCIALS



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Actual	57.3	70.8	112.	200.	240.	245.	300.	205.	210.	303.	344.	405.	181.
PBT	2.9	3.5	6.2	20.3	32.5	34.6	38.5	17.5	9.2	27.1	28.2	30.0	-20.
PAT	2.0	2.3	3.3	12.9	20.4	24.1	27.9	12.8	6.3	12.3	19.9	20.1	-20.

BUSINESS VOLUME: Rs. 4913 Cr





REVENUE STATEMENT

Particulars	Amount In (Rs. In Cr) As At				
	31-03-2022	31-03-2023	31-03-2024	31-03-2025	31-03-2026
Total Sales	210.81	303.67	344.66	405.86	186.12
Total Expenses	201.63	276.21	316.49	375.87	233.53
EBIDTA	25.25	46.47	50.85	58.32	-13.25
EBIT Margin %	11.98	15.30	14.75	14.37	-7.41

PBT	9.18	27.13	28.17	29.99	-47.41
PBT Margin %	4.35	8.93	8.17	7.39	-25.48
PAT Margin %	2.98	4.05	5.77	4.94	-18.66

RECOGNITION OF OUR EXCELLENCE

Awarded as "Excellence in generating Employment" by Visakhapatnam Chamber of Commerce and Industry in 2018

Listing Ceremony of RKEC on NSE Emerge platform by Special invitee - Sri Sri Ravi Shankar ji

CLIENT TESTIMONIALS

RKEC is a synonym of professionalism. Their team from the top level management to the lowest level supervisor all are thorough professionals for which is quite evident from the quality of work & other deliverables"

DGNP, Indian Navy, Visakhapatnam

"Resourceful firm having expertise in Marine work"

Mumbai Port Trust

GLIMPSES OF MAJOR ONGOING PROJECTS

"CONSTRUCTION OF NEW 4-LANE BRIDGE (2 X 12.5M WIDE TWIN TWO LANE STRUCTURES) OVER RIVER GANGA AT DOWNSTREAM OF FARAKKA BARRAGE"

Work Value: Rs. 65,150 Lakhs

Client: NHAI, WB

Target for Completion: 31 Aug 2025

Physical Progress : 97.55%

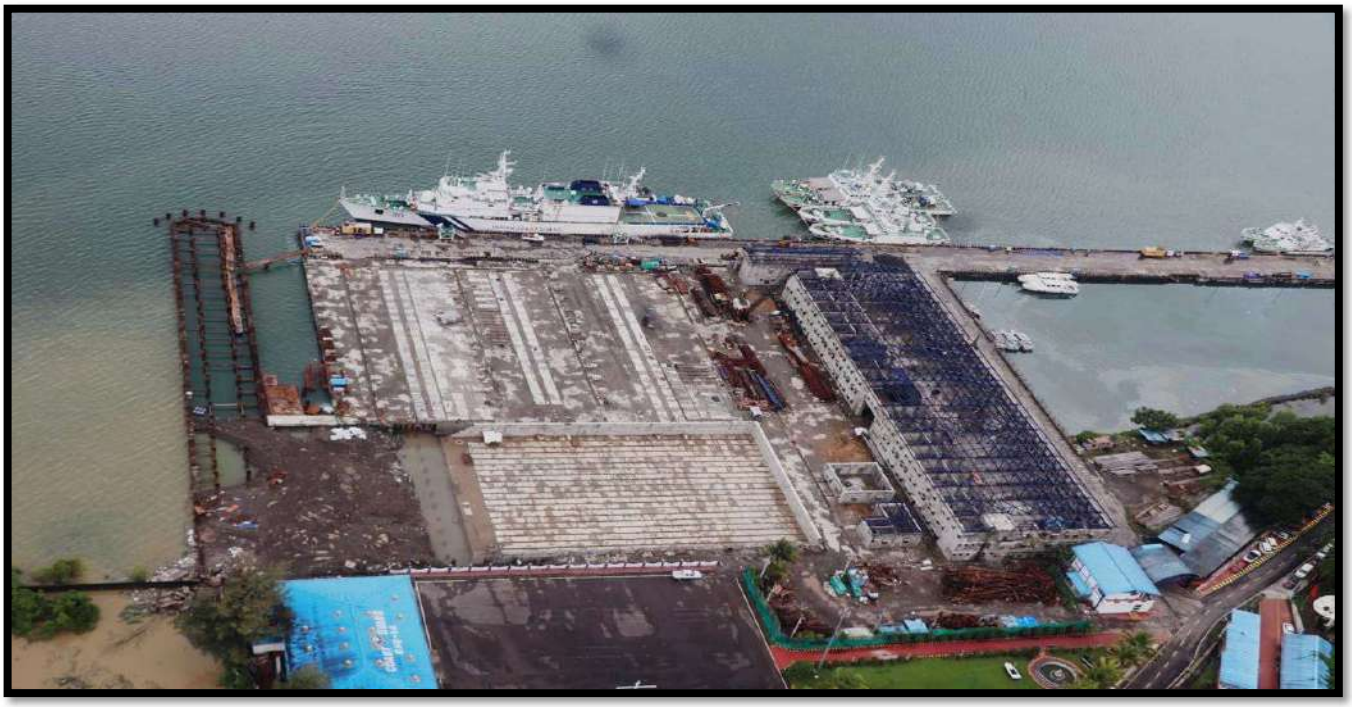
"PROVISION OF 03 LANE SLIPWAY 500 TON CAPACITY AT PORT BLAIR"

Work Value: Rs. 32,025 Lakhs

Client: MES

Target for Completion: 31 Mar 2027

Physical Progress :82.33%



"DEVELOPMENT OF FISHERY HARBOUR AT VERAVAL (PHASE-II) DIST. GIR-SOMNATH. PACKAGE-1. MARINE WORKS (PART A- MARINE STRUCTURES AND RECLAMATION, PART B- DREDGING PART D- REPAIR OF EASTERN AND WESTERN BREAKWATER, DEMOLITION AND DEBRIS REMOVAL)"

Work Value: Rs.41,578 Lakhs

Client: GMB

Target for Completion: 30 Jun 2027

Physical Progress : 51.32%

"CSA WORKS AT HPPL HALDIA DT & PANAGARH RT, SCHEDULE-1"

Work Value: Rs.4,897 Lakhs

Client: HPCL

Target for Completion: 30 Sep 2026

Physical Progress : 98%

"CONSTRUCTION OF BALANCE WORKS OF MAJOR BRIDGE OVER MIDDLE STRAIT CREEK BETWEEN KM. 106.590 TO KM 108.553 OF NH-04 CONNECTING SOUTH ANDAMAN & BARATANG ISLAND IN THE UNION TERRITORY OF ANDAMAN & NICOBAR ISLANDS ON EPC BASIS"

Work Value: Rs.24,544 Lakhs

Client: NHIDCL

Target for Completion: 31 May 2027

Physical Progress : 14.16%

"REHABILITATION AND UP-GRADATION AND COMPLETION OF BALANCE WORK OF SECTION FROM KM 155.00 TO KM 181.00 (END OF JARWA TO RANGAT) OF NH -4 (TOTAL LENGTH 26 KM) TO INTERMEDIATE LANE/2-LANE WITH HARD SHOULDERS IN THE UT OF A&N ISLANDS ON EPC BASIS - PACKAGE IIIB"

Work Value: Rs.23,435 Lakhs

Client: NHIDCL

Target for Completion: 30 Apr 2027

Physical Progress :52.54%

"CONSTRUCTION OF FISHING JETTIES (2 NOS) AND WHARF IN BETWEEN THE EXISTING FINGER JETTIES.

Work Value: Rs. 3,848 Lakhs

Client: VPA

Target for Completion: 31 Dec 2026

Physical Progress: 24.67%

"REFURBISHMENT AND UPGRADATION OF OUTFITTING JETTY, CRANE TRACK AND SERVICES AT HINDUSTAN SHIPYARD LIMITED, VISHAKHAPATNAM"

Work Value: Rs. 8,686 Lakhs

Client: HSL

Target for Completion: 09 Feb 2028

Physical Progress: 1%

"DESIGN, SUPPLY, INSTALLATION, TESTING AND COMMISSIONING OF FIREFIGHTING SYSTEM INSIDE DOCK AREA OF HALDIA DOCK COMPLEX, SMKP IN EPC MODE ALONG WITH COMPREHENSIVE MAINTENANCE CONTRACT FOR THE PERIOD OF 10 YEARS AFTER 2 YEARS DEFECT LIABILITY PERIOD"

Work Value: Rs. 41,623 Lakhs

Client: Syama Prasada Mookerjee Port

Target for Completion: 22 Mar 2027

Physical Progress: 3%

"JETTY REVAMPING PROJECT (STRENGTHENING, REPAIR AND IMPROVEMENT OF JETTY INFRASTRUCTURE AT NHAVA SUPPLY BASE"

Work Value: Rs. 197,59 Lakhs

Client: ONGC

Target for Completion: 20 Mar 2029

Physical Progress: 1%

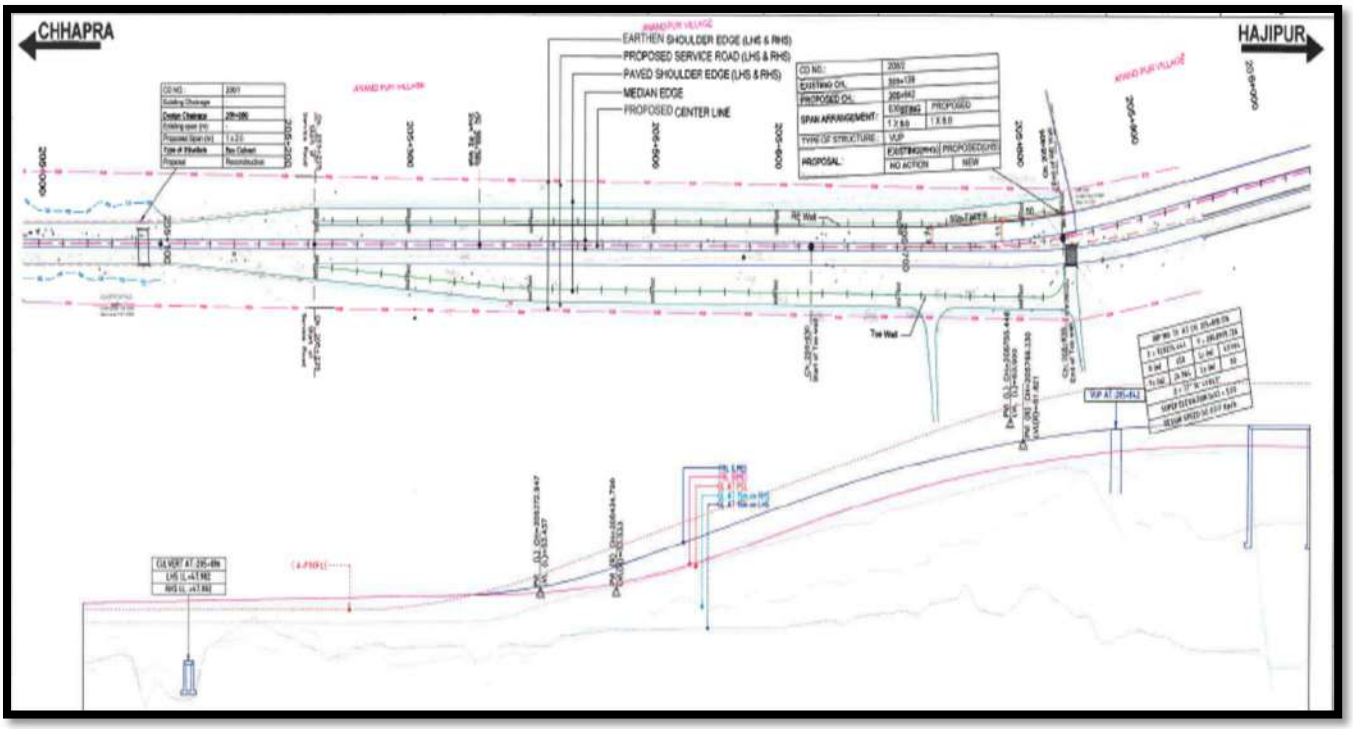
"BALANCE WORK OF NEW BRIDGE ON GANDAK RIVER INCLUDING APPROACHES AND REHABILITATION OF THE EXISTING GANDAK BRIDGE AT KM 206+436 AND MAHI BRIDGE AT KM 183+209 OF CHHAPRA-HAJIPUR SECTION OF NH-19".

Work Value: Rs. 47,790 Lakhs

Client: NHAI

Target for Completion: 25 Nov 2026

Physical Progress: 11%



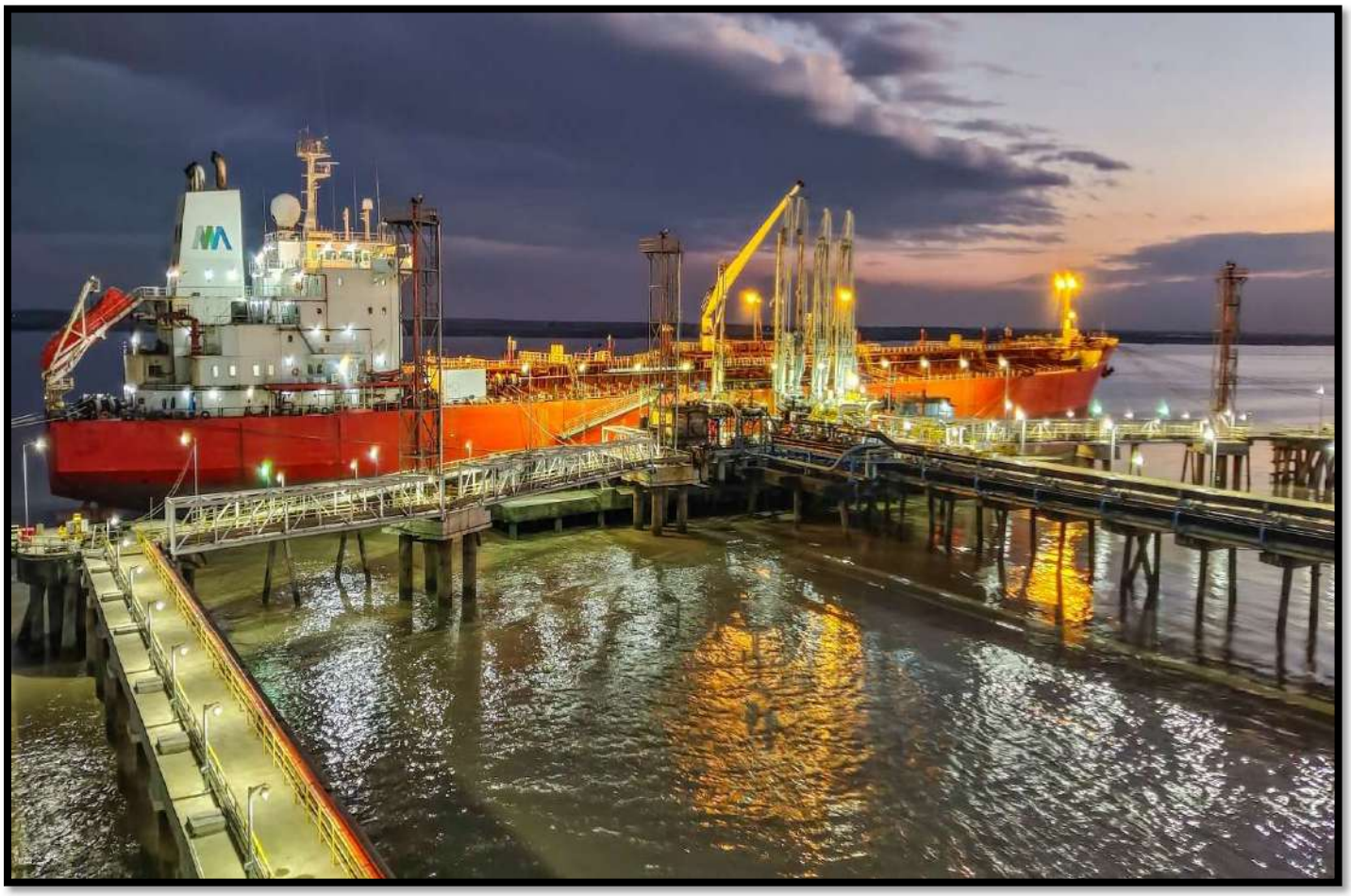
"DESIGN, MANUFACTURE, FABRICATION, SUPPLY, ERECTION, TESTING, COMMISSIONING AND HANDING OVER FIRE FIGHTING FACILITIES AT HOJ-I, HOJ-II, BARGE JETTY I & II AND UPCOMING OUTER TERMINAL –II (OT-II) IN EPC MODE"

O&M Work Value: Rs. 2,572 Lakhs

Client: Syama Prasad Mookerjee Port

Target for Completion: 15 Aug 2035

Physical Progress: 11%



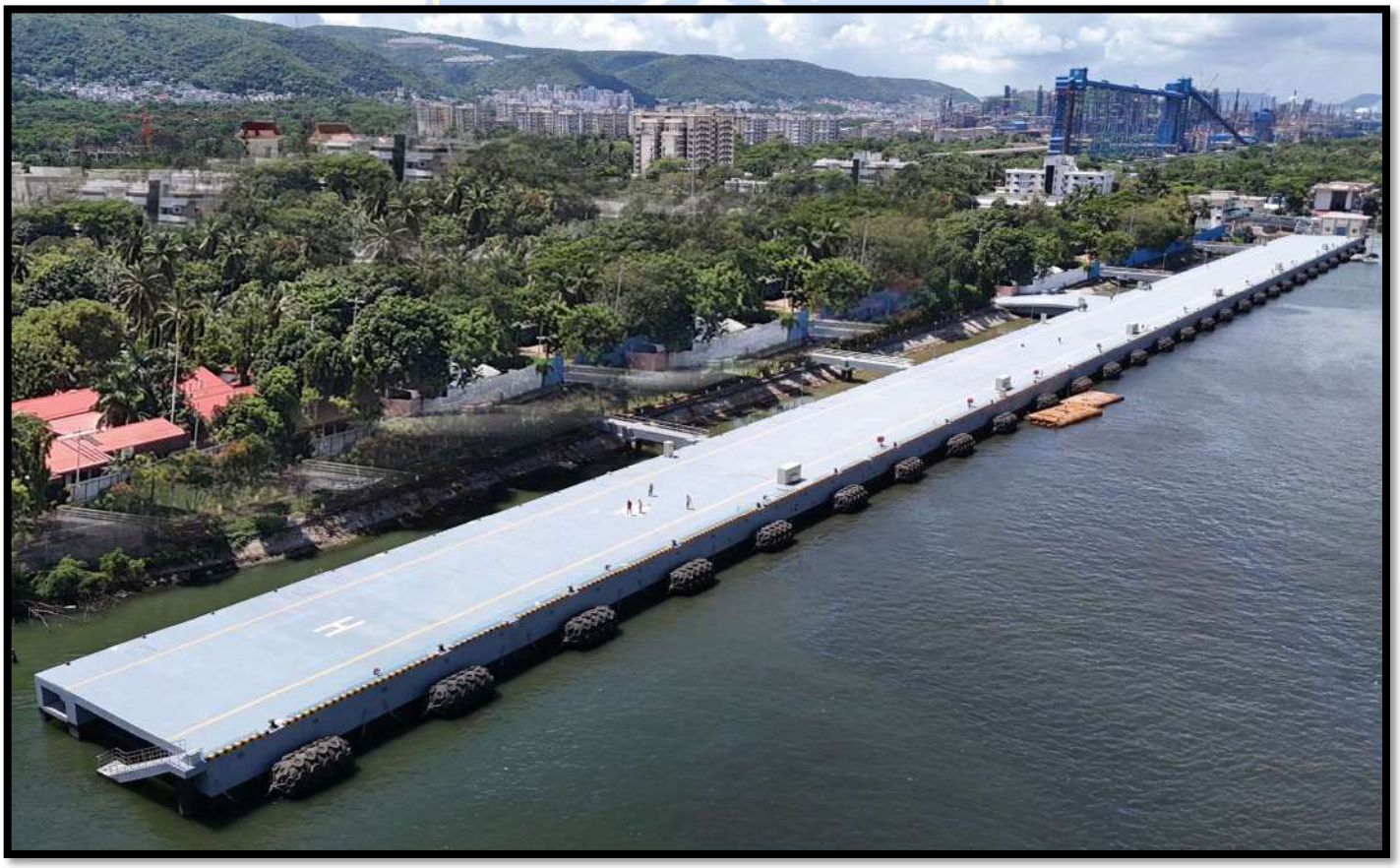
GLIMPSES OF MAJOR COMPLETED PROJECTS

"RECONSTRUCTION OF N1-N3 JETTY AT VISAKHAPATNAM"

Work Value: Rs. 16,922 Lakhs

Client: DGNP

Year of Completion: 2025



"INSTALLATION AND COMMISSIONING OF TLF SKID AT KOCHI LNG TERMINAL"

Work Value: Rs. 2,609 Lakhs

Client: Petronet LNG Limited

Year of Completion: 2025

"PROPOSED CONSTRUCTION OF CRUISE BERTH AT CHANNEL BERTH IN OUTER HARBOUR OF VISAKHAPATNAM PORT"

Work Value: Rs. 6,482 Lakhs

Client: VPA

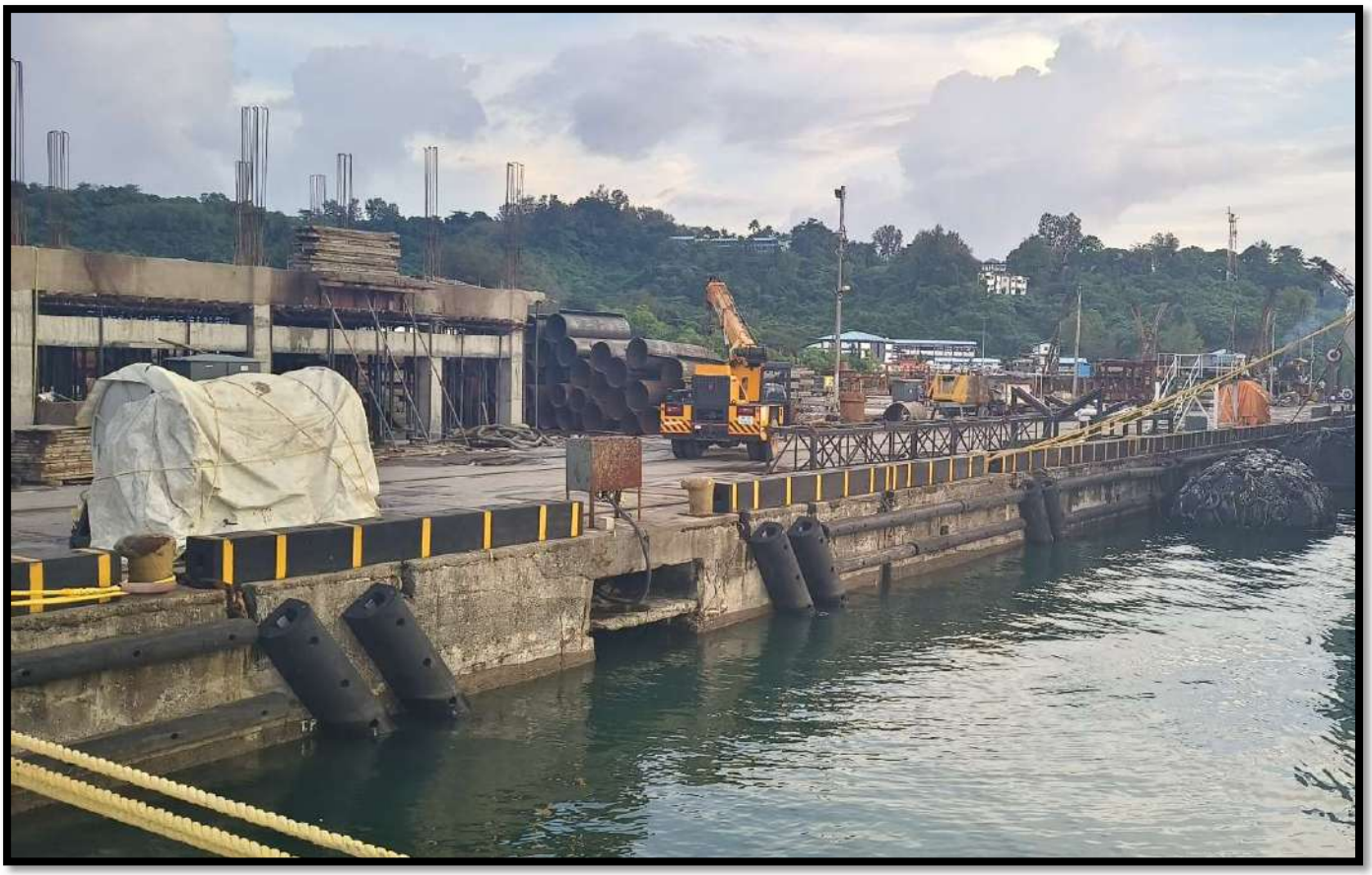
Year of Completion: 2023

"REPAIR OF JETTY FENDERS AT 330 MTRS LONG CG JETTY UNDER GE HADDO AT PORT BLAIR"

Work Value: Rs. 998 Lakhs

Client: MES

Year of Completion: 2025

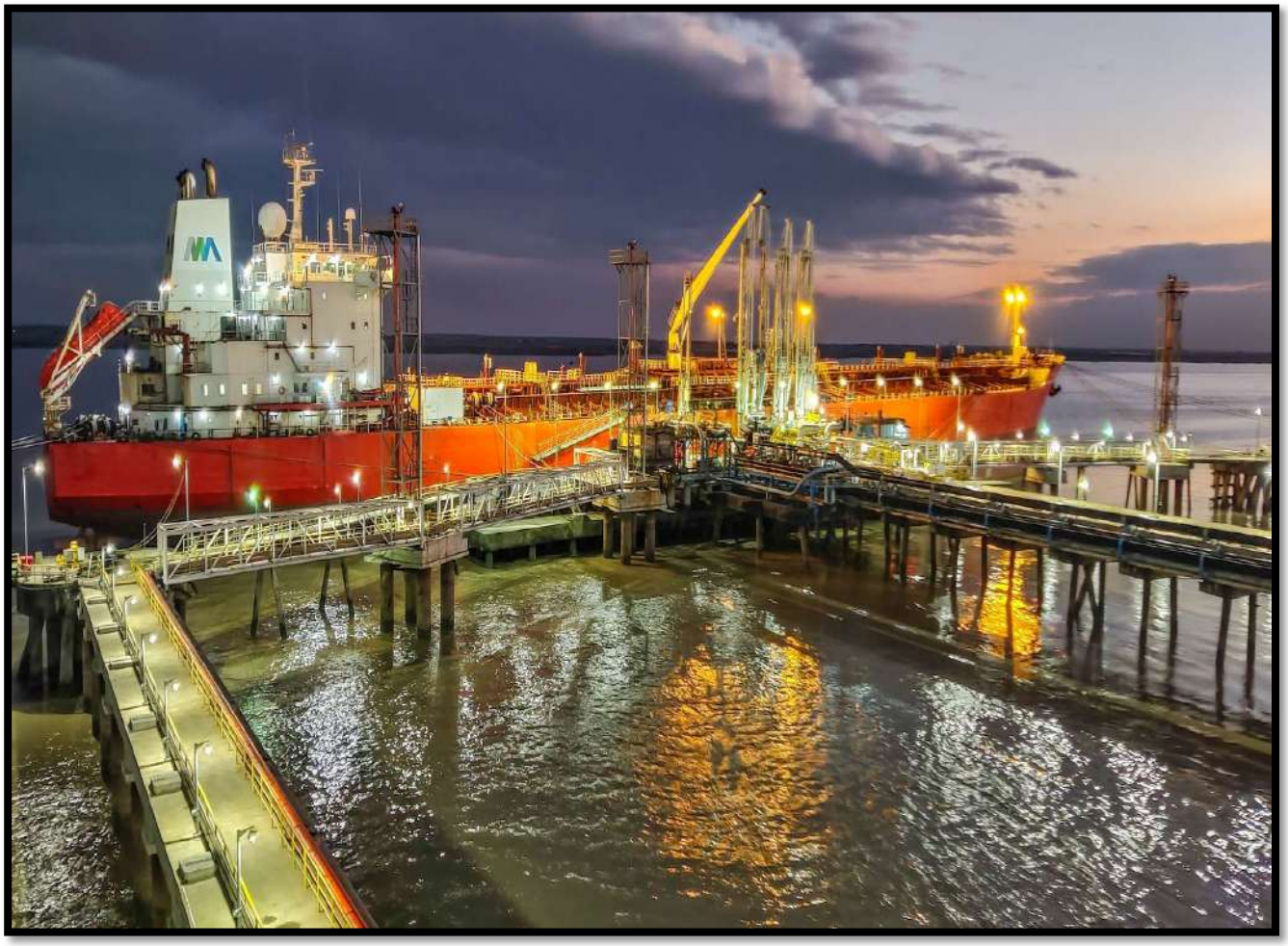


"DESIGN, MANUFACTURE, FABRICATION, SUPPLY, ERECTION, TESTING, COMMISSIONING AND HANDING OVER FIRE FIGHTING FACILITIES AT HOJ-I, HOJ-II, BARGE JETTY I&II AND UPCOMING OUTER TERMINAL –II (OT-II) IN EPC MODE"

Work Value: Rs. 12,684 Lakhs

Client: Syama Prasad Mookerjee,

Port Year of Completion: 2023



"CONSTRUCTION OF LIQUID CARGO HANDLING JETTY (OUTER TERMINAL II) NEAR 2ND OIL JETTY ON THE RIVER HOOGHLY AT HALDIA DOCK COMPLEX, KOLKATA PORT TRUST"

Work Value: Rs. 8,801 Lakhs

Client: Haldia Dock Complex

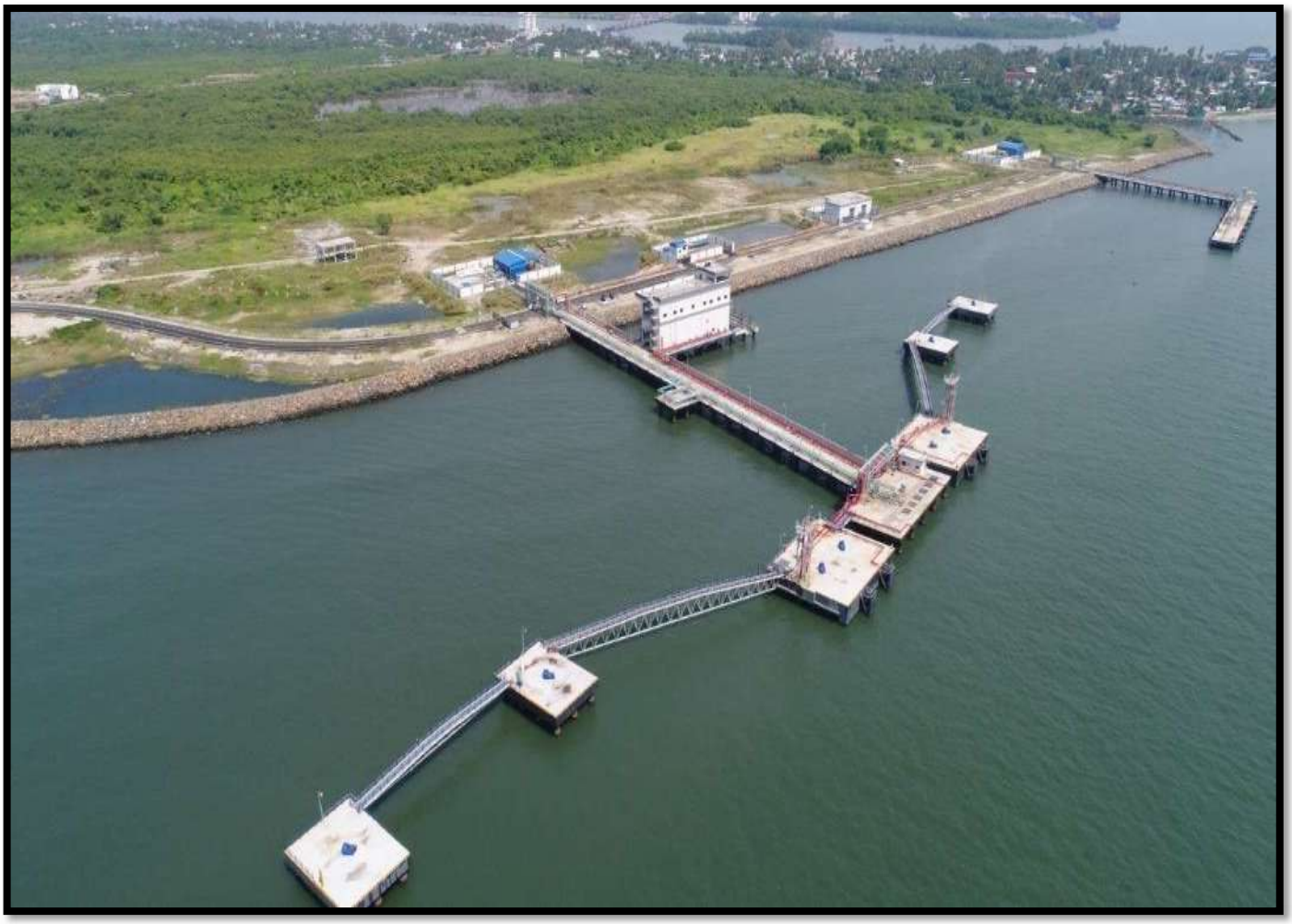
Year of Completion: 2022

"CONSTRUCTION OF MULTI-USER LIQUID TERMINAL AT PUTHUVYPEEN, COCHIN PORT".

Work Value: Rs. 21,200 Lakhs

Client: Cochin Port Trust, Cochin

Year of Completion: 2018



"CONSTRUCTION OF INDOOR SPORTS ARENA UNDER SMART CITY PROGRAM, VISAKHAPATNAM"

Work Value: Rs. 2,229 Lakhs

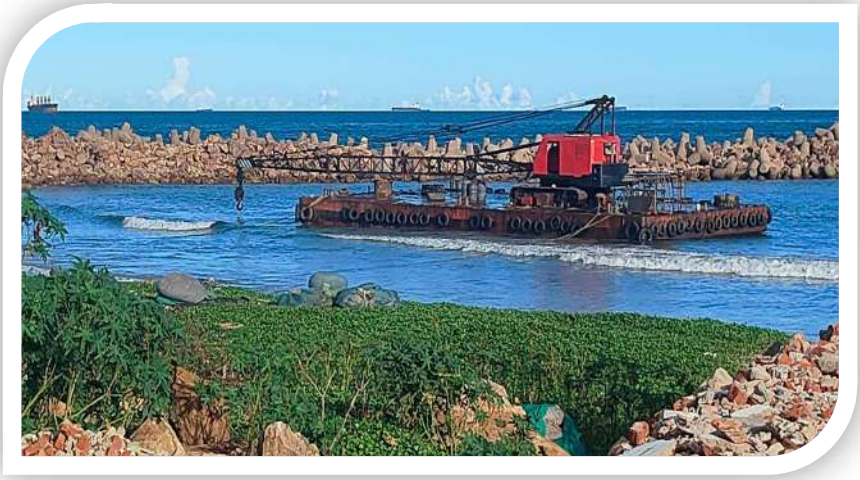
Client: GVMC

Year of Completion: 2022

GLIMPSES OF MAJOR EQUIPMENT OWNED

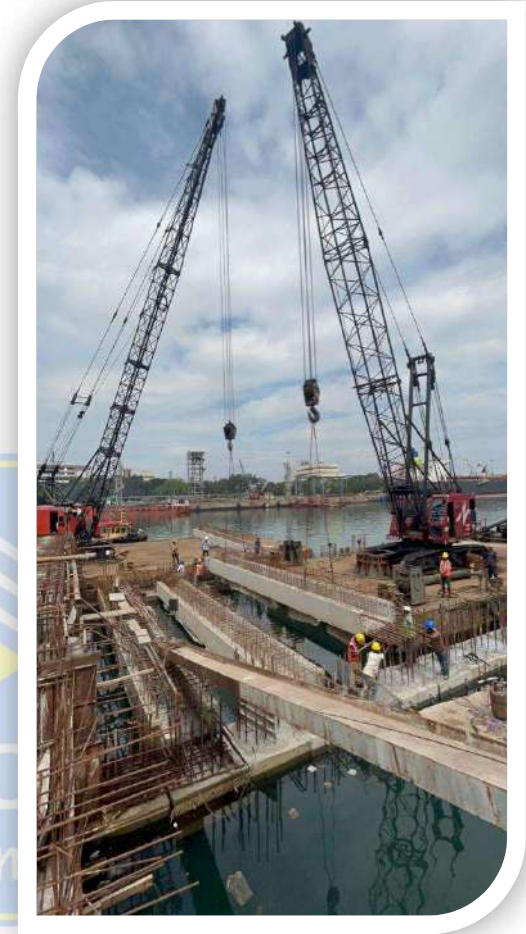
JACK UP BARGE - MARUTHI RK-IX

JACK UP BARGE - MARUTHI RK-IX



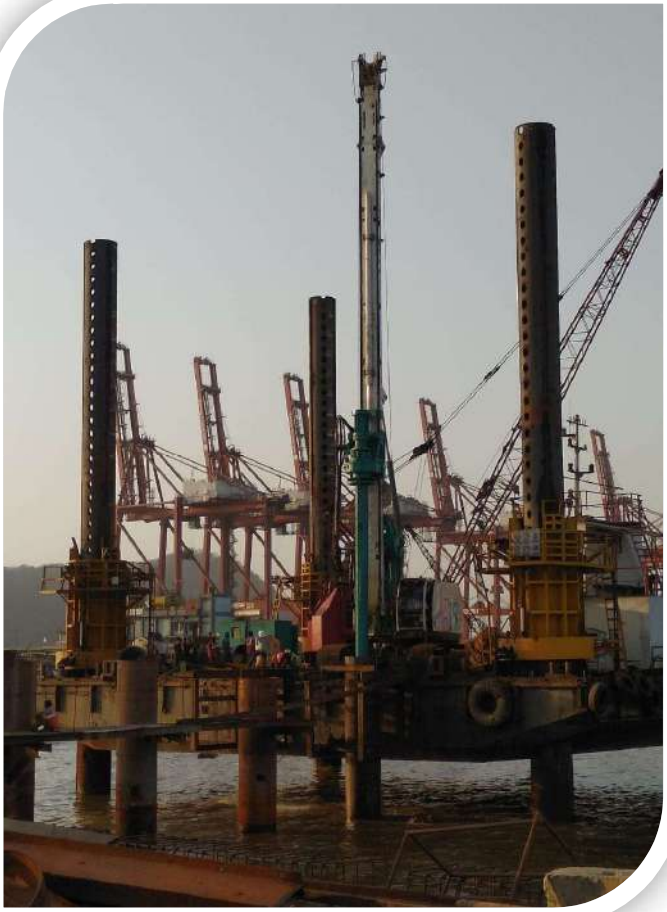
FLAT TOP CRANE BARGE

EX-370 EXCAVATOR



100 TON MONITOWAC CRANE ON BARGE

HYDRAULIC RIG SR-60



CASAGRADE B250 XP-2

EX-370 EXCAVATOR

KOMATSU PC-300

150 TON CRANE

TRANSIT MIXER

BOOM PUMP, MODEL S36

TUG BOAT

NOTICE OF 21ST ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty First Annual General Meeting of the members of RKEC Projects Limited (CIN: L43900AP2005PLC045795) will be held on Wednesday, the 30th September 2026 at 3:30 P.M. through Video Conferencing ("VC") / Other Audio Visuals Means ("OVAM") to transact the following business:

1. **TO RECEIVE, CONSIDER AND ADOPT:**

   a) The Audited Standalone Financial Statements of the Company with notes forming part thereof, for the Financial Year ended 31st March 2026 together with the Reports of the Board of the Directors and Auditors thereon; and

   b) The Audited Consolidated Financial Statements of the Company with notes forming part thereof, for the Financial Year-end 31st March 2026 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 2026, consisting of Balance Sheet as at 31st March 2026 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. **APPOINTMENT OF Smt. JEEVAN JYOTI VOLLA (DIN: 06947040) AS AN INDEPENDENT DIRECTOR**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013 and Regulation 25 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Jeevan Jyoti Volla (DIN: 06947040), who was appointed as an Additional Independent Director of the Company at the Board Meeting held on 10th August 2026 for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of [5 (five)] consecutive years up to [Date]."

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 2026-27 ending 31st March 2027, has been duly approved by the Board of Directors based on the recommendations of Audit Committee of the Company, a sum Rs.80,000/- (Rupees Eighty 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 2026-27 ending 31st March 2027, as recommended by the Board of Directors based on the recommendation of the Audit Committee of the Company, be and is hereby ratified and confirmed."

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

The remote e-voting period begins on Saturday, 26 September 2026 at 9:00 A.M. and ends on Tuesday, 29 September 2026 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. 24th September 2026, 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 24th September 2026.

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"** 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. 2. 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 3. 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. 4. 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	1. 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. 2. 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. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. 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.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned 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:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) 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'?

(i) 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'.

(ii) 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:

a) 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.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) 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.

d) 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?

1. 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.

2. 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".

3. Now you are ready for e-Voting as the Voting page opens.

4. 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 Members may also write to the Company Secretary at the Company's e-mail address cs@rkecprojects.com.

Process for those shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of email 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 shareholder 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.

5. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. There will be one e-vote for every Client ID irrespective of the number of joint holders. Voting Rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on the cut-off date and any person who is not a member as on that date should treat this AGM Notice for information purposes only. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members/Beneficial owner of the Company as on the cut-off date will be entitled to vote during the AGM.

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.

7. The details of Director's appointment or re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India is as below:

Name	Mrs. Jeevan Jyoti Volla
DIN	06947040
Designation	Independent Director
Qualifications	PG Diploma Training & Development, B-Tech Electronics & Telecommunication, KIIT
Experience	She possesses an experience of over 15 years
Date of Birth	24-06-1985
Date of Appointment as Director	10-08-2026
No. of shares held in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	Nil

By the Order of the Board of Directors
For RKEC Projects Limited

Sd/-
Vijay Kumar Jonnada
Company Secretary & Compliance Officer

Date: 08 September, 2026
Place: Visakhapatnam

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

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have the audit of its cost records for products covered under the aforesaid Rules conducted by a Cost Accountant in practice. Your Company is engaged in Civil Construction.

On recommendations of the Audit Committee, the Board of Directors of the Company, at its meeting held on 10th August 2026, 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 2026- 27 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.

By the Order of the Board of the Directors
For RKEC Projects Limited
Sd/-
Vijay Kumar Jonnada
Company Secretary & Compliance Officer

Date: 08 Sep 2026
Place: Visakhapatnam

DIRECTORS' REPORT

Dear Shareholders,

Your Directors hereby presenting to you the Twenty-First Annual Report on Business and Operations of the Company along with audited Annual Financial Statements for the year ended 31st March, 2026.

PRESENTATION OF FINANCIAL STATEMENTS:

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

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations	18,017.32	39901.82	18017.32	42192.25
Other Income	595.31	685.00	597.28	686.43
Total Income	18,612.63	40586.00	18614.60	42878.68
Less: Expenditure	23,353.63	34755.87	23353.61	39880.89
Profit/(loss) before Interest, Depreciation and Tax	-1325.97	5830.95	-1323.99	5832.36
Less: Finance Cost	2509.02	1947.69	2509.01	1947.68
Less: Depreciation & Amortization Cost	906.01	886.89	906.01	886.89
Prior Period Items	-	-	-	-
Less: Extraordinary items	-	-	-	-
Profit/(loss)Before Tax	-4741.00	2996.37	-4739.01	2997.79
Less: Tax Expenses	-1270.04	901.16	-	901.89
Less: Deferred Tax	-1270.04	92.14	-1270.04	92.14
Profit/(loss)after Tax	-3470.97	2003.07	-3468.97	2003.76

1. DIVIDEND

The Board of Directors did not recommend any dividend for the Year under review due to constraints on profitability and performance during the Year.

2. CAPITAL STRUCTURE

Considering the preferential issue to Promoter - Shri G Radhakrishna for partial conversion of Loan to equity in the General Meeting, the paid-up capital of the Company sums to Rs.25,82,06,000 (Rupees Twenty Five Crores Eighty Two Lakhs Six Thousand only) divided into 25820600 (Two Crore Fifty Eight Lakh Twenty Thousand and Six Hundred) equity shares of Rs.10/- each as on date.

The aforesaid Equity Shares are 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.

3. 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 2025-26 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.

4. 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.

5. 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.

6. 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.

7. 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, one of the work awarded to the company was terminated after the balance sheet date by Maharashtra Martine Board (MMB).

8. 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.

9. 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 except as informed on the stock exchange where the shares of the company are listed.

10. 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. Report on risk and it's management forms part of the separate annexure-Management Discussion and Analysis Report.

11. 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. 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.

B. **Foreign Exchange Earning & Out-Go:**

Foreign Exchange Earning: NIL

Foreign Exchange Outgo: NIL

12. 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.

13. 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 forms part of the Annual Report for detailed information.

14. 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 to the Board's Report. The transactions with related parties are at arm's length and in ordinary course of business.

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.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Composition

As on March 31, 2026, the Board of your Company consists of Nine Directors. Their details are as follows:

Category	Name of Director
Executive Director	Shri Garapati Radhakrishna-Chairman
	Shri R Jayachandran-Managing Director/CFO
	Smt Parvathi Devi Garapati-Whole Time Director
	Shri Venkata Rama Mohan Gudapati- Whole Time Director/COO
Non-Executive Independent Directors	Vice Admiral Satish Soni PVSM,AVSM, NM (Retd)
	Lt Gen Kumar Peruvemba Ramachandran
	Brig Kameswara Jagabathula Rao
	Shri S M Jain
	Smt. Jeevan Jyoti Volla (Since 10.08.2026)
	Dr. Lucas Peter Thalakala (till 23.06.2026)

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:** Not Applicable

c. 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 on the Board.

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

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, they have complied with the Code for Independent Directors as prescribed in Schedule IV to the Act and subsequently the same was placed at the Board Meeting.

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.

16. KEY MANAGERIAL PERSONNEL

Shri G Radhakrishna-Chairman, Shri R Jayachandran-Managing Director/ Chief Financial Officer, Smt. G Parvathi Devi - Whole Time Director, Shri G V Rama Mohan - Whole Time Director/COO and CS Vijay Kumar Jonnada - 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.

17. MEETINGS OF THE BOARD OF DIRECTORS

The Board met 6 times in the Financial Year 2025-26 viz, 28 May 2025, 08 July 2025, 14 August 2025, 23 August 2025, 14 November 2025 and 11 February 2026.

18. 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. A detailed report on all the committees including their terms of reference, number of times they met etc., is mentioned in the corporate governance report which forms part of this report. Further there are no instances where the Board has not accepted recommendations of Audit Committee. All recommendation of all committees were accepted by board. 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) (Chairman)	4	4
Vice Admiral Satish Soni PVSM, AVSM, NM (Retd) (Member)	4	4
Shri G Radhakrishna (Member)	4	4
Shri S M Jain* (Member)	4	3

Nomination & Remuneration Committee

Name of Members	No. of Committee Meeting entitled	No. of Committee Meetings Attended
Shri T Lucas Peter, IRS (Retd) (Chairman)	2	2
Vice Admiral Satish Soni PVSM,AVSM, NM (Retd) (Member)	2	2
Lt Gen P R Kumar (Member)	2	1

Corporate Social Responsibility (CSR) Committee

Name of Members	No. of Committee Meeting entitled	No. of Committee Meetings Attended

Shri G Radhakrishna (Chairman)	2	2
Brig J K Rao (Member)	2	2
Shri G V Rama Mohan (Member)	2	1

Stakeholders Relationship Committee

Name of Members	No. of Committee Meeting entitled	No. of Committee Meetings Attended
Shri G Radhakrishna (Chairman)	1	1
Vice Admiral Satish Soni (Member)	1	1
Shri Lucas Peter Thalakala (Member)	1	1
Shri R Jayachandran (Member)	1	1

19. 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, 2026, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b) hat 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, 2026 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.

20. 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 behavior, 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.

21. DETAILS OF INVESTOR'S GRIEVANCES/ COMPLAINTS

The pending complaints of the Shareholders/ Investors registered with SEBI at the end of the current Financial Year ended on 31st March 2026 are NIL.

There were no pending requests for share transfer/dematerialization of shares as of 31st March 2026.

22. 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.

23. 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.

24. 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 2026, the Company has not received any complaints pertaining to sexual harassment.

25. 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, and M/s Rapid Net Sports System. The statement containing the salient feature of the JVs is given as Annexure.

26. AUDITORS

Statutory Auditors

M/s. SARC & Associates, Chartered Accountants (FRN: 006085N) was reappointed for second term till 5 Years till 2030.

Secretarial Auditor

M/s. Mehta & Mehta, Company Secretaries, Mumbai was 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 2024-25 in the Board Meeting held on 23 May 2024. Secretarial Audit Report (MR-3) is annexed to this report. M/s. Mehta & Mehta was reappointed for second term till 5 Years till 2030.

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 2026-27.

Internal Auditors

The Company has appointed M/s Raj, Tej & Pal, Chartered Accountants Firm, as Internal Auditor for the year 2026-27. The Company takes up the observations made by the Internal Auditor and adheres to comply with the same. The Company presents a report to the Board on the action taken for the

comments raised in the Internal Audit Report. There are no such instances where Internal Audit reports submitted have any material qualifications, reservations or adverse remarks or disclaimers.

27. 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 is annexed to this report. 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. Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual

Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may address their email to cs@rkecprojects.com.

28. 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, 2026 is available at www.rkecprojects.com.

29. 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 FY 2025-26. The Chairman and Managing Director / 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 Practicing Company Secretary regarding compliance of conditions of corporate governance is attached to the Corporate Governance Report.

30. 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.

31. LISTING

The equity shares of the Company are listed on Main Board of NSE and the Company has paid Annual Listing Fees for the Year 2026-27.

32. 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.

33. 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.

34. PREVENTION OF INSIDER TRADING

"Insider Trading" is an unethical practice resorted to by those privies 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.

35. 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.

36. 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.

ANNEXURE - 1

REPORT ON CORPORATE GOVERNANCE

Introduction

RKEC Projects Limited, headquartered in Visakhapatnam, Andhra Pradesh, is a prominent construction and engineering Company, specializing in civil and defense infrastructure projects. Established in 1985, the Company has expanded its operations across multiple states, including Andhra Pradesh, Tamil Nadu, Gujarat, Odisha, Rajasthan, Maharashtra, Puducherry, Kerala, Manipur, and Uttar Pradesh. 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 42 years old, specialized in the business of Civil and Defense Construction such as construction of Buildings, Highways, Marine Works and Bridges. The Company has so far completed over 100 Projects. The Company achieves targeted Turn Over 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.

Core Business Activities

RKEC Projects engages in a diverse range of construction services, with a focus on:

- **Marine & Port Infrastructure**: Construction of jetties, wharves, berths, and breakwaters.
- **Transportation Infrastructure**: Development of roads, highways, and bridges, including rail-cum-road bridges.
- **Défense & Strategic Projects**: Execution of defence-related infrastructure works.
- **Electrification Projects**: Rural electrification and high/low tension electrical works.
- **Building & Industrial Infrastructure**: Construction of buildings, sports complexes, and industrial sheds.
- **Water & Coastal Works**: Development of intake structures, coastal protection, and water intake systems.

- **Fire Fighting works**: Connected to Marine Infrastructure.

Key Clients & Partnerships

RKEC Projects has established a diverse client base, including:

- Defence sector
- Indian Railways
- Port Sector
- Fishing Harbours etc.

1. BOARD OF DIRECTORS:

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, 2024, the Board consists of Nine Directors comprising of Four Executive Directors, and Five Independent Directors. As the Company has an Executive Chairman, to comply with the Listing Regulations and other provisions of Law, more than 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 was 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	5
Other Non – Executive Directors	0
Executive Directors	3
Executive Chairman	1
Total	9

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

Sl. No.	Name of the Director	Category	Skills/ Expertise/ Competence
1.	Shri Garapati Radhakrishna (Chairman)	Executive Director	Experience of 39+ years in Infra Industry
2.	Shri R Jayachandran (Managing Director)	Executive Director	Experience of 42+ years in Major Ports of India
3.	Smt. Parvathi Devi (Whole Time Director)	Executive Director	Experience of 37+ years in Infra Industry
4.	Shri Venkata Rama Mohan Gudapati (Whole Time Director)	Executive Director	Experience of 16+ years in Marine Structures and Buildings
5.	Shri Kumar Peruvemba Ramachandran (Independent Director)	Independent Director	Experience of 41+ years in Army (Retd Gen Lt.) / Governance
6.	Dr. Lucus Peter Thalakala (Independent Director)	Independent Director	Experience of 40+ years in Income Tax Department
7.	Shri Kameswara Jagabathula Rao (Independent Director)	Independent Director	Experience of 36+ years in Indian Army (Retd. Brig)/ infrastructure development/ HR
8.	Shri Satish Soni (Independent Director)	Independent Director	Experience of 47+ years in Army(Retd. Vice Admiral)/ Finance/Governance
9.	Shri Sobhag Mal Jain (Independent Director)	Independent Director	Experience of 39+ years in Finance
10.	Smt. Jeevan Jyoti Volla (Independent Director)	Independent Director	Experience of 14+ years in Engineering

List of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board.

	Shri Garapati Radha	Shri Rama Krishna	Smt. Parvathi Devi	Shri Venkata Rama	Shri Satish Soni	Shri Kameswara	Shri Kumar Peruve	Shri Sobhag Mal Jain	Smt. Jeevan Jyoti Volla	Dr. Lucus

	krishna	Jayachandran	Garapati	Mohan Gudapati		Rao Jagabathula	mba Ramachandran			Peter Thalakala
Leadership / Operational expertise	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategic planning	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sector / Industry Knowledge, Business Strategy, Financial Control	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial, Regulatory / Legal & Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Social Responsibility and Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

2. 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, Six (6) meetings of the Board were held on the following dates:

Sl. No.	Date of the Board Meeting	Board Strength	No. of Directors Present
1	28 May 2025	9	8
2	08 July 2025	9	9
3	14 August 2025	9	5
4	23 August 2025	9	8
5	14 November 2025	9	9
6	11 February 2026	9	9

a. <u>Board Meetings held and Director's attendance record:</u>

During FY 2025-26, 6 (Six) 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:

Sl. No.	Name of Directors	Category of Director	No. of Shares held as on 31st March, 2025	No. of Board Meetings Attended	No. of Directorships in Public Compa	No. of Board Committee Memberships held in Public Companies as on 31st March,	Whether present at previous

				during Financial Year 2025-26	nies as on 31st March, 2026*	2025**		AGM held on September 18, 2026
						Chairman	Member	
1.	Garapati Radhakrishna	Promoter, Chairman	1,53,07,665	6	1	1	2	Yes
2.	Ramakrishna Jayachandran	Managing Director	0	6	1	0	1	Yes
3.	Garapati Parvathi Devi	Promoter, Whole Time Director	59,000	6	1	0	0	Yes
4.	Venkata Rama Mohan Gudapati	Whole Time Director	100	6	1	0	1	Yes
5.	Sobhag Mal Jain	Non-Executive Independent Director	0	6	5	0	3	Yes
6.	Lucas Peter Thalakala	Non-Executive Independent Director	0	6	1	3	0	Yes
7.	Satish Soni	Non-Executive Independent Director	0	6	1	0	3	Yes
8.	Kameswara Rao Jagabathula	Non-Executive Independent Director	0	6	1	0	1	Yes
9	Kumar Peruvemba Ramachandran	Non-Executive Independent Director	0	6	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.

- Shri Garapati Radhakrishna is Husband of Smt. Parvathi Devi and Shri G V Rama Mohan is Son-in Law of Shri Garapati Radhakrishna and Smt. Parvathi Devi. Except this none of Directors are related.

3. **Details of other Directorship positions held by Directors in Listed Entities as on 31st March, 2026:**

Sl. no.	Name of the Director	Names of listed entities in which Directorship held	Category of Directorship
1	Mr. Shri Garapati Radhakrishna	None	None
2	Mr. R Jayachandran	None	None
3	Mrs. Garapati Parvathi Devi	None	None
4	Mr. Venkata Rama Mohan Gudapati	None	None
5	Mr. Sobhag Mal Jain	Care Rating Limited	Independent Director
		Choice International Limited	Independent Director
		The Byke Hospitality Limited	Independent Director
		Kasliwal Projects Limited	Independent Director
6	Mrs. Jeevan Jyoti Volla (Since 10.08.2026)	None	None
7	Mr. Satish Soni	None	None
8	Mr. Kameswara Rao Jagabathula	None	None
9	Dr. Lucas Peter Thalakala (till 23.06.2026)	None	Independent Director

10	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, 2026. 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 2024-25 i.e., on 19th June 2026, 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. In the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management. Details of Familiarization Programs imparted to Independent Directors is available on the website of the Company, www.rkecprjects.com.

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, 2025:

Sl. No.	Name of the Promoter / Relative of Promoter	No. of Shares held	% of Shares held
1.	Garapati Radhakrishna	1,70,62,904	66.08
2.	G Parvathi Devi	59,000	0.23

3.	G Naga Pushyami	22,100	0.09
4.	G Hima Bindu Sree	30,100	0.11
Total		1,71,74,104	66.51

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 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 FY 2025-26, the Committee met for 4 (Four) times i.e., on 28 May 2025, 14 August 2025, 14 November 2025, and 11 February 2026. 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	Member	4	4
Shri S M Jain	Independent Director	Member	4	3

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 were 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 2025-26, the Committee met 2 (Two) times i.e., on 28 May 2025 and 11 February 2026. 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	Category	Designation in	No. of Meetings

Member		the Committee	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 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:

Sl. No.	Name of the Director	Salary/ Allowance/ Perquisites & Performance Bonus (in Lakhs)	Contribution to funds(in Lakhs)	Total (in Lakhs)
1	G Radhakrishna	60.00	-	60.00
2	R Jayachandran	48.00		48.00
3	G Parvathi Devi	60.00	-	60.00
4	GV Rama Mohan	46.80	-	46.80

The details of the Commission/ Sitting Fee paid to the Independent Directors/ Non-Executive Directors of the Company during the FY 2025-26 is tabled below:

Sl. No.	Name of the Director	Sitting Fee (in Lakhs)	Commission (in Lakhs)	Total (in Lakhs)
1	Vice Admiral Satish Soni	Rs. 2.00	-	Rs. 2.00
2	Shri Lucas Peter Thalakala	Rs. 2.00	-	Rs. 2.00
3	Brig J K Rao	Rs. 2.00	-	Rs. 2.00
4	Lt Gen P R Kumar	Rs. 2.00	-	Rs. 2.00
5	Shri S M Jain	Rs. 2.00		Rs. 2.00

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 2025-26, the Committee met once i.e., on 28 May 2025. 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	Member	1	1
Vice Admiral Satish Soni	Independent Director	Member	1	1
Shri R Jayachandran	Managing 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 FY 2025-26 are given herein below:

Sl. No.	Nature of Complaint	Pending as on 01.04.2025	Received during the year	Disposed off during the year	Pending as on 31.03.2026
1.	SEBI/ Stock Exchange Complaints	0	1	1 (Clarified and withdrawn)	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**

Details of Compliance Officer of the Company: Mr. Vijay Kumar Jonnada, Company Secretary.

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

Composition, Meetings and Attendance:

During the FY 2025-26, the Committee met 2 (Two) times i.e., on 28 May 2025 and 11 February 2026. 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	Chairman	2	2
Brig J K Rao	Independent 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. 2025-26 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
2022-23	27th September 2023	Through Video Conferencing(VC) / Other Audio Visual Means (OAVM)	11:30 A.M.
2023-24	26th September 2024	Through Video Conferencing(VC) / Other Audio Visual Means (OAVM)	11:30 A.M.
2024-25	18th September 2025	Through Video Conferencing(VC) / Other Audio Visual Means (OAVM)	11:30 A.M.

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.

CS Ashwini Inamdar, Company Secretary in Practice (FCS - 9409 and CP No. - 11226), Mehta & Mehta, Corporate Legal Firm was appointed as the Scrutinizer for conducting the Postal Ballot through remote e-voting process in a fair and transparent manner.

Procedure for Postal Ballot:

Pursuant to and in compliance with the provisions of Section 108 and Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, read with the General Circular No. 14/2020 dated April 8, 2020, the General Circular No.17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, the General Circular No. 39/2020 dated December 31, 2020, the General Circular No. 10/2021 dated June 23, 2021, the General Circular No. 20/2021 dated December 8, 2021, General Circular No. 3/2022 dated May 5, 2022, the General Circular No. 11/2022 dated December 28, 2022 and the General Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs ("MCA Circulars"), Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards 2 on General Meetings issued by the Institute of Company Secretaries of India (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and as amended from time to time), and other applicable provisions of the Act, Rules, Circulars and Notifications issued thereunder, the Company had issued Postal Ballot Notices dated 8 April 2024 and 22 July 2024 respectively to the Members, seeking their consent with respect to the Resolutions mentioned above.

The Board of Directors had appointed CS Ashwini Inamdar, Company Secretary in Practice (FCS - 9409 and CP No. - 11226), Mehta & Mehta ,Company Secretaries as the Scrutinizer for conducting the Postal Ballot.

The Company engaged the services of M/s Big share Services Private Limited for e-voting to enable the Members to cast their votes electronically. The Company also published a notices in the newspapers declaring the details of completion of dispatch and other requirements under the act and rules framed thereunder. The Scrutinizer, after the completion of scrutiny, submitted his report to Mr. Vijay Kumar Jonnada, Company Secretary, who was duly authorized by the Chairman to accept, acknowledge and countersign the Scrutinizer's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India. The results were also displayed on the website of the Company at www.rkecprojects.com and also intimated to the National Stock Exchange of India Limited (NSE) and on the website of the e-voting agency Bigshare at https://ivote.bigshareonline.com.

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:

Credit Rating ratings of RKEC, (by Infomerics Valuation and Rating Pvt Ltd) is 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).
c. Down graded to D with effect from 26.03.2026.

12. CLIENTS:

Client Satisfaction is our number one goal.

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.

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, and

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 except in one occasion during FY 2025-26 to all the stock exchanges where the shares of the Company is 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 30, 2026, at 3:30 a.m. through Video Conferencing/Other Audio-Visual Means.

b) Financial Year: 1st April, 2025 to 31st March, 2026.

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 2026-27 to NSE.

d) Stock Code: RKEC

e) Market Price data:

f) **Corporate Identification Number:** L43900AP2005PLC045795

g) **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 Demat related services.

Address: Big share Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400072, India.

h) **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.

i) Demat Information:

As on 31st March, 2026, 100% of the total shareholding of the Company is in Demat form.

ISIN No. for Equity Shares of the Company: INE786W01010

l) **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.

m) Foreign Exchange Risk and Hedging Activities:

Not Applicable

n) Plant Location:

The company belongs to service industry and we have our presence in the State of Andhra Pradesh, Gujarat, Maharashtra, Kerala, West Bengal and Andamans for the present.

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

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, except a penalty of Rs. 3,94,200/- was imposed by NSE for non-compliance on delayed disclosure of Financials Statements for FY 2025-26 as per SEBI LODR Regulations, 2015 and as disclosed on NSE.

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, 2026, 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. 8,00,000/- for the Financial Year 2025-26.

j. During the year 2025-26, 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, M/s Suryadevra and RKEC-YFC JV. 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 2025-26, the shares of the Company were not suspended on the Stock Exchange.

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: L43900AP2005PLC045795

ANNEXURE - 2

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Introduction

Company Overview:

RKEC Projects Limited is a leading construction services organization with a legacy spanning over 40 years, specializing in civil and defence construction across India. Established as a company in 2005, RKEC has consistently built a strong reputation for delivering high-quality infrastructure projects on time and within budget.

Our core expertise includes the design and execution of complex projects such as bridges, ports, dams, airports, marine structures, highways, oil and gas pipelines, cross-water constructions, industrial complexes, warehouses, dredging etc.

With a commitment to engineering excellence and sustainability, RKEC Projects Limited continues to build spaces that enhance the quality of life and foster economic development across the country.

Industry Context:

The construction industry in 2026 is undergoing rapid transformation, propelled by technological innovation, sustainable construction practices, and evolving market demands. Emerging technologies such as AI-driven project management, modular construction, digital twin modeling, and green building solutions are redefining how projects are conceived and delivered.

India's construction sector is witnessing robust growth due to urbanization, government infrastructure initiatives, and rising demand for residential and commercial spaces. Economic stabilization post-pandemic, favorable policy support, and increased private investment are further boosting this expansion.

However, the industry continues to face headwinds such as fluctuating material costs, skilled labor shortages, and regulatory uncertainties. Navigating these challenges requires agility, innovation, and a strong emphasis on safety, quality, and environmental compliance.

Strategic Direction and Future Outlook

Strategic Goals

In FY 2027, RKEC Projects Limited aims to reposition from the setback.

Our strategic goals include:

- Diversifying our project portfolio by entering new high-potential sectors such as smart cities and renewable infrastructure.
- Strengthening market presence through strategic partnerships, alliances, and Joint Ventures.
- Enhancing sustainability initiatives, aligning with global ESG trends and compliance mandates.
- Investing in advanced construction technologies to boost productivity, safety, and efficiency across all operations.

Market Opportunities and Risks:

Opportunities:

- Rising demand for green buildings, smart infrastructure, and public-private partnership (PPP) projects across India.
- Government emphasis on infrastructure spending under national programs such as Gati Shakti, PM Gati Shakti Master Plan, Smart Cities Mission, and the National Infrastructure Pipeline (NIP).
- Expansion opportunities in urban transportation, port modernization, airport upgradation, and coastal infrastructure.

Risks:

- Volatility in raw material prices, particularly steel and cement, impacting cost structures.
- Regulatory changes and policy shifts that may delay project approvals or alter financial feasibility.
- Macroeconomic uncertainties, including interest rate fluctuations and geopolitical tensions, which may influence investor sentiment and project funding.

Guidance and Projections:

For the fiscal year 2027, RKEC Projects targets a **revenue growth of 30%**, supported by:

- New project acquisitions through JVs.
- Robust execution of existing contracts from a healthy **unexecuted order book of ₹941 crore**, ensuring strong revenue visibility.
- Improved operational efficiencies through digitization, process optimization, and workforce upskilling.

We are expecting to:

- Maintain stable gross margins despite external pressures.
- Enhance profitability by targeting higher-value contracts and optimizing resource utilization.
- Add a substantial volume of fresh orders through active bidding across key infrastructure domains.

Key Competitive Advantage

RKEC's strength lies in its over four decades of domain expertise and a consistent track record of on-time, within-budget delivery across complex infrastructure projects. Our competitive edge includes:

- Comprehensive execution capabilities in Bridges, Ports, Dams, Airports, Highways, Marine Works.
- Strong stakeholder relationships, including long-standing partnerships with major clients, banks, and financial institutions.
- A well-integrated fleet of construction equipment and a skilled workforce enabling seamless project delivery.
- A proven financial track record, backed by efficient capital allocation and risk management practices.

Opportunities

India's rapid pace of development, coupled with increased government focus on infrastructure, offers immense opportunities. The expansion of key sectors—power, steel, petrochemicals, telecom, and transportation-is driving demand for world-class civil and industrial infrastructure.

With India's push towards becoming a great economy, infrastructure remains at the core of national growth. RKEC is strategically positioned to capitalize on these emerging trends by leveraging its expertise, experience, and execution excellence.

5. *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 working capital.

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 to 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, labor 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.

6. *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.

7. Conclusion

Summary of Key Points:

RKEC Projects Limited remains focus on strategic investments in technology and safety has positioned us well for future growth. We remain committed to achieving our strategic goals and addressing any challenges proactively.

Management Commitment:

The management team is dedicated to delivering value to our shareholders and stakeholders through disciplined execution of our strategic initiatives and a relentless focus on operational excellence. We are confident in our ability to navigate the evolving construction landscape and drive sustained growth.

ANNEXURE-3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILIT (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.

1. Composition of CSR Committee:

S.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(Chairman)	1	1
2	Mr G V Rammohan	Member (Whole Time Director)	1	1
3	Brig J K Rao, VSM	Member (Independent Director)	1	1

1. Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: www.rkecprojects.com
2. 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
3. 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: 0.47 Lakhs
4. The Company's total CSR expenditure during the year was Rs.56.78 lacs transferred to unspent CSR account.

ANNEXURE-4

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries: Not applicable

1.Names of subsidiaries which are yet to commence operations – N.A.

2. Names of subsidiaries which have been liquidated or sold during the year – N.A

Part"B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures for the year ending 31.03.2026 (FY. 2025-26)

Sr. No	Name of Associates/Joint Ventures	CQCE-RKEC JV	RKEC-SURYADEVRA JV	RKEC-YFC JV
1	Latest audited Balance Sheet Date	10-08-2026	10-08-2026	10-08-2026
2	Shares of Associate/Joint Ventures held by the company on the year end	99%	51%	95%
3	Amount of Investment in Associates/JointVenture	-	-	-
4	Extend of Holding %	99%	51%	95%
5	Description of how there is significant influence	-	-	
6	Reason why theassociate/ joint venture is not Consolidated	Consolidated	Consolidated	Consolidated
7	Networth attributableto Shareholding as per latest	1.02	0	0.98

	audited Balance Sheet (In Crs,)			
8	Profit / Loss for theyear (In Crs.,)	1.02	0	0.98

FORM NO. AOC-2

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

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 arm's length transaction under third proviso thereto during the FY 2023-24.

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

Sr. No	Name(s) of 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 section188
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	NIL							

2. Details of material contracts or arrangements or transactions at Arm's length basis:

(Rupees In Lakhs)

Sr. No	Name(s) of the relatedparty and nature of relationship	Nature of Contracts/ Arrangements/ Trans-actions	Duration of The Con-tracts/ Arrangements/ Transactions	Salient terms of thecontracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
1	G Naga Pushyami	Commission of Guarantee	One Year	6.00		Nil

	Relative of Chairman	Professional Fee	One Year	13.20		
		Hire Charges	One Year	18.00		
		Payable Loan		56.28		
2	G. Radhakrishna Chairman	Commission of Guarantee	One Year	47.27		Nil
		Rent	One Year	12.00		
		Loan Payable		1934.56		
		Salary	One Year	60.00		
3	G. Parvathi Devi Whole Time Director	Commission of Guarantee	One Year	35.00		Nil
		Loan Payable		205.31		
		Salary	One Year	60.00		
4	G. V. Rammohan Whole Time Director	Salary	One Year	46.80		Nil
		Loan Payable		62.52		
5	G. Hima Bindu Sree Relative of Chairman	Commission of Guarantee	One Year	7.00		Nil
		Payable Loan		42.25		
		Professional Fee	One Year	21.00		

By Order of the Board of Directors

For RKEC Projects Limited

R Jayachandran
Managing Director (DIN: 09263976)

G Radhakrishna
Chairman (DIN: 00073080)

Date: 08th September 2026

Place: Visakhapatnam

ANNEXURE-5

Mehta & Mehta

COMPANY SECRETARIES
201-206, SHIV SMRITI CHAMBER, 2ND FLOOR, 49/A, DR. ANNIE BESANT ROAD, WORLI, MUMBAI - 400 018.
Tel : +91-22-6611 9696 • E-mail: dipti@mehta-mehta.com • Visit us : www.mehta-mehta.com
AUTHORISED AGENTS FOR TRADEMARK, COPYRIGHT AND PATENT

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026
[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,
Andhra Pradesh -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, 2026, 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, 2026 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 (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings(ECB); **(during the period under review not applicable to the Company);**

Ashwin Hamdar C.P. No. 11226 Company Secretary

(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;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 **(during the period under review not applicable to the Company);**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(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 to the extent applicable;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(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;

Ashwini Inamdar
C.P. No. 11226
Company Secretary

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, ***except:***

1. *The Company has not filed Form MGT-14 with the Registrar of Companies for reporting the Board's Report approved at the meeting of the Board of Directors held on August 14, 2025, as required under Section 179(3)(g) of the Companies Act, 2013.*

2. *As per Regulation 17(4) SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 plans with respect to orderly succession for appointment to the Board of Directors and Senior Management not found in place;*

3. *As per Regulation 17(5)(b) SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 duties of Independent Directors as laid down in the Companies Act, 2013 are not incorporated in the Code of Conduct;*

4. *Unable to ascertain the compliance of Regulation 25(7) with respect to familiarization programme for Independent Directors and Regulation 17(6) with respect to remuneration to the Board of Directors due to unavailability of requisite data.*

5. *The Company had passed a resolution for increase in the Authorised Share Capital of the Company. Subsequently, the said proposal/resolution was cancelled; however, **no** intimation regarding such cancellation was made to the Stock Exchange(s). Further, the cancellation of the resolution was not formally recorded or noted in any subsequent meeting of the Board of Directors of the Company. Accordingly, the records of the Company do not reflect the formal cancellation of the earlier resolution for increase in authorised share capital.*

6. *Regulation 31 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 under which the Company has made delay in filling of shareholding pattern for the quarter and year ended 31st March, 2026;*

7. *Regulation 30 (2) read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 under which the Company had obtained shareholders' approval for alteration of the Memorandum of Association during the financial year. The Corresponding disclosure/intimation to the Stock Exchange was not made;*

8. *Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the Company had obtained*

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C.P. No. 11226
Company Secretary

shareholders' approval for alteration of the Articles of Association during the financial year. The Corresponding disclosure/intimation to the Stock Exchange was not made;

9. *Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the XBRL for appointment of Internal Auditor, Cost Auditor, Secretarial Auditor and Statutory Auditor were not filed with the stock exchange;*

10. *Regulation 44(3) of the SEBI (LODR) Regulations, 2015 read with NSE Circular No. NSE/CML/2023/74 relating to timely submission of voting results;*

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 the below specified events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. *The Company Secretary and Compliance Officer Ms. Deepika Rathi resigned effective from close of business hours on March 23rd, 2026.*

2. *The Shareholders of the Company at its Extra Ordinary General Meeting held on June 25, 2025 approved the*
   a. *Re-appointment of Lt. Gen. P R Kumar (DIN: 07352541) Independent Non-Executive*
   b. *Director of the company for 2nd Term of five consecutive years in terms of Section 149 of Companies Act 2013;*
   c. *Alteration of Object Clause of Memorandum of Association;*
   d. *Amendment to the Articles of Association;*

Ashwini Inamdar
C.P. No. 11226
Company Secretary

e. *Issuance of Equity Shares to the Promoter by conversion of existing Unsecured Loan on a Preferential Basis;*

3. *The Shareholders of the Company at its Annual General Meeting held on September 18, 2025 approved the*
   a. *Increase in authorized share capital from Rs.50,00,00,000 (Rupees fifty crore only) divided into 5,00,00,000 (Five Crore) equity shares of face value of Rs. 10 each to Rs.100,00,00,000(Rupees One Hundred crore only) divided into 10,00,00,000(Ten Crore) equity shares of face value of Rs. 10 each ranking pari-passu in all respects with the existing equity shares of the Company.*
   b. *Alteration of Capital Clause of Memorandum of Association;*
   c. *To make Investments, give Loans, Guarantees and security in excess of limits specified under Section 186 of the Companies Act, 2013;*
   d. *To advance any Loan/give Guarantee/provide security under section 185 of The Companies act, 2013;*
   e. *Raising of funds through issuance of Debt Instruments up to ₹550 crores;*
   f. *Raising of capital up to ₹500 crores through any of the permissible mode or combination.*

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

Ashwini Inamdar
C.P. No. 11226
Company Secretary

Ashwini Inamdar
Partner
PCS No: F 9409
CP No: 11226

Place: Mumbai
Date: September 5, 2026

UDIN: F009409H001390107

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.

Ashwini Inamdar
C.P. No. 11228
Company Secretary

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

Ashwini Inamdar C.P. No. 11226 Company Secretary

PCS No: F 9409
CP No: 11226

Place: Pune
Date: 05 September, 2026

UDIN: F009409H001390107

ANNEXURE- 6

Mehta & Mehta

COMPANY SECRETARIES
201-206, SHIV SMRITI CHAMBER, 2ND FLOOR, 49/A, DR. ANNIE BESANT ROAD, WORLI, MUMBAI - 400 018.
Tel : +91-22-6611 9696 • E-mail: dipti@mehta-mehta.com • Visit us : www.mehta-mehta.com
AUTHORISED AGENTS FOR TRADEMARK, COPYRIGHT AND PATENT

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
RKEC PROJECTS Limited
Door No. 10-12-1, Rednam Alcazar, 3rd Floor,
Opp: SBI Main Branch, Old Jail Road, Redn,
AM Gardens, Visakhapatnam,
Andhra Pradesh, India, 530020

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, 2026 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras 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 subject to following observations

i) As per Regulation 17(4) plans with respect to orderly succession for appointment to the Board of Directors and Senior Management not found in place;

ii) As per Regulation 17(5)(b) duties of Independent Directors as laid down in the Companies Act, 2013 are not incorporated in the Code of Conduct;

iii) Unable to ascertain the compliance of Regulation 25(7) with respect to familiarization programme for Independent Directors and Regulation 17(6) with respect to remuneration to the Board of Directors due to unavailability of requisite data.

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
C.P. No. 11226
Company Secretary

Ashwini Inamdar
Partner
FCS: F9409
C.P. No: 11226

Place: Mumbai
Date: September 5, 2026

UDIN: F009409H001390327
PR No.: 7281/2025

Note: We have relied on the documents and evidence provided through electronic mode and information available in the public domain, for the purpose of issuing this certificate.

ANNEXURE - 7

Mehta & Mehta

COMPANY SECRETARIES
201-206, SHIV SMRITI CHAMBER, 2ND FLOOR, 49/A, DR. ANNIE BESANT ROAD, WORLI, MUMBAI - 400 018.
Tel : +91-22-6611 9696 • E-mail: dipti@mehta-mehta.com • Visit us : www.mehta-mehta.com
AUTHORISED AGENTS FOR TRADEMARK, COPYRIGHT AND PATENT

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,
The Members,
RKEC PROJECTS LIMITED
Door No.10-12-1, Rednam Alcazar,
3rd Floor, Opp: SBI Main Branch,
Old Jail Road, Redn, AM Gardens,
Visakhapatnam, Andhra Pradesh, India, 530020

We have examined the relevant registers, records, forms, returns, declarations and other disclosures received from the Directors of **RKEC Projects Limited**, having CIN: L43900AP2005PLC045795 and having registered office situated at Door No.10-12-1, Rednam Alcazar, 3rd Floor, Opp: SBI Main Branch, Old Jail Road, Redn, AM Gardens, Visakhapatnam, Andhra Pradesh, India, 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 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 carried by us and explanations furnished to 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 March 31, 2026 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 Authorities. *However, we cannot ascertain the eligibility of the Independent Directors due to non-receipt of ID Databank registration certificate and Certificate of passing the online self-assessment proficiency test:*

Sr. No.	Name of Director	DIN	Original date of Appointment
1.	Garapati Radhakrishna	00073080	01-Apr-2005
2.	Garapati Parvathi Devi	00094961	01-Apr-2005
3.	Venkata Rama Mohan Gudapati	06602693	29-May-2019
4.	*Lucas Peter Thalakala	07664071	25-Nov-2016
5.	Satish Soni	07664074	25-Nov-2016
6.	Kameswara Rao Jagabathula	08508140	29-Aug-2019
7.	Kumar Peruvemba Ramachandran	07352541	30-Jul-2020

Ashwini Inamdar
C.P. No. 11226
Company Secretary

ANNEXURE - 8

DECLARATION REGARDING RECEIPT OF CERTIFICATE OF INDEPENDENCE FROM ALL INDEPENDENT DIRECTORS

It is hereby confirmed 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.

For RKEC Projects Limited

R Jayachandran
Managing Director (DIN: 09263976)

G Radhakrishna
Chairman (DIN: 00073080)

Date: 08th September, 2026
Place: Visakhapatnam

ANNEXURE - 9

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the Members of RKEC Projects Limited,

It is hereby declared 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.

For RKEC Projects Limited

R Jayachandran	G Radhakrishna
Managing Director (DIN: 09263976)	Chairman (DIN: 00073080)

Date: 08th September 2026

Place: Visakhapatnam

CHAIRMAN AND M D / CFO COMPLIANCE CERTIFICATE

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

a) We have reviewed the financial statements and cash flow statement for the Year ended 31 March, 2026 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, 2025 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.

R. Jayachandran

Managing Director/CFO

Garapati Radhakrishna

Chairman

Date: 10 August 2026

ANNEXURE - 11

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 of each director to the median remuneration of the employees for the financial year.	Mr. G Radhakrishna	17.2
		Mr. R Jayachandran	13.7
		Mr. G V Rama Mohan	13.45
		Mr. G Parvathi Devi	17.2
2	The percentage increase/decrease) in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Mr. G Radhakrishna	-
		Mr. R Jayachandran	-
		Mr. G V Rama Mohan	-
		Mr. G Parvathi Devi	-
		Mr. Deepika Rathi	50%
3	The percentage increases in the median remuneration of employees in the financial year.	0%	
4	The number of permanent employees on the rolls of the Company as on 31st March 2026.	513	
5	Average percentiles 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 managerial remuneration.	0%	
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, it is confirmed	

A. Remuneration of Directors and Key Managerial Personnel

Sl. No.	Particulars of Remuneration				(In Lakhs)
	Name	**G Radhakrishna**	**R Jayachandran**	**G Parvathi Devi**	**GV Rama Mohan**
	Designation	Chairman	Managing Director	Whole Time Director	Whole Time Director/ COO
1.	Gross Salary	60.00	48.00	60.00	46.80
	Salary as per provisions contained in section 17(1) of the Income Tax Act,196				
	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	60.00	48.00	60.00	46.80

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors (In Lakhs)				
	Name	Vice Admiral Satish Soni	Shri Lucas Peter Thalakala	Brig J K Rao	Lt Gen P R Kumar	Shri S M Jain
1.	Independent Directors					
	Fee for attending Board/ Committee Meetings	2.00	2.00	2.00	2.00	2.00
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total(1)	2.00	2.00	2.00	2.00	2.00

2.	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending Board/Committee Meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total Managerial Remuneration(1)+(2)	1.60	1.60	1.60	1.60	1.60

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

Sl.No.	Particulars of Remuneration		
	Name	R Jayachandran*	Vijay Kumar Jonnada
	Designation	Chief Financial Officer	Company Secretary & Compliance Officer
1.	Gross Salary (In Lakhs)	-	13.50
	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	-	13.50

*Remuneration of Shri R Jayachandran as CFO is included in the remuneration mentioned in table "A" where remuneration for him his mentioned in capacity of Managing Director.

For RKEC Projects Limited

R Jayachandran

Managing Director (DIN: 09263976)

G Radhakrishna

Chairman (DIN: 00073080)

Date: 08th September 2026

Place: Visakhapatnam

STANDALONE INDEPENDENT AUDITOR'S REPORT, 2026

To the Members of **RKEC Projects Limited**

Report on the Audit of the Consolidated Financial Statements

We have audited the Financial Statements of **RKEC Projects Limited ("the Company")**, which comprise the Balance Sheet as at 31st March 2026, 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.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, its profit, changes in equity and its cash flows for the year ended on that date.

Emphasis of matter

a. We draw attention to Note 10 to the financial statements, which describes the developments relating to the contracts with Maharashtra Maritime Board (MMB), including the invocation/encashment of bank guarantees aggregating to approximately ₹30 crore on 21 April 2026, 22 April 2026 and 24 April 2026 with ICICI Bank, CSB Bank and Bank of Baroda, respectively. The Note also describes the consequential accounting treatment in respect of Work-in-Progress relating to MMB contracts amounting to approximately ₹14.15 crore. Our opinion is not modified in respect of this matter.

b. We draw attention to Note 8 to the financial statements, which describes the legal proceedings initiated by various banks and financial institutions against the Company before the Debt Recovery Tribunal (DRT). The matters are presently under litigation before the respective authorities. Our opinion is not modified in respect of this matter.

c. We draw attention to Note 19 to the financial statements, which describes the outstanding statutory liabilities relating to TDS & TCS of ₹2,27 Crores and PF liability 0.99 Crore, GST liability 24.11 Crores as at 31 March 2026, which remained unpaid beyond the prescribed due

dates, and the consequential exposure, if any, to applicable interest, late fees and penalties. Our opinion is not modified in respect of this matter.

d. Balance confirmations in respect of trade receivables, trade payables, and other debit and credit balances appearing in the books of accounts were not made available for verification.

Our opinion is not qualified in respect of these matters

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.

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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 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, 2026.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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: 10th Aug 2026

UDIN : 26206704FCCGB01067

(Akula Chandra Sekhar)

Founder Partner

Membership No: 206704

RKEC PROJECTS LIMITED			
STANDALONE BALANCE SHEET AS AT 31-03-2026			
			Amount in Lacs
Particulars	**Note. No.**	**Figures as at 31-03-2026**	**Figures as at 31-03-2025**
ASSETS			
Non- Current Assets			
a) Property, Plant and Equipment	2	9,378.90	10,256.71
b) Capital Work-in-Progress		566.07	688.87
c) Investment Property		-	
d) Goodwill			
e) Other Intangible Assets	3	5.28	7.07
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	5	1,097.03	
j) Other Non- Current Assets			
		11,047.28	**10,952.65**
Current Assets			
a) Inventories	6	22,427.45	19,658.04
b) Financial Assets			
i) Investments			
ii) Trade Receivables	7	12,910.07	16,860.42
iii) Cash and cash equivalents	8	606.36	1,046.45
iv) Bank balances other than (iii) above	9	4,587.20	3,657.64
v) Loans	10	441.18	419.25
vi) Others (to be specified)			
c) Current tax Assets (Net)			
d) Other Current Assets	11	2,995.89	4,319.93
		43,968.15	**45,961.74**
Total Assets		**55,015.43**	**56,914.38**

EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	12	2,582.06	2,399.06
b) Other Equity	13	14,293.59	16,446.96
		16,875.65	**18,846.02**
Liabilities			
Non- Current Liabilities			
a) Financial Liabilities			
i) Borrowings	14	2,765.31	2,670.45
ii) Trade Payables		-	
iii) Other Financial Liabilities (other than those specified in item (b) above, to be specified)		-	
b) Provisions	15	275.22	179.45
c) Deferred tax Liabilities (Net)		-	173.00
d) Other Non- Current Liabilities		-	
		3,040.53	3,022.90
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	20,941.77	16,875.92
ii) Trade Payables	17	7,431.36	12,001.41
iii) Other Financial Liabilities (other than those specified in item (C)	18	1,947.06	1,651.98
b) Other Current Liabilities	19	4,174.90	3,793.62
c) Provisions	20	604.28	722.54
d) Current tax Liabilities (Net)	20	604.28	722.54
		35,099.37	**35,045.47**
Total Equity and Liabilities		**55,015.55**	**56,914.39**

See accompanying notes to financial statements

In Terms of our report of even date annexed

for SARC & Associates
Chartered Accountants
FRN : 006085N

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

Chandra Sekhar Akula

Partner

Membership No. 206704

UDIN: 26206704TDPXVU8001

R. Jayachandran
Managing Director /CFO
DIN: 09263976

G.V.Rama Mohan
Whole Time Director
DIN: 06602693

Vijay Kumar Jonnada
Company Secretary & Compliance officer

Dt:10-08-2026
Visakhapatnam

Projects Limited

RKEC PROJECTS LIMITED				
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2026				
	Particulars	**Note. No.**	**Figures as at 31.03.2026**	**Figures as at 31.03.2025**
I	Revenue From Contracts	21	18,017.32	39,901.82
II	Other Income	22	595.31	685.00
III	**Total Income (I+II)**		**18,612.63**	**40,586.82**
IV	**Expenses**			
	Cost of Materials Consumed	23	9,896.29	20,973.51
	Operational Expenses	24	11,025.32	15,198.77
	Purchases of Stock-in-Trade			
	Changes in Inventories of Work-in-Progress	25	-4,146.08	-6,880.10
	Employee Benefits Expenses	26	925.16	3,213.47
	Finance Costs	27	2,509.02	1,947.69
	Depreciation and Amortisation Expense	2	906.01	886.89
	Other Expenses	28	2,237.90	2,250.23
	Total Expenses (IV)		**23,353.63**	**37,590.45**
V	**Profit/(Loss) before exceptional items and tax (I-IV)**		**-4,741.00**	**2,996.37**
VI	**Exceptional Items**			
VII	**Profit/(Loss) before tax (V-VI)**		**-4,741.00**	**2,996.37**
VIII	**Tax expense**			
	(1) Current Tax			754.49
	(2) Tax Expense for earlier years		-	146.68
	(3) Deferred Tax		-1,270.04	92.14
	Total Tax Expense		-1,270.04	993.30
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)		-3,470.97	2,003.07
X	Profit/(Loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(Loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	**Profit/(Loss) for the period (IX+XII)**		**-3,470.97**	**2,003.07**
XVI	**Earnings per share (for continuing operations)**	29		

	(i) Basic		-13.53	8.35
	(ii) Diluted		-13.53	8.35

In Terms of our report of even date annexed

for SARC & Associates

Chartered Accountants

FRN : 006085N

Chandra Sekhar Akula

Partner

Membership No. 206704

UDIN: 26206704TDPXVU8001

Dt:10-08-2026
Visakhapatnam

for and on behalf of board of directors of

RKEC Projects Limited

R. Jayachandran

Managing Director /CFO

DIN: 09263976

G.V. Rama Mohan

Whole Time Director

DIN: 06602693

Vijay Kumar Jonnada

Company Secretary & Compliance officer

RKEC PROJECTS LIMITED		
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2026		
		Amount in Lacs
Particulars	**Figures as at 31-03-2026**	**Figures as at 31-03-2025**
Cash flow from Operating Activities		
Profit before Tax	-4,740.84	2,996.37
Adjustments for	-	-
Depreciation	906.01	886.89
Loss/(Profit) from Joint Venture	-	-
Loss/(Profit) on Sale of Fixed Assets	36.28	-
Interest Expense	2,509.02	1,947.69
Interest Income	-297.98	-228.87
Operating Profit before Working Capital changes	-1,587.51	5,602.08
Adjustments for	-	-
Increase/(Decrease) in Trade Payables	-4,570.05	4,262.29
Increase/(Decrease) in Long Term Provisions	95.77	32.12
Increase/(Decrease) in Short Term Provisions	-118.26	125.08
Increase/(Decrease) in Other Financial Liabilities	295.08	522.98
Increase/(Decrease) in Other Current Liabilities	381.28	1,180.23
(Increase)/Decrease in Trade Receivables	3,950.23	677.11
(Increase)/Decrease in Inventories	-2,769.41	-8,596.04
(Increase)/Decrease in Short Term Loans and Advances	-21.92	-208.62

(Increase)/Decrease in Other Current Assets	1,324.04	-1,562.28
(Increase)/Decrease in Deferred Tax Assets	-1,270.04	92.14
Cash (used) in/generated from Operations	-4,290.78	2,127.08
Income Taxes paid	1,270.04	-993.30
Net Cash from Operating Activities	-3,020.75	1,133.77
Cash Flow from Investing Activities	-	-
Purchase of Fixed Assets, including Intangible Assets, CWIP and Capital Advances	-202.85	-5,805.88
CWIP	122.80	2,093.87
Investment in Joint Venture	-	-
Profit/(Loss) from Joint Venture	-	-
Proceeds from Sale of Fixed Assets	140.00	1.40
Bank Balances not considered as Cash and Cash Equivalents	-929.56	-912.03
Interest Received	297.98	228.87
Net Cash from Investing Activities	-571.63	-4,393.77
Cash Flow from Financing Activities	-	-
Proceeds from (Repayment of) Long Term Borrowings	94.86	-1,361.98
Proceeds from (Repayment of) Short-term Borrowings	4,065.85	7,009.91
Proceeds from Issue of Equity Share Capital	183.00	
Proceeds from Security Premium on Issue of Equity Share Capital	1,317.60	
Dividend (Interim) paid during the year (including Dividend Distribution Tax)	-	-

Interest Paid	-2,509.02	-1,947.69
Net Cash from Financing Activities	3,152.29	3,700.24
Net Increase/(Decrease) in Cash and Cash Equivalents	-440.09	440.25
Cash and Cash Equivalents at the beginning of the year	1,046.45	606.20
Cash and Cash Equivalents at the end of the year	606.36	1,046.45

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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, specializing 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 10-08-2026

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 realized or intended to be sold or consumed in normal operating cycle

• Held primarily for the purpose of trading

• Expected to be realized 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 realization 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 GST 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 realize 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 recognizes 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 utilized, 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 utilized. Unrecognized 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 realized 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 amortization and accumulated impairment losses.

Intangible Assets having finite useful life are amortized 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 amortization 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 of over a period of life of the project.

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 recognized.

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 amortized 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) Amortized 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 amortized 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 amortized cost using the Effective Interest Rate (EIR) method less impairment, if any, the amortization 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 amortized 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 amortized 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 amortized 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized 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 realizable 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 realizable 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 realizable 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 realize 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 categorized 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 realized 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 amortized 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 capitalization. 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 amortized 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. Statement of PPE for the year ended 31st Mar 2026

Description of Assets	Gross Carrying Value				Depreciation				Net Carrying Value	
	As At 01.04.2025	Additions	Deductions	As At 31.03.2026	As At 01.04.2025	For the Period	Adjustments on Sale Transfer	Total upto 31.03.2026	As At 31.03.2025	As At 31.03.2026
Freehold Land	50.00	-	-	50.00	-	-	-	-	50.00	50.00
Building	486.06	-	-	486.06	-	-	-	-	486.06	486.06
Plant and Equipment	13,530.06	195.75	241.00	13,484.81	4,479.92	798.86	64.56	5,214.22	9,050.14	8,270.59
Furniture and Fixtures	52.86	-	-	52.86	42.75	3.44	-	46.19	10.11	6.67
Vehicles										

	1,154.71	0.59	-	1,155.31	596.74	60.01	-	656.75	557.97	498.56
Office Equipment	265.09	5.79	-	270.88	162.67	41.20	-	203.87	102.43	67.02
TOTAL	**15,538.79**	**202.13**	**241.00**	**15,499.92**	**5,282.08**	**903.51**	**64.56**	**6,121.03**	**10,256.71**	**9,378.90**

3. Intangible Assets 31st Mar 2026

Description of Assets	Gross Carrying Value				Depreciation				Net Carrying Value	
	As At 01 April 2025	Additions	Deductions	As At 31 March 2026	As At 01 April 2025	For the Period	Adjustments on Sale Transfer	Total upto 31 Mar 2026	As At 31 March 2025	As At 31 March 2026
Software	13.16	0.72	-	13.88	6.09	2.51	-	9	-	5.28
TOTAL	13.16	0.72	-	13.88	6.09	2.51	-	8.60	-	5.28

4. **Investments**

Particulars	As at 31 March 2026	As at 31 March 2025
Total		

Interest in Joint Venture- Notes

5. Deferred Tax Assets / Deferred Tax Liability

Particulars	As at 31-03-2026	As at 31-03-2025
Balance of DTA/(DTL) brought forward	-173	-81
Depreciation	-66	-92
Provision for Gratuity	-	-
Loss	1,336	

PF/ESI	-	-
Net Deferred Tax Asset/(Deferred Tax Liability)	1,097	-173

6. **Inventories**
(At lower of Cost or Net Realizable Value)

Particulars	As at 31-03-2026	As at 31-03-2025
Raw Materials	5,392	6,769
Work-In-Progress	14,674	11,583
Finished Goods	2,362	1,307
Total	**22,427**	**19,658**

7. **Trade Receivable**

Particulars	As at 31-03-2026	As at 31 March 2025
More than 3 Yrs	191.85	191.85
More than 1 year and less than 3 years	4,841.69	2,595.93
More than 6 months and less than 1year	39.60	-
Less than 6 Months	7,836.93	14,072.64
Total	**12,910.07**	**16,860.42**
Unsecured		
Considered Good	12,910.07	16,860.42
Considered Doubtful		

Note: 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 31-03-2026	As at 31-03-2025
Cash on Hand	32.91	21.94
Balance with Banks		
(i) In Current Accounts	567.93	458.06
(ii) In Deposit Accounts	5.52	566.45
Cheques, Drafts on Hand		
Total	**606.36**	**1,046.45**

9. Other Balances with Banks

Particulars	As at 31-03-2026	As at 31-03-2025
In Earmarked Accounts		
Unclaimed Dividend Accounts	4.99	4.99
Gratuity accounts	0.50	7.85
Balances/ Deposits held as margin money or security against borrowings, guarantee and other commitments	4,581.70	3,644.79
Total	**4,587.20**	**3,657.64**

10. Loans

Particulars	As at 31-03-2026	As at 31-03-2025
Unsecured and considered good		
Security Deposit	441.18	419.25
Others		
Total	**441.18**	**419.25**

11. Other Current Assets

Particulars	As at 31-03-2026	As at 31-03-2025
Advances to material suppliers	843.29	766.42
Deposits for enlistment	105.33	101.98
Earnest money and other deposits	153.30	151.56
VAT Input Credit receivable	55.60	55.60
GST Receivable	375.23	1,432.48
TDS Receivable	496.01	213.86
Prepaid Expenses	424.83	721.15
Other advances	351.05	451.89
Asset Held for Sale *	191.24	425.00
Total	**2,995.89**	**4,319.93**
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 .Out of the total carrying amount of ₹4.25 crore, assets amounting to ₹2.34 crore have been sold during the year, and the balance amount of ₹1.91 crore remains classified as Non-Current Asset Held for Sale as at the reporting date.

12. Share Capital

Particulars	As at 31-03-2026	As at 31-03-2025
Authorised		
500,00,000 Equity shares of Rs.10 each	5,000.00	5,000.00
Issued and Subscribed		
2,39,90,600 Equity shares of Rs.10 each	2,582.06	2,399.06
Total	2,582.06	2,399.06

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

Particulars	As at 31-03-2026	As at 31-03-2025
	No of shares	No of shares
Equity shares of Rs.10 each		
At the beginning of the period	239.91	239.91
Add: Shares issued	18.3	-
At the end of the period	258.21	239.91

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

Name of Shareholders	As at 31-03-2026	As at 31-03-2025
	No of shares	Num of shares
G Radha Krishna	170.62	153.07

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

S.no Name of Promoter	Promoter Name
1 G .Radha Krishna 170.62 cr shares 66.08%	1. G .Radha Krishna 153.07 cr shares 63.80%
2. G Parvathi Devi 0.0059 Cr shares 0.23%	2. G. Parvathi Devi 0.0059 Cr shares 0.24%
3. G .Naga pushyami 0.0022 Cr shares 0.09%	3. G . Naga pushyami 0.0022 Cr shares 0.09%
4. G. Hima Bundu sree 0.0030 Cr shres 0.11%	4. G . Hima Bundu sree 0.0030 Cr shres 0.12%

13. Other Equity

Particulars	As at 31-03-2026	As at 31-03- 2025
Securities Premium Account		

Balance as per Balance Sheet	2,954.90	1,637.30

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	14,809.66	12,806.59
Profit/(Loss) for the period	-3,470.97	2,003.07
Less: Appropriations	-	-
(i) Impairment Loss	-	-
(ii) Proposed Dividend- Equity Shares	-	-
(iii) Corporate Dividend Tax thereon	-	-
Total	**14,293.59**	**16,446.96**

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14. Borrowings -Non-Current

Particulars	**As at 31-03-2026**		**As at 31-03-2025**	
	Current Maturities	**Non- Current**	**Current Maturities**	**Non- Current**
Term Loans (Secured)				
(a) From Banks				
Rupee Loans	988.73	1,166.07	1,137.45	1,634.62
(b) From Financial Institutions	-	-		
Rupee Loans	958.33	1,539.67	514.53	968.39
(C) From Clients	276.28	59.57	276.91	67.44

Total	**2,223.33**	**2,765.31**	**1,928.89**	**2,670.45**
Additional Information				
(i) Security for Term Loans				
		2025-26	**2024-25**	**2023-24**
Nature of Security		**Banks in Lacs**	**Banks in Lacs**	**Banks in Cr**
Exclusive charge on Plant & Machinery and specific assets financed		4652.76	4591.76	3,546.00
Pari passu first charge created on the entire fixed assets of the Company		-	-	4,859.00
Subservient charge on all moveable and current assets of the Company				
Total		4,652.76	4,591.76	8,405.00
(ii) Terms of Repayment of Secured Term Loan in Lacs				
Particulars			**Rate of Interest**	**1-2 Years**
Rupee Term Loans From Banks			8.4%-10.5%	1948.37
Rupee Term Loans From Financial Institutions			8.4%-10.5%	1752.77
Total				**3701.14**
Term Loans (Un Secured)			16%-17.5%	22.85

15. Provisions

Particulars	**As at 31-03-2026**	**As at 31-03-2025**

Provision for Employee Benefits		
Provision for Gratuity	275.22	179.45
Total	**275.22**	**179.45**

16. Borrowings - Current

Particulars	As at 31-03-2026	As at 31-03-2025
Working Capital Loans		
Secured		
Cash Credit Accounts, Working Capital Demand Loan	11,142.21	7,064.81
Other than Cash Credit	-	-
Unsecured		
From Banks	3,922.52	7,552.42
From Financial Institutions/ Others	4,565.60	-
From Others (Directors)	1,311.44	2,258.69
Total	**20,941.77**	**16,875.92**

Additional Information

(i) Security for Term Loans

Nature of Security	As at 31-03-2026	As at 31-03-2025
Security for Working Capital Loans	**In Lacs**	**In Lacs**
(a) Hypothecation of Company's Current Assets and Mortgage of certain immovable properties belonging to the Company/ Guarantor	55,209.00	49,374.00

(b)Second Charge created/ to be created on all fixed assets (excluding Land and Building) of the Company	5,381.00	5,361.00
Fixed and Floating charge over the assets of the Company and personal guarantee of the Directors	-	-
Pledge of certain Immovable Assets	8,926.00	7,296.00
Total	**69,516.00**	**62,031.00**

17. Trade Payables

Particulars	As at 31-03-2026	As at 31-03-205
Total Outstanding dues to Micro & Small Enterprises	**1,379.25**	**-**
Total Outstanding dues to creditors other than Micro & Small Enterprises	**-**	**-**
Acceptances	**1,602.44**	**5,111.74**
Other than Acceptances	**4,449.67**	**6,889.67**
Total	**7,431.36**	**12,001.41**

18. Other Financial Liabilities

Particulars	As at 31-03-2026	As at 31-03-2025
Current Maturities of Long-term Borrowings	1,947.06	1,651.98

Total	**1,947.06**	**1,651.98**

19. Other Current Liabilities

Particulars	As at 31-03-2026	As at 31-03-2025
Revenue received in Advance	276.28	276.91
Other Current Liabilities	3,898.63	3,516.71
Total	**4,174.90**	**3,793.62**

20. Provisions

Particulars	As at 31-03-2026	As at 31-03-2025
Provision for Employee Benefits		
Provision for Gratuity	-	102.12
Other Provisions		
Provision for Taxation *	530.08	530.08
Others provisions	74.20	90.35
Total	**604.28**	**722.54**

21. Revenue from Contracts

Particulars	As at 31-03-2026	As at 31-03-2025
Sale of Services		
Contract Revenue	18,017.32	39,901.82
Other Operating Revenue	-	-
Work Receipts on Technical Services	-	-
* Arbitration award received as compensasion from UHIIC for contract executed prior to GST	-	-
Others	-	-
Total	**18,017.32**	**39,901.82**

22. Other Income

Particulars	As at 31-03-2026	As at 31-03-2025
Profit on Sale of Assets	8.61	
Miscellaneous Income	288.72	456.13
Share of Profit from Joint Venture	-	-
Interest recovered on Mobilisation Advance	-	-
Interest on IT Refund	-	-
Interest Income	-	-
On Long Term Investments	-	-
Bank Fixed Deposits	297.98	228.87

Inter Corporate Deposits	-	-
Interest on Investments	-	-
Others	-	-
Total	**595.31**	**685.00**

23. Cost of Materials Consumed

Particulars	**As at 31-03-2026**	**As at 31-03-2025**
Construction Materials, Stores and Spares		
Opening Stock	6,768.62	5,052.67
Add: Purchases	8,519.63	22,689.46
Less: Closing Stock	5,391.96	6,768.62
Total	**9,896.29**	**20,973.51**

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24. Operational Expenses

Particulars	**As at 31-03-2026**	**As at 31-03-2025**
Repairs and Maintenance		
Plant and Machinery, Vehicles	65.66	173.61
Power and Fuel	-	-
Diesel and Petrol Expenses	1,183.65	1,821.83
Electricity Expenses	63.86	94.93
Others	-	-

Employee Benefit Expenses (operational staff at Site)	2,277.85	
Insurance for Project Site and Plant & mchainery	557.98	
Project Work Expenses	3,307.23	7,657.74
Hire Charges for Machinery and others	1,759.55	2,279.98
Transport Charges	991.58	1,892.15
Technical and Engineering Consultancy Services	83.48	384.82
Testing Charges	54.94	58.72
Labour Cess (Recoveries)	164.78	351.33
Other Recoveries (By Contractrees)	459.26	388.04
Loading and Unloading Charges	14.91	32.63
Water Charges	15.82	42.72
Other Project Expenses	24.77	20.29
Total	**11,025.32**	**15,198.77**

Note: * Disclosure on Reclassification of Employee Costs:

During the current financial year, the Company has regrouped and reclassified employee costs between Operational Staff Cost and Administrative Staff Cost for better presentation and more appropriate classification of expenses in the financial statements, based on the nature of activities performed by the respective personnel. This reclassification has been made effective from Q2 of the current financial year. In the previous reporting periods, the entire employee cost was presented under Administrative Staff Cost.

* Disclosure on Reclassification of Insurance Costs :

During the current financial year, the Company has regrouped and reclassified insurance costs between project-related insurance (such as CAR, CPM, and Plant & Machinery insurance), which are now presented under Operational Expenses, and other insurance costs, which are presented under Other Expenses. This reclassification has been carried out for better presentation and more appropriate classification of expenses in the financial statements in accordance with the nature of the underlying activities. The change has been made effective from Q2 of the current financial year.

25. Changes in Inventories of Work-in-Progress

Particulars	As at 31-03-2026	As at 31-03-2025
Opening Stock	12,889.42	6,009.32
Cl Unbilled Revenue	2,361.56	1,306.75
Less: Closing Stock	14,673.93	11,582.67
Total	**-4,146.08**	**-6,880.10**

26. Employee Benefit Expenses

Particulars	As at 31-03-2026	As at 31-03-2025
Salaries and Wages	518.97	2,542.95
Contribution to Provident Funds and Other Funds	8.44	235.74
Staff Welfare Expenses	397.74	434.78
Total	**925.16**	**3,213.47**

Note: * Disclosure on Reclassification of Employee Costs:

During the current financial year, the Company has regrouped and reclassified employee costs between Operational Staff Cost and Administrative Staff Cost for better presentation and more appropriate classification of expenses in the financial statements, based on the nature of activities performed by the respective personnel. This reclassification has been made effective from Q2 of the current financial year. In the previous reporting periods, the entire employee cost was presented under Administrative Staff Cost.

27. Finance Costs

Particulars	**As at 31-03-2026**	**As at 31-03-2025**
Interest Expense on		
Term Loans	497.27	401.01
Working Capital Demand Loans & Cash Credit	928.57	731.22
Mobilisation Advance	524.19	119.33
Interest on Bill discounting	261.87	302.63
Others	-	113.66
Other Borrowing Costs	297.11	279.83
	-	-
Total	**2,509.02**	**1,947.69**

28. Other Expenses

Particulars	**As at 31-03-2026**	**As at 31-03-2025**
Auditor's Fee		
Statutory Audit Fee	8.00	8.00

Tax Audit Fee	2.00	2.00
Other Services	2.00	2.00
Cost Audit	0.80	0.80
Internal Audit	4.00	4.00
Secretarial Audit	2.00	2.00
Others	-	-
Bank Charges	272.38	97.88
LC & BG Issue Charges	333.39	486.26
Commission on Bank Guarantees	302.55	340.10
Rent	251.43	227.25
Travelling and Conveyance Expenses	138.96	210.12
Repairs and Maintenance of Computers and others	12.56	15.60
Office Maintenance	44.27	59.35
Security Services	92.22	82.70
Rates and Taxes	22.87	37.75
Communication Expenses (Postage and Telephone)	11.60	13.50
Insurance *	-	169.92
Printing and Stationery	11.17	22.39
Professional Charges	202.51	308.29

CSR Expenses	56.78	10.60
Foreign Exchange Gain/Loss	-	-
Sitting Fees to Directors	10.00	8.00
Project Site Admin Expenses	24.88	44.42
Tender Expenses	34.79	8.55
Donations	10.00	-
Bad Debts Written Off	263.13	-
Business Promotion Expenses	13.83	43.64
ROC Charges	0.25	0.51
Interest on Statutory Dues	11.90	31.37
Prior Period Expenses	-	-
GST Interest	23.60	12.48
Gst Penalty	-	-
Loss on Asset Damaged*	44.88	-
Miscellaneous Expenses	29.15	0.74
Total	**2,237.90**	**2,250.23**

Note:

* Disclosure on Reclassification of Insurance Costs :

During the current financial year, the Company has regrouped and reclassified insurance costs between project-related insurance (such as CAR, CPM, and Plant & Machinery insurance), which are now presented under Operational Expenses, and other insurance costs, which are presented under Other

Expenses. This reclassification has been carried out for better presentation and more appropriate classification of expenses in the financial statements in accordance with the nature of the underlying activities. The change has been made effective from Q2 of the current financial year.

29. Earnings Per Share

Particulars	**As at 31-03-2026**	**As at 31-03-2025**
Face Value of Shares (in Rupees)	10.00	10.00
Basic and Diluted EPS	-	-
Surplus available to Equity Shareholders (In Rupees)	3,470.97	2,003.07
Weighted Average Number of Shares (In Nos)	256.61	239.91
Basic EPS	- 13.53	8.35
Add: Effect of dilutive stock options	-	-
Weighted Average Number of Shares (In Nos)	256.61	239.91
Diluted EPS	- 13.53	8.35
Calculation of Weighted Average Number of Shares	-	-
Opening Number of Shares	239.91	239.91
Issued during the year	16.71	-
Weighted Average Number of Shares	256.62	239.91

30. Contingent Liabilities-

Rs in lacs

Sl.No.	Particulars	31 March 2026	31 March 2025
	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
	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
	The Company has received income tax assessment orders for Assessment Years 2019-20, 2021-22, and 2023-24. Against these orders, the Company has preferred appeals before the appropriate appellate authorities. Based on the prevailing legal position, the Company's judgment, and expert opinions, the Company believes that it has strong grounds in its favor and expects a favorable outcome at the appellate level. Accordingly, there is no material impact on the financial position, operations, or other activities of the	2000.00	2000.00

	Company. However, as a matter of prudence and in accordance with expert advice, a contingent liability of ₹20 crore has been provided in the financial statements.		
	Total	**2289.78**	**2289.78**
	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 2026	31 March 2025
	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 realization 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. 1.25 Cr (previous year Rs. 2.35 Cr) for the year ended 31 March 2026

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	
II	**Joint Venture**	
	RKEC -YFC JV	
III	**Key Management Personnel (KMP**	
	Garapati Radhakrishna **Garapati Parvathi Devi** **G V Ram Mohan** **R. Jayachandran**	**Chairman** **Whole Time Director** **Whole Time Director** **Managing Director**
	Relative Key Management Personnel	

	G. Nagapushyami	**Daughter of Chairman**
	G. Himabindu sree	**Daughter of Chairman**
	G. Krishna Mohan	**Brother of Director**

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

Rs in lacs

	Transactions	**31 March 2026**	**31 March 2025**
I	**Long Term Borrowing**		
II	**Short Term Borrowing**	**1311.44**	**2258.69**
III	**Short Term Loans and Advances**		
IV	**Non Current Investments**		
V	**Trade Receivables**	**4734.41**	**8702.22**
VI	**Trade Payables**		
VII	**Other Current Liabilities**		
VIII	**Expenditure**		
IX	**Income**	**2008.55**	**8480.41**

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**
					Unspent amount was allocated to on going project and was Transfer to unspent	As per activities mentioned in Schedule VII

2022-2023	61,87,311	9,56,000	52,31,311	0	CSR account	
2023-2024	46,40,688	46,87,200	0	0	-	As per activities mentioned in Schedule VII
2024-25	42,82,273	10,60,000	32,22,273	0	Unspent amount was allocated to on going project and was Transfer to unspent CSR account	As per activities mentioned in Schedule VII
2025-26	56,78,470		5678470	0	Unspent amount was allocated to on going project and was Transfer to unspent CSR account	As per activities mentioned in Schedule VII

39. During Q2 of the current financial year, the Company made a preferential allotment of 18,30,000 equity shares on 08 July 2025 for cash consideration at a price of ₹82 per share, including a share premium of ₹72 per share. Consequently, the share capital of the Company increased by ₹1.83 crore.

40. During the Current Financial year ,Various banks and financial institutions have initiated legal proceedings against the Company before the Debt Recovery Tribunal (DRT) and other judicial and regulatory forums in relation to certain outstanding dues. The matters are presently pending adjudication before the respective authorities.
    The Company is taking appropriate legal and other necessary steps in respect of these proceedings and is pursuing its interests before the relevant forums.

41. The Company has incurred a loss of ₹47.41 crore during the current year and has recognised Deferred Tax Asset (DTA) on the eligible tax losses in accordance with Ind AS 12. The DTA has been recognised based on management's assessment and expectation of sufficient future taxable profits against which the tax losses are expected to be utilized.

42. Subsequent to the balance sheet date, the contract awarded to the Company by the Maharashtra Maritime Board (MMB) for the Radio Jetty Project, having an original contract value of ₹186.68 crore, was terminated by MMB on 22 April 2026 on the grounds of alleged non-performance. As at the date of termination, the balance contract value was approximately ₹183.19 crore. Pursuant to the termination, MMB invoked and encased Bank Guarantees amounting to ₹29.87 crore, comprising ₹9.34 crore towards Performance Guarantee and ₹20.53 crore towards Mobilization Advance. The Company has filed a Statement of Claims amounting to ₹36.18 crore in respect of the matter and, based on management's assessment, is confident of realizing the aforesaid claims. Consequent to the termination of the contract, the Company has also removed Work-in-Progress (WIP) amounting to approximately ₹14.15 crore relating to the MMB contracts from the books of account, as part of the consequential accounting treatment. The above matter constitutes a material event occurring subsequent to the balance sheet date and has been appropriately disclosed in the financial statements

43. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

44. Ratios.

A	Current Ratio	CA/CL	1.28:1
B	Debt-Equity Ratio	Long Term Debt / Total Share holders equity	0.16:1
C	Debt service Coverage Ratio	EBITD / Current debt obligation	-0.06
D	Return on Equity Ratio	PAT/Share capital	-13.45
E	Inventory Turnover Ratio	Net Sales /AVG Inventory	1.12
F	Trade Receivable Turnover Ratio	Net cr sales / Avg Turnover	1.23

		receivable	
G	Trade payable Turnover Ratio	Net Credit purchases / Avg Trade payable	1.92
H	Net capital Turnover Ratio	Total sales/ Share holders Equity	1.10
I	Net profit Ratio	NP / Turnover *100	-18.66
J	Return on Capital Employed	EBIT / Capital employed	-0.13
K	Return on Investments	Net income / cost of investment *100	-183.69

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 10-08-2026

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 realized or intended to be sold or consumed in normal operating cycle

• Held primarily for the purpose of trading

• Expected to be realized 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 realization in cash and cash equivalents.

c) Revenue recognition:

i) Timing of recognition:

Revenue from the works executed is recognized 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 recognized when significant risk and rewards are transferred to the buyer as per the terms of contract.

Eligible export incentives are recognized 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 GST 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 recognizes 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 amortized 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 amortized 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 recognized 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 recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized 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 recognized amounts and it is intended to realize 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 recognizes 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's 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 recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized, 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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized 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 recognized 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 recognized over the lease term on the same basis as rental income. Contingent rents are recognized 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 recognized 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 recognized in the Statement of Profit and Loss.

Stand-by equipment and servicing equipment are recognized 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 evaluations 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 amortization and accumulated impairment losses.

Intangible Assets having finite useful life are amortized 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 mobilization capitalized and recognized in the books as CWIP and written of over a period of life of the project.

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 recognized 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 recognized 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 recognized.

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 amortized 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 recognized 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: Note2&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.

Independent Auditor's Report

To the Members of **RKEC Projects Limited**

Report on the Audit of the Standalone Financial Statements

We have audited the Financial Statements of **RKEC Projects Limited ("the Company")**, which comprise the Balance Sheet as at 31st March 2026, 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.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, its profit, changes in equity and its cash flows for the year ended on that date.

Emphasis of matter

e. We draw attention to Note 10 to the financial statements, which describes the developments relating to the contracts with Maharashtra Maritime Board (MMB), including the invocation/encashment of bank guarantees aggregating to approximately ₹30 crore on 21 April 2026, 22 April 2026 and 24 April 2026 with ICICI Bank, CSB Bank and Bank of Baroda, respectively. The Note also describes the consequential accounting treatment in respect of Work-in-Progress relating to MMB contracts amounting to approximately ₹14.15 crore. Our opinion is not modified in respect of this matter.

f. We draw attention to Note 8 to the financial statements, which describes the legal proceedings initiated by various banks and financial institutions against the Company before the Debt Recovery Tribunal (DRT). The matters are presently under litigation before the respective authorities. Our opinion is not modified in respect of this matter.

g. We draw attention to Note 19 to the financial statements, which describes the outstanding statutory liabilities relating to TDS & TCS of ₹2,27 Crores and PF liability 0.99 Crore, GST liability 24.11 Crores as at 31 March 2026, which remained unpaid beyond the prescribed due

dates, and the consequential exposure, if any, to applicable interest, late fees and penalties. Our opinion is not modified in respect of this matter.

h. Balance confirmations in respect of trade receivables, trade payables, and other debit and credit balances appearing in the books of accounts were not made available for verification.

Our opinion is not qualified in respect of these matters

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.

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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 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, 2026.
   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: 10th Aug 2026

(Akula Chandra Sekhar)

Partner

UDIN:26206704FCCGB01067

Membership No: 206704

"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, 2026:

(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, 2026 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

(ii)

(a) The Inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable. As informed, the discrepancies noticed on verification between the physical stocks and the book records were not material.

(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 thebasis of security of current assets and the same has been disclosed below-

S.NO.	SANCTION DATE	SANCETION AMOUNT IN Cr		TOTAL	O/S AMOUNT	SECURITY AGAINST THAT	WHERE CHARGE CREATED	SECURITY AMOUNT	AS PER RETURNS / STATE	AMOUNT OF DISCREPANCY	REASON OF DISCREPANCY
		FUNDED	NON-FUNDED								
1	20-08-2025	37.5	210	247.5	240.50	Stock and Debtors & Immovable property	Yes	199.56		Nil	NA
2	26-11-2025	13	5	18	18.001	Stock and Debtors & Immovable property	Yes	10.16		Nil	NA
3	23-04-2025	20	30	50	30.25	Stock and Debtors & Immovable property	Yes	31.49		Nil	NA
4	11-02-2026	11	21.75	32.75	21.31	Stock and Debtors & Immovable property	Yes	45.56		Nil	NA

(iii) The Company has not made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year.

(iv) In our opinion and according to the information and explanations given to us, the Company has in respect of loans, investments, guarantees and security, complied with the provisions of section 185 and 186 of the Act.

(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) We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of Statutory dues:

Outstanding statutory liabilities relating to TDS & Tds of Rs ₹2,27 cr as at 31 March 2026, and Gst liability of Rs 24.11 cr , PF of Rs 0.99 Cr which remained unpaid.

(a) 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		High Court, Andhra Pradesh
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)
Income Tax Act, 1961	Disputed Income tax Liability	20,00,00,000	AY 2019-20, 2021-22, 2023-24	CIT (Appeals)

(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 defaulted in repayment of dues to banks and financial institutions and has initiated One Time Settlement (OTS) arrangements with lenders.

Financial Institution	One Time Settlement Amount in Rs
Clix Capital Services Private Limited	7,96.944.20
Unity Small Finance Bank Ltd	19,92,702.00
Total	**27,89,646.20**

(b) Bank guarantees aggregating to Rs. 30 Crores relating to Maharashtra Maritime Board were encashed subsequent to the balance sheet date.

Date	Bank Accounts	Amount in Rs
21-04-2026	ICICI Loan -000405166197	9,34,00,000.00
22-04-2026	CSB-MMB BG Payable	10,26,72,774.00
24-04-2026	BOB Loan-75550600012856	10,26,72,774.00

c. During the Current Financial year ,Various banks and financial institutions have initiated legal proceedings against the Company before the Debt Recovery Tribunal (DRT) and other judicial and regulatory forums in relation to certain outstanding dues. The matters are presently pending adjudication before the respective authorities. The Company is taking appropriate legal and other necessary steps in respect of these proceedings and is pursuing its interests before the relevant forums.

(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 up to 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 theapplicable 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 theCompanies Act, 2013 are not applicable to the Company.

(xvi) The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xvii) There has been no resignation of the statutory auditors of the Company during the year.

(xviii) 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.

(xix) On the basis of the financial ratios, ageing and expected dates of realization 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.

(b) 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: 10th Aug 2026

(AKULA CHANDRA SEKHAR)
Founder Partner
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, 2026 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, 2026, 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: 10th Aug 2026

(AKULA CHANDRA SEKHAR)
Partner
Membership No: 206704

Independent Auditor's Report

To the Members of **RKEC Projects Limited**

Report on the Audit of the Consolidated Financial Statements

We have audited the Financial Statements of **RKEC Projects Limited ("the Company")**, which comprise the Balance Sheet as at 31st March 2026, 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.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, its profit, changes in equity and its cash flows for the year ended on that date.

Emphasis of matter

i. We draw attention to Note 10 to the financial statements, which describes the developments relating to the contracts with Maharashtra Maritime Board (MMB), including the invocation/encashment of bank guarantees aggregating to approximately ₹30 crore on 21 April 2026, 22 April 2026 and 24 April 2026 with ICICI Bank, CSB Bank and Bank of Baroda, respectively. The Note also describes the consequential accounting treatment in respect of Work-in-Progress relating to MMB contracts amounting to approximately ₹14.15 crore. Our opinion is not modified in respect of this matter.

j. We draw attention to Note 8 to the financial statements, which describes the legal proceedings initiated by various banks and financial institutions against the Company before the Debt Recovery Tribunal (DRT). The matters are presently under litigation before the respective authorities. Our opinion is not modified in respect of this matter.

k. We draw attention to Note 19 to the financial statements, which describes the outstanding statutory liabilities relating to TDS & TCS of ₹2,27 Crores and PF liability 0.99 Crore, GST liability 24.11 Crores as at 31 March 2026, which remained unpaid beyond the prescribed due dates, and the consequential exposure, if any, to applicable interest, late fees and penalties. Our opinion is not modified in respect of this matter.

l. Balance confirmations in respect of trade receivables, trade payables, and other debit and credit balances appearing in the books of accounts were not made available for verification.

Our opinion is not qualified in respect of these matters

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.

Report on Other Legal and Regulatory Requirements

30. 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.

31. 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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 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:

iii. The Company has disclosed its pending litigations which would impact its financial position in the Financial Statements as on 31st March, 2026.

iv. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

v. 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: 10th Aug 2026

UDIN:26206704TDPXVU8001

(Akula Chandra Sekhar)

Founder Partner

Membership No.: 206704

"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, 2026:

(xxi) 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, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

(ii)

(a) The Inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable. As informed, the discrepancies noticed on verification between the physical stocks and the book records were not material.

(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 thebasis of security of current assets and the same has been disclosed below-

S. NO.	SANCTION DATE	SANCETION AMOUNT IN Cr		TOTAL	O/S AMOUNT	SECURITY AGAINST THAT	WHERE CHARGE CREATED	SECURITY AMOUNT	AS PER RETURNS / STATE	AMOUNT OF DISCREPANCY	REASON OF DISCREPANCY
		FUNDED	NON FUNDED								
1	20-08-2025	37.5	210	247.5	240.50	Stock and Debtors & Immovable property	Yes	199.56		Nil	NA
2	26-11-2025	13	5	18	18.001	Stock and Debtors & Immovable property	Yes	10.16		Nil	NA
3	23-04-2025	10	20	30	30.25	Stock and Debtors & Immovable property	Yes	31.49		Nil	NA
4	11-02-2026	11	21.75	32.75	21.31	Stock and Debtors & Immovable property	Yes	45.56		Nil	NA

(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) We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

- In our opinion, Outstanding statutory liabilities relating to TDS & Tds of Rs ₹2,27 cr as at 31 March 2026, and Gst liability of Rs 24.11 cr , PF of Rs 0.99 Cr which remained unpaid.

- 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
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)
Income Tax Act, 1961	Disputed Income Tax Liability	20,00,00,000	AY 2019-20, 2021-22, 2023-24	CIT (Appeals)

(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).

(c) The company has defaulted in repayment of dues to banks and financial institutions and has initiated One Time Settlement (OTS) arrangements with lenders.

Financial Institution	One Time Settlement Amount in Rs
Clix Capital Services Private Limited	7,96.944.20
Unity Small Finance Bank Ltd	19,92,702.00
Total	**27,89,646.20**

(d) Bank guarantees aggregating to Rs. 30 Crores relating to Maharashtra Maritime Board were encashed subsequent to the balance sheet date.

Date	Bank Accounts	Amount in Rs
21-04-2026	ICICI Loan -000405166197	9,34,00,000.00
22-04-2026	CSB-MMB BG Payable	10,26,72,774.00
24-04-2026	BOB Loan-75550600012856	10,26,72,774.00

c. During the Current Financial year ,Various banks and financial institutions have initiated legal proceedings against the Company before the Debt Recovery Tribunal (DRT) and other judicial and regulatory forums in relation to certain outstanding dues. The matters are presently pending adjudication before the respective authorities. The Company is taking appropriate legal and other necessary steps in respect of these proceedings and is pursuing its interests before the relevant forums.

(xxii)

(c) 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.

(d) 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.

(xxiii)

(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 up to 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.

(xxiv) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xxv) 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 theapplicable accounting standards.

(xxvi)

(c) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(d) 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.

(xxvii) 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 theCompanies Act, 2013 are not applicable to the Company.

(xxviii) The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xxix) There has been no resignation of the statutory auditors of the Company during the year.

(xxx) 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.

(xxxi) On the basis of the financial ratios, ageing and expected dates of realization 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.

(xxxii)

(c) 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.

(d) 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: 10th Aug 2026

(Akula Chandra Sekhar)
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, 2026 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, 2026, 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: 10th Aug 2026

(AKULA CHANDRA SEKHAR)
Partner
Membership No: 206704

RKEC PROJECTS LIMITED			
CONSOLIDATED BALANCE SHEET AS AT 31-03-2026			
			Amount in Lacs
Particulars	**Note. No.**	**Figures as at 31-03-2026**	**Figures as at 31-03-2025**
ASSETS			
Non- Current Assets			
a) Property, Plant and Equipment	2	9,378.90	10,256.71
b) Capital Work-in-Progress		566.07	688.87
c) Investment Property		-	
d) Goodwill			
e) Other Intangible Assets	3	5.28	7.07
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	1,097.03	
j) Other Non- Current Assets			
		11,047.28	**10,952.65**
Current Assets			
a) Inventories	5	22,427.45	20,698.17
b) Financial Assets			
i) Investments			
ii) Trade Receivables	6	12,910.07	16,860.42
iii) Cash and cash equivalents	7	607.09	1,048.38
iv) Bank balances other than (iii) above	8	4,587.19	3,657.63
v) Loans	9	441.18	419.25
vi) Others (to be specified)			
c) Current tax Assets (Net)			
d) Other Current Assets	10	3,134.41	4,334.38
		44,107.39	**47,118.23**
Total Assets		**55,154.67**	**58,070.88**

EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	11	2,582.06	2,399.06
b) Other Equity	12	14,295.59	16,469.97
		16,877.65	**18,869.03**
Liabilities			
Non- Current Liabilities			
a) Financial Liabilities			
i) Borrowings	13	2,765.31	2,670.45
ii) Trade Payables		-	
iii) Other Financial Liabilities (other than those specified in item (b) above, to be specified)		-	
b) Provisions	14	275.22	179.45
c) Deferred tax Liabilities (Net)		-	173.00
d) Other Non- Current Liabilities		-	
		3,040.53	**3,022.90**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	20,941.77	16,875.92
ii) Trade Payables	16	7,502.17	12,071.41
iii) Other Financial Liabilities (other than those specified in item (C)	17	1,947.06	1,651.98
b) Other Current Liabilities	18	4,241.21	4,854.57
c) Provisions	19	604.28	725.07
d) Current tax Liabilities (Net)			
		35,236.49	**36,178.95**
Total Equity and Liabilities		**55,154.67**	**58,070.88**

See accompanying notes to financial statements

In Terms of our report of even date annexed

for SARC & Associates
Chartered Accountants
FRN : 006085N

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

Chandra Sekhar Akula

Partner

Membership No. 206704

UDIN: 26206704TDPXVU8001

R. Jayachandran

Managing Director /CFO
DIN: 09263976

G.V.Rama Mohan
Whole Time Director
DIN: 06602693

Vijay Kumar Jonnada
Company Secretary & Compliance officer

Dt:10-08-2026
Visakhapatnam

RKEC PROJECTS LIMITED				
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2026				
	Particulars	**Note. No.**	**Figures as at 31.03.2026**	**Figures as at 31.03.2025**
I	Revenue From Contracts	20	18,017.32	42,192.25
II	Other Income	21	597.28	683.43
III	**Total Income (I+II)**		**18,614.60**	**42,878.68**
IV	**Expenses**			
	Cost of Materials Consumed	22	9,896.29	20,973.51
	Operational Expenses	23	11,025.32	18,274.73
	Changes in Inventories of Work-in-Progress	24	-4,146.07	-7,665.61
	Employee Benefits Expenses	25	925.15	3,213.47
	Finance Costs	26	2,509.01	1,947.68
	Depreciation and Amortisation Expense	2	906.01	886.89
	Other Expenses	27	2,237.90	2,250.22
	Total Expenses (IV)		**23,353.61**	**39,880.89**
V	**Profit/(Loss) before exceptional items and tax (I-IV)**		**-4,739.01**	**2,997.79**
VI	**Exceptional Items**			
VII	**Profit/(Loss) before tax (V-VI)**		**-4,739.01**	**2,997.79**
VIII	**Tax expense**			
	(1) Current Tax			755.21
	(2) Tax Expense for earlier years		-	146.68
	(3) Deferred Tax		-1,270.04	92.14
	Total Tax Expense		-1,270.04	994.03
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)		-3,468.97	2,003.76
X	Profit/(Loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(Loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	**Profit/(Loss) for the period (IX+XII)**		**-3,468.97**	**2,003.76**

XVI	**Earnings per share (for continuing operations)**	28		
	(i) Basic		-13.52	8.35
	(ii) Diluted		-13.52	8.35

In Terms of our report of even date annexed

for SARC & Associates

Chartered Accountants

FRN : 006085N

Chandra Sekhar Akula

Partner

Membership No. 206704

UDIN: 26206704TDPXVU8001

for and on behalf of board of directors of

RKEC Projects Limited

R. Jayachandran

Managing Director /CFO

DIN: 09263976

G.V. Rama Mohan

Whole Time Director

DIN: 06602693

Vijay Kumar Jonnada

Company Secretary & Compliance officer

Dt:10-08-2026
Visakhapatnam

RKEC PROJECTS LIMITED		
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2026		
		Amount in Lacs
Particulars	**Figures as at 31-03-2026**	**Figures as at 31-03-2025**
Cash flow from Operating Activities		
Profit before Tax	-4,739.01	2,997.79
Adjustments for		
Depreciation	906.01	886.89
Loss/(Profit) from Joint Venture		
Loss/(Profit) on Sale of Fixed Assets		
Interest Expense	2,509.01	1,947.68
Interest Income	-297.98	-228.87
Operating Profit before Working Capital changes	-1,621.97	5,603.49
Adjustments for		
Increase/(Decrease) in Trade Payables	-4,569.24	4,337.52
Increase/(Decrease) in Long Term Provisions	95.77	32.12
Increase/(Decrease) in Short Term Provisions	-120.79	126.12
Increase/(Decrease) in Other Financial Liabilities	295.08	522.98
Increase/(Decrease) in Other Current Liabilities	-613.36	-1,302.78
(Increase)/Decrease in Trade Receivables	3,950.35	677.12
(Increase)/Decrease in Inventories	-1,729.28	-8,652.38
(Increase)/Decrease in Short Term Loans and Advances	-21.93	-208.61
(Increase)/Decrease in Other Current Assets	1,313.11	203.47

(Increase)/Decrease in Deferred Tax Assets	-1,270.04	92.14
Cash (used) in/generated from Operations	-4,292.29	1,431.17
Income Taxes paid	1,270.34	-994.03
Net Cash from Operating Activities	-3,021.95	437.14
Cash Flow from Investing Activities	-	-
Purchase of Fixed Assets, including Intangible Assets, CWIP and Capital Advances	-202.85	-5,805.88
CWIP	122.80	2,093.87
Investment in Joint Venture	-	-
Profit/(Loss) from Joint Venture	-	-
Proceeds from Sale of Fixed Assets	140.00	1.40
Bank Balances not considered as Cash and Cash Equivalents	-929.56	-912.02
Interest Received	297.98	228.87
Net Cash from Investing Activities	-571.63	-4,393.76
Cash Flow from Financing Activities		
Proceeds from (Repayment of) Long Term Borrowings	94.86	-1,361.98
Proceeds from (Repayment of) Short-term Borrowings	4,065.85	7,009.91
Proceeds from Issue of Equity Share Capital	183.00	
Proceeds from Security Premium on Issue of Equity Share Capital	1,317.60	
Dividend (Interim) paid during the year (including Dividend Distribution Tax)		
Interest Paid	-2,509.01	-1,947.68
Net Cash from Financing Activities		

	3,152.30	3,700.25
Net Increase/(Decrease) in Cash and Cash Equivalents	-441.29	-256.36
Cash and Cash Equivalents at the beginning of the year	1,048.38	1,304.74
Cash and Cash Equivalents at the end of the year	607.09	1,048.38

Notes to Accounts to the Consolidated Financial Statements

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 10-08-2026

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 First time 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 recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized 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. Unrealized 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.

iv) **Capital WIP**:

Expenses incurred during project site mobilisation capitalised and recognised in the books as CWIP and written of over a period of life of the project.

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.

l) 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. How ever, 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:

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

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 2024	31 March 2025
1	CQCE-RKEC JV	99%	Subsidiary	India	99%	99%
2	RKEC YFC JV	95%	Joint operation	India	95%	95%
3	RKEC Suryadevara JV	51%	Joint Operation	India	51%	51%

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 2026	31 March 2025
	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
	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
	The Company has received income tax assessment orders for Assessment Years 2019-20, 2021-22, and 2023-24. Against these orders, the Company has preferred appeals before the appropriate appellate authorities. Based on the prevailing legal position, the Company's judgment, and expert	2000.00	2000.00

	opinions, the Company believes that it has strong grounds in its favor and expects a favorable outcome at the appellate level.Accordingly, there is no material impact on the financial position, operations, or other activities of the Company. However, as a matter of prudence and in accordance with expert advice, a contingent liability of ₹20 crore has been provided in the financial statements.		
	Total	**2289.78**	**22289.78**
	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	**230.87**	**230.87**

	cases without any payments due to merits on the company as per management opinion. (Interest not material)		

Capital Commitment

Sl.No.	Particulars	31 March 2024	31 March 2023
	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	
II	**Joint Venture**	
	RKEC -YFC JV RKEC SURYA DEVARA JV	

III	**Key Management Personnel (KMP**	
	Garapati Radhakrishna **Garapati Parvathi Devi** **G V Ram Mohan** **R. Jayachandran**	**Chairman** **Whole Time Director** **Whole Time Director** **Managing Director**
	Relatives of Key Management Personnel	
	G. Nagapushyami **G. Himabindu Sree** **G. V Krishna Mohan**	**Daughter of Director** **Daughter of Director** **Brother of Director**

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

Rs in lacs

	Transactions	**31 March 2026**	**31 March 2025**

I	**Long Term Borrowing**		
II	**Short Term Borrowing**	**1311.44**	**2258.69**
III	**Short Term Loans and Advances**		
IV	**Non-Current Investments**		
V	**Trade Receivables**	**4734.41**	**8702.22**
VI	**Trade Payables**		
VII	**Other Current Liabilities**		
VIII	**Expenditure**		
IX	**Income**	**2008.55**	**8480.41**

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 The company does not have any unabsorbed depreciation or losses.

34 **Employee Stock Option Plan**- No such schemes were floated during the year.

35 **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.1.25 Cr (previous year Rs. 2.35 cr) for the year ended 31 March 2026.

36 **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.

37 **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.

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:

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

2022-2023	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
2023-2024	46,40,688	46,87,200	0	0		As per activities mentioned in Schedule VII
2024-25	42,82,273	10,60,000	32,22,273	0	Unspent amount was allocated to on going project and was	As per activities mentioned in Schedule VII

					Transfer to unspent CSR account	
2025-26	56,78,470		56,78,470		Unspent amount was allocated to on going project and was Transfer to unspent CSR account	As per activities mentioned in Schedule VII

39. During Q2 of the current financial year, the Company made a preferential allotment of 18,30,000 equity shares on 08 July 2025 for cash consideration at a price of ₹82 per share, including a share premium of ₹72 per share. Consequently, the share capital of the Company increased by ₹1.83 crore.

40. During the Current Financial year ,Various banks and financial institutions have initiated legal proceedings against the Company before the Debt Recovery Tribunal (DRT) and other judicial and regulatory forums in relation to certain outstanding dues. The matters are presently pending adjudication before the respective authorities.

The Company is taking appropriate legal and other necessary steps in respect of these proceedings and is pursuing its interests before the relevant forums.

41. The Company has incurred a loss of ₹47.41 crore during the current year and has recognised Deferred Tax Asset (DTA) on the eligible tax losses in accordance with Ind AS 12. The DTA has been recognised based on management's assessment and expectation of sufficient future taxable profits against which the tax losses are expected to be utilised.

42. Subsequent to the balance sheet date, the contract awarded to the Company by the Maharashtra Maritime Board (MMB) for the Radio Jetty Project, having an original contract value of ₹186.68 crore, was terminated by MMB on 22 April 2026 on the grounds of alleged non-performance. As at the date of termination, the balance contract value was approximately ₹183.19 crore.Pursuant to the termination, MMB invoked and encashed Bank Guarantees amounting to ₹29.87 crore, comprising ₹9.34 crore towards Performance Guarantee and ₹20.53 crore towards Mobilization Advance.The Company has filed a Statement of Claims amounting to ₹36.18 crore in respect of the matter and, based on management's assessment, is confident of realising the aforesaid claims.Consequent to the termination of the contract, the Company has also removed Work-in-Progress (WIP) amounting to approximately ₹14.15 crore relating to the MMB contracts from the books of account, as part of the consequential accounting treatment. The above matter constitutes a material event occurring subsequent to the balance sheet date and has been appropriately disclosed in the financial statements

43. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

44. Ratios

A	Current Ratio	CA/CL	1.28 :1
B	Debt-Equity Ratio	Long Term Debt / Total Share holders equity	0.16:1
C	Debt service Coverage Ratio	EBITD / Current debt obligation	-0.06
D	Return on Equity Ratio	PAT/Share capital	-13.45
E	Inventory Turnover Ratio	Net Sales /AVG Inventory	1.12
F	Trade Receivable Turnover Ratio	Net cr sales / Avg Turnover receivable	1.23
G	Trade payable Turnover Ratio	Net Credit purchases / Avg Trade payable	1.92
H	Net capital Turnover Ratio	Total sales/ Share holders Equity	1.10
I	Net profit Ratio	NP / Turnover *100	-18.66
J	Return on Capital Employed	EBIT / Capital employed	-0.13
K	Return on Investments	Net income / cost of investment *100	-183.69

3. **Statement of PPE for the year ended 31st Mar 2026**

Description of Assets	Gross Carrying Value				Depreciation				Net Carrying Value	
	As At 01.04.2025	Additions	Deductions	As At 31.03.2026	As At 01.04.2025	For the Period	Adjustments on Sale Transfer	Total upto 31.03.2026	As At 31.03.2025	As At 31.03.2026
Freehold Land	50.00	-	-	50.00	-	-	-	-	50.00	50.00
Building	486.06	-	-	486.06	-	-	-	-	486.06	486.06
Plant and Equipment	13,530.06	195.75	241.00	13,484.81	4,479.92	798.86	64.56	5,214.22	9,050.14	8,270.59
Furniture and Fixtures	52.86	-	-	52.86	42.75	3.44	-	46.19	10.11	6.67
Vehicles	1,154.71	0.59	-	1,155.31	596.74	60.01	-	656.75	557.97	498.56
Office Equipment	265.09	5.79	-	270.88	162.67	41.20	-	203.87	102.43	67.02
TOTAL	**15,538.79**	**202.13**	**241.00**	**15,499.92**	**5,282.08**	**903.51**	**64.56**	**6,121.03**	**10,256.71**	**9,378.90**

Intangible Assets 31st Mar 2026

Description of Assets	Gross Carrying Value				Depreciation				Net Carrying Value	
	As At 01 April 2025	Additions	Deductions	As At 31 March 2026	As At 01 April 2025	For the Period	Adjustments on Sale Transfer	Total upto 31 Mar 2026	As At 31 March 2025	As At 31 March 2026
Software	13.16	0.72	-	13.88	6.09	2.51	-	9	-	5.28

TOTAL	13.16	0.72	-	13.88	6.09	2.51	-	8.60	-	5.28

4. Deferred Tax Assets / Deferred Tax Liability

Particulars	As at 31-03-2026	As at 31-03-2025
Balance of DTA/(DTL) brought forward	-173 .00	-80.86
Depreciation	-66.00	-92.00
Provision for Gratuity	-	-
Loss	1,336.00	
PF/ESI	-	-
Net Deferred Tax Asset/(Deferred Tax Liability)	**1,097.00**	**-172.86**

5. Inventories

(At lower of Cost or Net Realizable Value)

Particulars	As at 31-03-2026	As at 31-03-2025
Raw Materials	5,391.96	6,768.62
Work-In-Progress	14,673.93	12,622.80
Finished Goods	2,361.56	1,306.75
Total	**22,427.45**	**20,698.17**

6. Trade Receivable

Particulars	As at 31-03-2026	As at 31 March 2025
More than 3 Yrs	191.85	191.85
More than 1 year and less than 3 years	4,844.69	2,595.93
More than 6 months and less than 1year	39.60	-
Less than 6 Months	7,836.93	14,072.64

Total	**12,910.07**	**16,860.42**
Unsecured		
Considered Good	12,910.07	16,860.42
Considered Doubtful		

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

7. Cash and Cash Equivalents

Particulars	As at 31-03-2026	As at 31-03-2025
Cash on Hand	32.91	21.94
Balance with Banks		
(i) In Current Accounts	568.66	459.99
(ii) In Deposit Accounts	5.52	566.45
Cheques, Drafts on Hand		
Total	**607.09**	**1,048.38**

8. Other Balances with Banks

Particulars	As at 31-03-2026	As at 31-03-2025
In Earmarked Accounts		
Unclaimed Dividend Accounts	4.99	4.99
Gratuity accounts	0.50	7.85
Balances/ Deposits held as margin money or security against borrowings, guarantee and other commitments	4,581.70	3,644.79
Total	**4,587.19**	**3,657.63**

9. Loans

Particulars	As at 31-03-2026	As at 31-03-2025
Unsecured and considered good		
Security Deposit	441.18	419.25
Total	**441.18**	**419.25**

10. Other Current Assets

Particulars	As at 31-03-2026	As at 31-03-2025
Advances to material suppliers	843.29	766.42
Deposits for enlistment	105.33	101.98
Earnest money and other deposits	153.30	151.56
VAT Input Credit receivable	55.60	55.60
GST Receivable	513.76	1,526.13
TDS Receivable	496.01	234.66
Prepaid Expenses	424.83	721.15
Other advances	351.05	454.89
Asset Held for Sale *	191.24	425.00
Total	**3,134.41**	**4,434.38**
Others		

Note: * 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 .Out of the total carrying amount of ₹4.25 crore, assets amounting to ₹2.34 crore have been sold during the year, and the balance amount of ₹1.91 crore remains classified as Non-Current Asset Held for Sale as at the reporting date.

11. Share Capital

Particulars	As at 31-03-2026	As at 31-03-2025
Authorised		
500,00,000 Equity shares of Rs.10 each	5,000.00	5,000.00
Issued and Subscribed		
2,39,90,600 Equity shares of Rs.10 each	2,582.06	2,399.06
Total	**2,582.06**	**2,399.06**

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

Particulars	As at 31-03-2026	As at 31-03-2025
	No of shares	No of shares
Equity shares of Rs.10 each		
At the beginning of the period	239.91	239.91
Add: Shares issued	18.30	-
At the end of the period	258.21	239.91

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

Name of Shareholders	As at 31-03-2026	As at 31-03-2025
	No of shares	Num of shares
G Radha Krishna	170.62	153.07

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

S.no Name of Promoter	Promoter Name
1 G .Radha Krishna 170.62 cr shares 66.08%	1. G .Radha Krishna 153.07 cr shares 63.80%
2. G Parvathi Devi 0.0059 Cr shares 0.23%	2. G. Parvathi Devi 0.0059 Cr shares 0.24%

3. G .Naga pushyami 0.0022 Cr shares 0.09%	3. G . Naga pushyami 0.0022 Cr shares 0.09%
4. G. Hima Bundu sree 0.0030 Cr shres 0.11%	4. G . Hima Bundu sree 0.0030 Cr shres 0.12%

12. Other Equity

Particulars	As at 31-03-2026	As at 31-03- 2025
Securities Premium Account		
Balance as per Balance Sheet	2,954.90	1,637.30
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	14,809.66	12,806.59
Profit/(Loss) for the period	-3,468.97	2,003.76
Less: Appropriations	-	-
(i) Impairment Loss	-	-
(ii) Proposed Dividend- Equity Shares	-	-
(iii) Corporate Dividend Tax thereon	-	-
Total	**14,295.59**	**16,469.97**

14. Provisions

Particulars	As at 31-03-2026	As at 31-03-2025
Provision for Employee Benefits		
Provision for Gratuity	275.22	179.45
Total	**275.22**	**179.45**

15. Borrowings – Current

Particulars	As at 31-03-2026	As at 31-03-2025
Working Capital Loans		
Secured		
Cash Credit Accounts, Working Capital Demand Loan	11,142.21	7,064.81
Other than Cash Credit	-	-
Unsecured		
From Banks	3,922.52	7,552.42
From Financial Institutions/ Others	4,565.60	-
From Others (Directors)	1,311.44	2,258.69
Total	**20,941.77**	**16,875.92**

Additional Information

(i) Security for Term Loans

Nature of Security	As at 31-03-2026	As at 31-03-2025
Security for Working Capital Loans	**In Lacs**	**In Lacs**
(a) Hypothecation of Company's Current Assets and Mortgage of certain immovable properties belonging to the Company/ Guarantor	55,209.00	49,374.00
(b)Second Charge created/ to be created on all fixed assets (excluding Land and Building) of the Company	5,381.00	5,361.00
Fixed and Floating charge over the assets of the Company and personal guarantee of the Directors	-	-
Pledge of certain Immovable Assets	8,926.00	7,296.00
Total	**69,516.00**	**62,031.00**

RKEC Projects Limited

16. Trade Payables

Particulars	As at 31-03-2026	As at 31-03-205
Total Outstanding dues to Micro & Small Enterprises	**1,379.25**	**-**
Total Outstanding dues to creditors other than Micro & Small Enterprises	**-**	**-**
Acceptances	**1,602.44**	**5,111.74**
Other than Acceptances	**4,520.48**	**6,959.67**
Total	**7,502.17**	**12,071.41**

17. Other Financial Liabilities

Particulars	As at 31-03-2026	As at 31-03-2025
Current Maturities of Long-term Borrowings	1,947.06	1,651.98
Total	**1,947.06**	**1,651.98**

18. Other Current Liabilities

Particulars	As at 31-03-2026	As at 31-03-2025
Revenue received in Advance	276.28	276.91
Other Current Liabilities	3,964.93	4,577.66
Total	**4,241.21**	**4,854.57**

19. Provisions

Particulars	As at 31-03-2026	As at 31-03-2025
Provision for Employee Benefits		
Provision for Gratuity	-	102.12
Other Provisions		
Provision for Taxation *	530.08	530.08
Others provisions	74.20	92.87
Total	**604.28**	**725.07**

20. Revenue from Contracts

Particulars	As at 31-03-2026	As at 31-03-2025
Sale of Services		
Contract Revenue	18,017.32	42,192.25
Other Operating Revenue	-	-
Work Receipts on Technical Services	-	-
* Arbitration award received as compensasion from UHIIC for contract executed prior to GST	-	-
Others	-	-
Total	**18,017.32**	**42,192.25**

21. Other Income

Particulars	As at 31-03-2026	As at 31-03-2025
Profit on Sale of Assets	8.61	-
Miscellaneous Income	290.69	456.13
Share of Profit from Joint Venture	-	-
Interest recovered on Mobilisation Advance	-	-
Interest on IT Refund	-	-
Interest Income	-	-
On Long Term Investments	-	-

Bank Fixed Deposits	297.98	228.87
Inter Corporate Deposits	-	-
Interest on Investments	-	-
Others	-	-
Total	**597.28**	**686.43**

22. Cost of Materials Consumed

Particulars	**As at 31-03-2026**	**As at 31-03-2025**
Construction Materials, Stores and Spares		
Opening Stock	6,768.62	5,052.67
Add: Purchases	8,519.63	22,689.46
Less: Closing Stock	5,391.96	6,768.62
Total	**9,896.29**	**20,973.51**

23. Operational Expenses

Particulars	**As at 31-03-2026**	**As at 31-03-2025**
Repairs and Maintenance		
Plant and Machinery, Vehicles	65.66	173.61
Power and Fuel	-	-
Diesel and Petrol Expenses	1,183.65	1,821.83
Electricity Expenses	63.86	94.93

Others	-	-
Employee Benefit Expenses (operational staff at Site)	2,277.85	
Insurance for Project Site and Plant & machinery	557.98	
Project Work Expenses	3,307.23	10,733.68
Hire Charges for Machinery and others	1,759.55	2,279.98
Transport Charges	991.58	1,892.15
Technical and Engineering Consultancy Services	83.48	384.82
Testing Charges	54.94	58.72
Labour Cess (Recoveries)	164.78	351.33
Other Recoveries (By Contractrees)	459.26	388.04
Loading and Unloading Charges	14.91	32.63
Water Charges	15.82	42.72
Other Project Expenses	24.77	20.29
Total	**11,025.32**	**18,274.73**

24. Changes in Inventories of Work-in-Progress

Particulars	As at 31-03-2026	As at 31-03-2025
Opening Stock	12,889.42	6,263.94
Cl Unbilled Revenue	2,361.56	1,306.75
Less: Closing Stock	14,673.93	12,622.80

Total	**-4,146.08**	**-7,665.61**

25. Employee Benefit Expenses

Particulars	As at 31-03-2026	As at 31-03-2025
Salaries and Wages	518.97	2,542.95
Contribution to Provident Funds and Other Funds	8.44	235.74
Staff Welfare Expenses	397.74	434.78
Total	**925.16**	**3,213.47**

26. Finance Costs

Particulars	**As at 31-03-2026**	**As at 31-03-2025**
Interest Expense on		
Term Loans	497.27	401.01
Working Capital Demand Loans & Cash Credit	928.57	731.22
Mobilisation Advance	524.19	119.33
Interest on Bill discounting	261.87	302.63
Others	-	113.66
Other Borrowing Costs	**297.11**	**279.83**
Total	**2,509.01**	**1,947.68**

27. Other Expenses

Particulars	As at 31-03-2026	As at 31-03-2025
Auditor's Fee		
Statutory Audit Fee	8.00	8.00
Tax Audit Fee	2.00	2.00
Other Services	2.00	2.00
Cost Audit	0.80	0.80
Internal Audit	4.00	4.00
Secretarial Audit	2.00	2.00
Others	-	-
Bank Charges	272.38	97.88
LC & BG Issue Charges	333.39	486.26
Commission on Bank Guarantees	302.55	340.10
Rent	251.43	227.25
Travelling and Conveyance Expenses	138.96	210.12
Repairs and Maintenance of Computers and others	12.56	15.60
Office Maintenance	44.27	59.35
Security Services	92.22	82.70
Rates and Taxes	22.87	37.75
Communication Expenses (Postage and Telephone)	11.60	13.50

Insurance *	-	169.92
Printing and Stationery	11.17	22.39
Professional Charges	202.51	308.29
CSR Expenses	56.78	10.60
Foreign Exchange Gain/Loss	-	-
Sitting Fees to Directors	10.00	8.00
Project Site Admin Expenses	24.88	44.42
Tender Expenses	34.79	8.55
Donations	10.00	-
Bad Debts Written Off	263.13	-
Business Promotion Expenses	13.83	43.64
ROC Charges	0.25	0.51
Interest on Statutory Dues	11.90	31.37
Prior Period Expenses	-	-
GST Interest	23.60	12.48
Gst Penalty	-	-
Loss on Asset Damaged*	44.88	-
Miscellaneous Expenses	29.15	0.74
Total	**2,237.90**	**2,250.22**

28. Earnings Per Share

Particulars	As at 31-03-2026	As at 31-03-2025
Face Value of Shares (in Rupees)	10.00	10.00
Basic and Diluted EPS	-	-
Surplus available to Equity Shareholders (In Rupees)	3,468.97	2,003.07
Weighted Average Number of Shares (In Nos)	256.61	239.91
Basic EPS	**-13.52**	**8.35**
Add: Effect of dilutive stock options	-	-
Weighted Average Number of Shares (In Nos)	256.61	239.91
Diluted EPS	**-13.52**	**8.35**
Calculation of Weighted Average Number of Shares	-	-
Opening Number of Shares	239.91	239.91
Issued during the year	16.71	-
Weighted Average Number of Shares	256.62	239.91