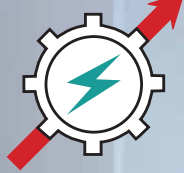


POWER MECH™



Growth Unlimited

POWER MECH PROJECTS LIMITED

16TH ANNUAL REPORT 2014-15



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2 x 800MW, YTPS, Raichur

Corporate Information

Board of Directors



Mr S Kishore Babu
Chairman & Managing Director



Mrs S Lakshmi
Director



Mr M Rajendran
COO & Director



Mr Thiagarajan Sankaralingam
Independent Director



Mr Amitabha Guha
Independent Director



Mr Mukul Lal Sah
Independent Director



Mr GDV Prasada Rao
Independent Director



Mr Rakesh Sony
Director

Chief Financial Officer

Mr J Satish

Company Secretary

Mr Mohit Gurjar

REGISTERED OFFICE & CORPORATE OFFICE

Plot No.77, Jubilee Enclave, Madhapur
Hyderabad - 500 081, Telangana

STATUTORY AUDITORS

M/s Brahmayya & Co
Chartered Accountants
33-25-33B, Govindarajulu Naidu Street
Suryaraopet
Vijayawada - 500 002, Andhra Pradesh

INTERNAL AUDITORS

M/s Ramesh & Co
Chartered Accountants
Plot No.78, 6-3-661/B/1, Sangeeth Nagar
Somajjiguda, Hyderabad - 500 082,
Telangana

BANKERS

State Bank of Hyderabad
State Bank of India
Standard Chartered Bank
ICICI Bank
RBL Bank Ltd
Axis Bank
Citi Bank

CORPORATE CONSULTANTS & SECRETARIAL AUDITORS

M/s P. S. Rao & Associates
Company Secretaries
6-3-347-22/2, Flat-10,
4th Floor, Iswarya Nilayam,
Dwarakapuri Colony, Punjagutta,
Hyderabad - 500 082, Telangana



Message from Chairman

Dear shareholders,

As I am presenting the 16th annual report of the Company I extend my warm wishes and greetings to one and all. I am pleased that we are able to present the report with accomplished satisfaction for the past and hope for the future. The Financial Year 2014-15 continued the legacy of turbulent market scenario in power sector and yet the Company managed to hold the fiscal curves upward.

There was great expectation in power sector for a turn-around, but we are yet to experience them in reality. The market remains volatile and the future posing a tough bar before us. Yet the Company was able to keep continuity in healthy growth trajectory. "A tree is known by the fruit it bears" and true to this statement the Company made progress and kept its deliveries intact.

It is a matter of satisfaction that the revenue have grown at 14% from Rs.1187 Crores in FY14 to Rs.1356 Crores in FY15 and the net profits increased from Rs.68 Crores in FY14 to Rs.71 Crores in FY15. The revenues of the Company have grown at an impressive CAGR of 34% since FY10. Another important aspect was that the order book position continued to remain strong at Rs.3406 Crores as on 31st March 2015. The constituent of the order book contributed to its robust growth with O&M at 17% of our order book, civil at 15% and overseas business contributed at 16% reflective of the increasing its share and making it more stable. The Company is able to continue its legacy of providing strong returns to its shareholders with return on equity (ROE) and return on capital employed (ROCE) at 20% and 22% in FY15 respectively.

The Financial Year 2014-15 is significant as far as International Operations (IO) are concerned. We envisage great potential in the international market especially in the Middle East. The IO team has been strengthened with an experienced independent head and also staff to support the system. This season our focus would be on overseas projects whether small, medium or large but keep moving. Therefore our Company now rests on four pillars and derives its strength from Mech, civil, O&M and IO.

The subsidiary Companies are also playing their important role in the overall growth story of the group companies, especially Hydro Magus which is concentrating on hydro projects. Power Mech Industri is establishing the workshop in Noida and I am confident that it becomes operational from the next FY.

This year we have decided to go for Initial Public Offer (IPO) and started the progress with a kick-off meeting with new CFO taking over charge. Having appointed the lead merchant bankers, legal teams, PR agency, the process gained momentum and by the time this annual report lands your hands the Company might have been listed with stock exchanges.

Infusing new blood and innovative is the 'mantra' for the success of our Company. We are inducting professionals who are highly experienced in respective fields to take lead positions. It was never permitted to be static but always looking ahead of times. The spirit of Power Mech always remains high and we are careful in maintaining the spirit. I can cite three great reasons that keep our spirit high.

- We always try for expansion horizontally and vertically.
- Take challenges as opportunities and convert them as stepping stones.
- Keeping edge over contemporary players consistently.

Acknowledgement: I am optimistic for the future and confident of the growth. To me challenges are that makes life interesting and overcoming them is what makes life meaningful. I foresee better days and always too.

I am indebted and acknowledge with due respect and responsibility all who have supported, encouraged and contributed to the expansion and also sustaining the growth curve of the company. I thank all the Shareholders, Investors, Banks and Financial Institutions for their support throughout the financial year. I express my faith and gratitude to the state and Union Governments and all statutory bodies supporting us in discharging our duties.

I am thankful to all my colleagues in the Board for their untiring encouragement, support and leadership. Last but not the least, I thank all my employees, but for whom the sustaining of growth and achievements could not have been made possible. I am also thankful to the Directors and employees of the subsidiary companies for their contribution in the growth and also for their cooperation. I thank one and all!

With best wishes,

S Kishore Babu
Chairman



5 x 800 MW, Mundra UMPP, Gujarat



Paguthan

Dedication



Vision

To be a dominant player among infrastructure companies in power sector and delight the customers through products, services with continuous improvement.

Mission

Maintain higher standards in workmanship, meet customer requirements to the brim, achieve timely completion of projects by adopting innovative methods, enhance organizational skills through better planning, upgrade the skills and competence of Human resources and tireless pursuit for excellence all the time.

HSE Policy

Power Mech Projects Limited is committed to maintain higher standard in occupational Health, Safety and Environment protection even while pursuing quality works and comply with all safety norms, procedures and statutory rules and impart functional responsibility at all levels, educate train and motivate everyone associated with the company to achieve the goal of 'Zero incident'.

Quality Policy

Power Mech Projects Limited, in its quest to be the leader among ETC and EPC companies is committed to achieve continual improvement in its products, services and performance to enhance customer satisfaction through improved level of quality and conforming to its contractual obligations and induce quality awareness at all levels of employees by imparting training, improving attitude, enhancing motivation and encouraging total involvement.



366MW Paradip, Odisha



Palatana GCCPP



Opal Dahej GCCPP

Introduction

Power Mech Projects Ltd was established in the year 1999 by a first generation entrepreneur and young Engineer Mr S Kishore Babu with vision and passion to create one of the leading power infra companies. Today Power Mech stands high and tall among contemporary players in the installation of power projects as a comprehensive service provider.

The company has undertaken Power projects of all types, sizes and in all environment both in India and abroad which include Ultra Mega Power Projects, Super Critical Thermal Power Projects, Sub Critical Power Projects, Heat Recovery Steam Generator, Waste Heat Recovery Steam Generator, Circulating fluidized bed combustion Steam Generator, Gas Turbine Generator, Hydro Electric plants and maintenance, renovation, modernization and annual maintenance of running plants and complete Civil works. PMPL is also undertaking projects of overseas contracts and executed many Packages and Projects.

SERVICE PORTFOLIO

Boiler, Turbine & Generators

- Steam generators & Auxiliaries
- Steam Turbine Generators and TG Auxiliaries
- Critical Piping, LP & HP piping
- ESP, Ducts
- Hydro Turbine, Penstock & Pressure shaft
- HRSG
- CFBC
- WHRB

Structure Fabrication & Erection

- Power House structures
- BOP Structures
- Structures for Industry & Infrastructure Sectors
- Mill and bunker structure

Operation & Maintenance

- Overhauling and maintenance of Boiler and turbine and auxiliaries
- Renovation and modernization of power plant
- Repair, modification and rehabilitation of boiler
- HP and LP piping works

Balance of plant

- Coal handling plant
- Cooling water system
- Fuel oil handling system
- DM water system
- Ash handling system

Civil and Architecture

- Mass excavation and area grading
- Land Development
- Bored cast and driven cast piling
- Steam Turbine foundation
- Gas turbine foundation
- Foundation for all auxiliaries like Mills, Fans, TDBFP, BFP, CWP and other equipments
- BTG foundation
- Enabling works
- BoP & AHP

Annual Maintenance of power plants

- Mechanical
- Electrical
- Control and Instrumentation
- Comprehensive O&M Contracts

Process Plants, Petroleum, Steel & Cement Sectors

- Industrial Drives & Auxiliaries
- Civil & Architectural
- Structural Fabrication & Erection
- LP & Cooling Water Piping
- Oil Handling System
- Tankages
- Material Handling
- DM Plant Systems

Rapid Glimpse

At a glance

- Major overseas project work undertaken in Saudi Arabia for Installation works of Boilers #03 & 01 (660 MW each) & Auxiliary Equipment at Shuqaiq Steam Power Plant, Saudi Arabia
- Company decides going public – Files its Draft Red Herring Prospectus with SEBI on October 30, 2014
- Power Mech – CPNED Services (Hong Kong) Holding Co. Limited, a JV company between PMPL & CPNED incorporated at Hong Kong for supply of original spares and equipments to power plants of all Chinese make
- Revenue of Rs.1356 Crores in FY15, a growth of 14% over FY14
- Net Profits increased from Rs.68 Crores in FY14 to Rs.71 Crores in FY15
- Robust Order Book of Rs.3406 Crores as on 31st March 2015



2 x 700 MW, RAPP, Rajasthan

ETC - Mechanical

Power Mech undertakes packages of Erection, testing and commissioning (ETC) of STG, Boiler, ESP, Structures, BOP, whole BTG and civil works up to 800 MW. It is capable of undertaking projects of any dimension and diversion. Power Mech undertakes maintenance, overhauling and refurbishing works in Boiler, Turbine and balance of plant. Power Mech has to its credit, successful completion of projects overseas and in India of Gas Turbine up to 150 MW Units. The company has construction activities in major Oil refineries; Coal based power plants, Gas Turbines, Combined cycle power plant, Heat Recovery Steam generator Boilers and Captive power plants.

We have played our modest role in capacity addition of more than 31,800 MW to the National grids. At present we are operating in as many as 50 sites across the Nation and abroad and are in the process of contributing an additional 35,772 MW of power to the Grid.

ETC Orders Secured in 2014-15

Site Name	State	Capacity	Package	Customer
IBV TPS	Odisha	1 x 660MW	Civil & Structure works - 1 Unit	BHEL - PSER
Bhavanapadu TPP	Andhra Pradesh	2 x 660 MW	STG Works, Erection of Power House Structure - 2 Units	ABIR
Beramara CAPP	Bangladesh	1 x 360 MW	HRS, GTG & STG- 1 Unit	L&T
Phunatsangchhu - I HEP	Bhutan	6 x 200 MW	Generating Equipments - 6 Units	BHEL - PSER
Chhabra TPP	Rajasthan	2 x 660 MW	Power Cycle Piping - 2 Units	L&T
Jamnagar - C2 CPP Complex	Gujarat	2 x 110 MW	Structures, piping and GTG 2 Nos.	RIL
JSPL-Angul	Odisha	3.8 MTPA	Blast Furnace works & Steel Str works- 1 Unit	JSPL
Kudgi STPP	Karnataka	3 x 660 MW	BOP Piping Works - 1 Unit	Doosan
Mouda STPP	Maharashtra	2 x 660 MW	TG - 1 Unit	BHEL - PSWR
Nabinagar STPP	Bihar	3 x 660 MW	Boiler and Auxiliaries - 2 units Bunker structure - 2 units	BHEL - PSER
TRN Energy TPP, Nawapara	Chhattisgarh	2 x 300 MW	STG - 1 Unit, Boiler - 1 Unit	BGR
Raghunathpur TPP	West Bengal	2 x 660 MW	Boiler - 2 Units	BGR
RAPP	Rajasthan	2 x 700 MW	CW Piping, Rotating Equipments - 2 Units	L&T
Sagardighi STPP	West Bengal	2 x 500 MW	AC Package - 1 Unit	BHEL- PSER
Sasan UMPP	Madhya Pradesh	6 x 660 MW	BTG - 1 Unit	RINFRA
Shuqaiq	Saudi	4 x 660 MW	Boiler - 2 Units	Hyundai
Suratgarh SCTPS	Rajasthan	2 x 660 MW	TG U # 8	BHEL - PSER
Yeramarus TPP	Karnataka	2 x 800 MW	CHP Works - 2 Units	BHEL-ISG



CW pump house Motor floor slab at 2 x 800MW, YTPS Project at Raichur



TG Columns, 660MW Unit#7, Suratgarh TPP, Rajasthan

Civil & Architecture

Power Mech has an exclusive division for executing civil and Architectural works in power plants and infrastructures headed by highly experienced Engineers drawn from reputed organizations and is resourced with modern equipments and appliances. The division has solid support base with planning engineers, administrators, designers and executioners to provide comprehensive service in Civil, Architectural and Structural works.

The Company has undertaken major projects in India and in Yemen, including supply of materials and specialized services from Soil Testing to TG Casting. The Division by itself has staff strength of over 1200 of which 30% are qualified Civil & Structural Engineers backed by professional Managers. Thus Power Mech is providing service from land-breaking to commissioning of a power plant.

Services Offered

- Topographical Surveying
- Geotechnical Investigation
- Mass Excavation and Area Grading
- Bored Cast insitu piling
- TG Rafts & Decks
- Power House Civil & Architecture
- Machine Foundations
- GT Foundations
- Control Room Buildings Civil & Architecture
- Mill and Bunker Fabrication and Erection
- CW Pump Houses and Channel works
- CW Pipe Line Fabrication and Laying
- Cooling Towers

- Coal Handling Plant
- Plant Roads and Drains
- Pipe Racks - Civil & Structures
- Refinery Tanks and shells
- Enabling Works
- Balance of Plant Civil works including CHP and AHP
- Commercial and Residential Buildings
- Gas Power Projects Civil Works
- R&M civil Works of Power Projects

Major Projects undertaken

- Piling, Civil, Structural and Architectural Work of Unit # 1 at 2 x 520 MW Project, HNPCL-Vizag, Andhra Pradesh
- Total Civil & Structural work for Main Plant at 400 MW power project, Marib Phase II, Yemen
- Complete Civil, Structural and Architectural Works-Package I & Crusher House and MCC Building for 2 x 800 MW Yermarus TPP Karnataka
- Balance Civil, Structural, Architectural, work of Main Plant, Balance of Plant & Various Buildings for 100 MW Gas based CCPP at 366 MW project, Paradip, Odishaa
- Package-3: Civil, Structural and Architectural works for Power Block 1 of Unit #7, RRVUNL, 2 x 660 MW, Stage-V
- Civil, structural and architectural work of BTG and BoP for 1 x 500 MW, Unit-IV, FGUTPP, Raebarelli, Unchahar, UP
- Complete civil, structural and architectural work of main plant, BTG area for 1 x 800MW, stage-VII, Unit-2, Kothagudem, Khammam



210 MW Bandel, TPP, West Bengal



800MW, CGPL Mundra



Scaffolding Erection, CGPL Mundra Unit #20



110 MW, Barauni TPP, Behai

Operation & Maintenance

During the past 15 years, Power Mech has made strong inroads in providing permanent solutions to Overhauling, Maintenance, Renovation and Modernization of Power plants. This critical space demands very compressed time line for jobs to be executed and accurate knowledge and information on different original equipments. As an experienced service provider in this segment, the Company has evaluated the best team of skilled technicians and qualified engineers. The Company is equipped with all modern equipments and testing instruments for identifying and rectifying defects in rotating and non-rotating parts of the plants. The service portfolio covers the entire spectrum of operation and maintenance of a plant including annual O&M contracts.

Major Orders Executed-overhauling and maintenance

- Unit # 7, 210 MW at Satpura Thermal Power Station, Sarni. M.P. Maintenance of Steam Generator & Auxiliaries
- 1000 MWe nuclear steam turbine unit # 2, Kudankulam Nuclear power project Disassembly, Servicing of internal components and assembly
- Unit # 5 & 6, 490 MW, at NTPC, Dadri, Restoration of Damaged ESP Fields
- Unit # 6, 500 MW Capital overhauling of HP/IP and LT and Generator, Auxiliaries, Tata Power, Trombay
- Gas Turbine SGT5-2000E & 80 MW Steam Turbine of CCPP at Gepec-Paguthan, Major Overhauling
- GT-11 Gas Turbine SGT5-2000E & Generator at Samalkot / Ansalde, Major Overhaul
- Unit # 4, 4 x 120 MW at Jojobera, Turbine Overhauling

Capacity	Turbine & Aux, Generator			Steam Generator & Aux
	Steam	Gas	Hydro	
Up to 100 MW	41	20	32	26
100-250 MW	106	48	9	66
500 MW & Above	42	-	-	17

Renovation and Modernisation

Power Mech undertakes Renovation, Modernisation, Refurbishing and Upgrading of power plant including coal & gas based plants and hydro plants. A specialized team of Engineers and technicians make a difference in our approach, trouble shooting, speed in mobilization and execution while maintaining quality, safety and time-line. The company has proven record in undertaking many packages in different terrain and situations.

Major orders undertaken

- R&M of Boiler and Aux Turbine TG Set & Aux, Miscellaneous Equipment in 110 MW U#1 & #2 for BHEL / KBUNL
- Dismantling and R&M of Boiler and its Aux, Turbine and its Aux, 110 MW U # 6 & U#7 for BHEL / BSEB
- Dismantling of existing C&I system, and erection, testing, commissioning etc of new control & instrumentation (C&I) system in 110 MW U#2 for BHEL / KBUNL

- R&M of Boiler & ESP package for Bandel Thermal Power Project 210 MW Unit# 5 for DOOSAN/WBPDCL
- Renovation, Modernization & Life Extension Work of 50 MW U #1,2,3 & 6 at Rihand HEP for BHEL / UPJVNL
- Erection, Testing, commissioning, Trial operation, commissioning and handing over of C&I equipments for 210 MW U#10 & 11, Obra B TPP for BHEL / UPJVNL
- Dismantling, Erection, Commissioning of MAX DNA DCS system for TG auto loop / Regenerative/ Boiler area for 210 MW U#10 & 11, OBRA 'B' TPS, for BHEL / UPJVNL
- Renovation and modernization of Air Pre-heater 210 MW Unit#2 for BHEL / PSPCL
- R & M OF TG 110 MW U#3 and 4 at GNDTP, Bhatinda for BHEL / GNDTP
- R & M and Up-rating of C & I of Boiler, TG of U#4,110 MW, Bhatinda for BHEL / GNDTP

Operation and Maintenance of Power plants

Power Mech was the first to undertake Operation & Maintenance of India's 1st 4000MW Ultra Mega Power Project (UMPP) TATA CGPL, Mundra (5x800MW) which is in operation. The annual maintenance concept is unique in Indian scenario and Power Mech has grabbed the given opportunity on merit and competence.

The company is capable of providing comprehensive service in Mechanical, Electrical and C&I fronts. With a pool of highly skilled technicians, experienced engineers etc., Power Mech is able to provide versatile service under one roof. Centrally located service head-quarter enables the company to attend any break down work at a relatively higher pace and reduce the down time of the equipments and units. Engineers and technicians are drawn from established organizations forming a formidable team.

Major Power Plants Under Operation & Maintenance

- 655 MW, Combined Cycle Power Plant, China Lighting Power, Paguthan, Gujarat
- 4 x 660MW, Vedanta, Jharsuguda
- 4000 MW, Ultra Mega Power Plant, Coastal Gujarat Power Limited, Mundra, Gujarat
- 4 x 330 MW and 5 x 660 MW, Adani Power Limited, Mundra, Gujarat
- 5 x 660 MW, Adani Power Maharashtra Limited, Tiroda, Maharashtra
- 3 x 660 MW, Nabha Power Limited Rajpura, Punjab
- 2 x 300 MW, GMR-EMCO Energy TPP, Warora, Maharashtra
- 2 x 660 MW, Adani Power Rajasthan Limited, Kawai, Rajasthan
- 2 x 300 MW, Dhariwal Infrastructure Limited, Tadali, Maharashtra
- 2 x 600 MW, KSK Mahanadi Power Company Limited, Nariyara, Chhattisgarh
- 2 x 600 MW, Jindal India Thermal Power Limited, Derang, Odisha
- 2 x 700 MW, Nabha Power Limited, Rajpura, Punjab
- 6 x 660 MW, Sasan Power Limited, Sasan, MP
- 1 x 135 MW, VS Lignite Plant, Bikaner, Rajasthan
- 2 x 43 MW, Arasmeta Captive Power Company Pvt Limited, Champa, Chhattisgarh
- 3 x 33 MW, Bharat Oman Refinery Limited, Bina, MP
- 1 x 600 MW, Korba West Power Company Limited, Raigarh, Chhattisgarh
- 2 x 600 MW, Dainik Bhaskar Power Limited, Bharadara, Chhattisgarh
- 2 x 660 MW, Thermal Power tech Corporation India Limited, Nellore, AP

International Operations

Power Mech entered global market and has undertaken number of maintenance, Overhauling, Refurbishing and Rewinding works in running plants across Nations including Bangladesh, Nepal, Chile, Nigeria, Saudi Arabia, Oman, Middle east and African Countries. The Company has also undertaken ETC projects in Libya, Yemen and Saudi Arabia in association with reputed organizations maintaining high standards in tune with international level in quality, safety and time line. The Company is capable of mobilizing required man power and resources with remarkable speed in line with the requirements by the customers abroad. Some of the orders were executed in places of hostility braving with the situation prevailed there.

- Complete Generator Field Rewind works at 62.5 MW Siddhirgunj TPS, Bangladesh
- Manpower services for Field Rewind Works at Nigeria TPS, Nigeria
- Mechanical Activities at Mejilones Power Plant, Chile
- Man power Services for Inspection & Repair of four Heat Recovery Steam Generators (HRS G) in Riyadh Power Plant-9, Saudi Arabia
- Man power Services to Overhaul V 94.2 Gas Turbine at AES Barka Power & Desalination Plant, Oman

- Providing Maintenance services for GT, Boiler and C&I at 2350 MW Power Plant, Dubai, Dubai
- Providing Services for HGPI of (Siemens Make SGT5000F), Unit 41 & 42 at 1510 MW Shuweihat S2 Power Plant, Abu Dhabi, UA E.
- Providing Services for Minor Inspection of Siemens Make SGT5000F in Unit 11, 21, 2 & 23 at 1500 MW Shuweihat S1 Power Plant, Abu Dhabi, UAE
- Providing Services for Overhauling of V94.2 Siemens Make Gas Turbine at ENI Pointe Noire Power Plant – Congo

ETC Projects

- 2 x 157 MW Gas Turbine Extension Power Plant, Ruwais, Libya – Erection, Testing, Commissioning & Trial Operation of Total Mechanical, Electrical and C&I Packages of GTG & its Auxiliaries for Units# 5 & 6.
- Installation works of Boilers# 3 & 1 and Aux. Equipment of 2640 MW Shuqaiq Steam Power Plant (Stage-1).
- Erection, Testing, Commissioning and trial operation of Total Mechanical Works for GTG, STG, HRSG & Its Auxiliaries at 360 MW Bheramara CCPP Development Project, Kushtia Dist., Bangladesh.
- Erection, Testing, Commissioning and trial operation of Total Mechanical, Electrical & C&I packages of 400 MW Marib-II AND/OR 300 MW Marib-III Gas Turbines which includes Gas Turbines, Generators, Gas Turbine Auxiliaries, Balance of Plant, Inter Connecting Piping, Electrical and C&I Auxiliaries at MARIB GAS POWER STATION - YEMEN.
- Civil, Structural and Architectural Works, GTG Mechanical works for one unit at 400MW Marib - Phase-II Yemen – GTG.
- Material Handling, Erection, testing and commissioning of Generating Equipment's including Common I Station Auxiliaries of Units 1, 3 & 5 for 6 x 200 MW Punatsangchhu-I HEP, Bhutan.



2 x 157MW Power Project, Libya

Subsidiary Companies

Hydro Magus Private Ltd

Hydro Magus Pvt Ltd, is a subsidiary of Power Mech has a vision to make positive contribution in surging Hydro Power Sector in India and neighbouring countries. The Company's operational profile envisages supply and construction of hydro plants on EPC basis, Renovation & Modernisation, After sales Services, Spares Management, Health Assessment, RLA Study, LTSA, AMC and O&M of existing hydro plants, Trouble shooting of chronic problems by providing definite value added technical solutions in Electro-mechanical and Hydro-mechanical fields, Project management and Deliverable Index. The strength of the Company is derived by its commitment in upholding quality and safety at all stages of execution.

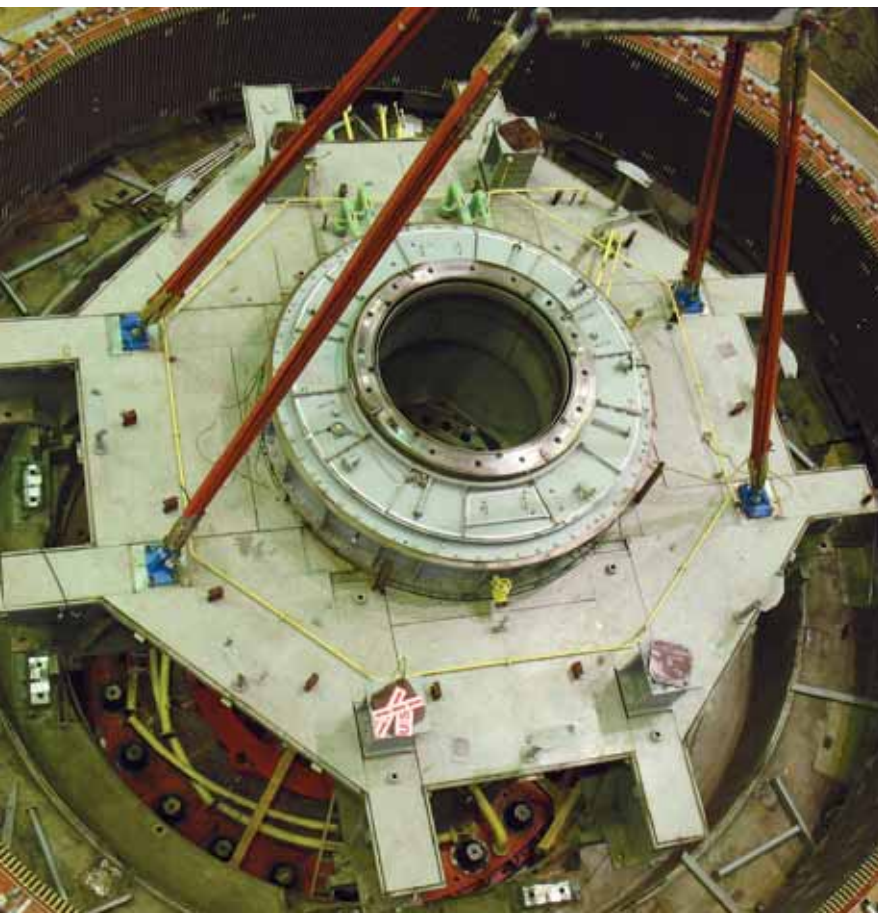
Major Projects undertaken

- Major capital overhaul of Unit # 2 Dhakrani Hydroelectric Project, Kashmir
- Rehabilitation of its 330 MW Alaknanda Hydro Electric Project, Kashmir
- Rehabilitating damaged Unit-I at Upper Sindh Stg-II HEP Kashmir
- Renovation of one unit of 25 MW at Kopili Extension HEP, Assam
- Overhauling of 2 Butterfly Valves at the Forebay of Khandong HEP, Assam
- Renovation of unit of 50 MW at Kopili HEP, Assam
- Renovation, modernisation & upgradation of 35 MW unit at LJHP, Kashmir

Power Mech Industri Private Ltd

A subsidiary of Power Mech Projects Limited, Power Mech Industri meets the needs of power plants both thermal as well as Hydro for manufacturing, re-engineering and repairing of components. A state-of-art workshop in Noida is equipped with sophisticated, major and variety of machines with facilities to repair and re-blade turbine rotors of capacity up to 600 MW. Strategically located, the workshop would provide vital service indigenously and therefore bringing down the down time of equipment in a power plant. It is aimed to provide efficient engineering service at affordable price, reasonable time line and high level in quality.

The uniqueness of the workshop is not confined to the machines but the men behind the machines. It is a workshop that provides guided service by highly experienced engineers in hydro and thermal power plants, who are aware of the working parameters of the equipment or part that matters.



Joint Venture (JV)



Power Mech - CPNED Services (Hong Kong) Holding Co. Limited

Power Mech and CPNED the supply chain from China join together to market and supply original spares and equipment to power plants of all Chinese make. It is a special vehicle meant to meet the spares needs of group of customers in India!

- Spares from spectrum of leading original manufacturers from China!
- Shortest delivery schedule from ex-stock to reduce down-time!
- Assured original & quality spares and long term warranty!
- Expert services from Original Equipments Manufacturers for routine and B/D maintenance!

Steam Generator, Turbine & Generator	: Dongfang Electric Corporation, Shanghai Electric Corporation & Harbin Electric Corporation
Pumps	: KSB, SPEM, CHANGSHA
Mills	: Beijing Power Equipment Group, Shanghai Electric
Fans	: Shenyang, Shanghai Electric, NORTHERN
ESP	: Fujian Longking Co., Ltd., ZHSJANG FEIDA
Stacker-Reclamer	: CHANCHUN

CSR - Empathy with Society

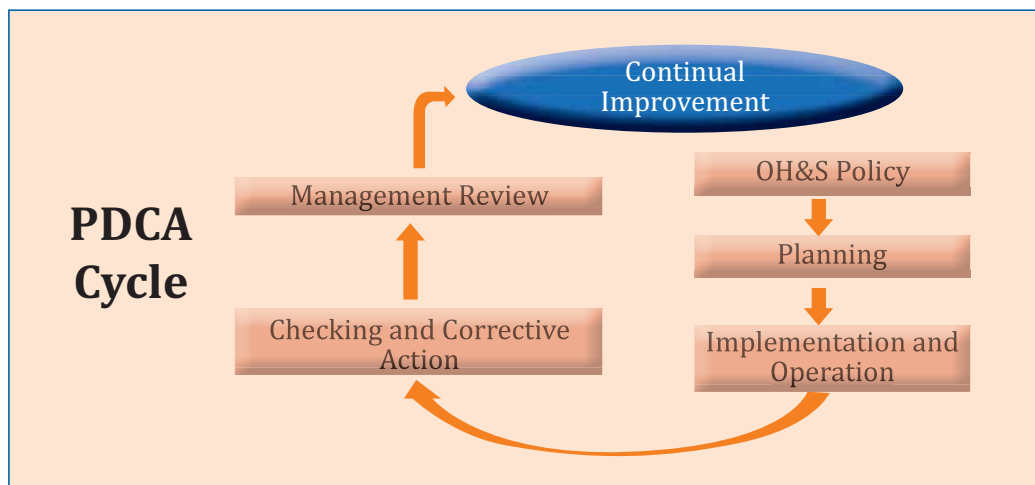
We believe in growth with a human face. The Company always strives to discharge its social responsibility to the society at large. It encourages its employees to volunteer for CSR activities, resulting in a self-driven approach in fulfilling the obligations to the society. Our employees have indeed are making difference to the society through periodic blood donation camps and regular services to old age homes, hospitals, orphanages and village schools. As a leading corporate company in power sector Power Mech Projects Limited recognized its social responsibility and a charity Trust was founded by Mr. Sajja Kishore Babu who is also the Chairman and Managing Director of Power Mech Projects limited. Power Mech Foundation is an extended arm of group of companies to meet the responsibilities they own to the society. The Foundation is set out on a mission to develop social infrastructure and enhance the quality of life of communities around. The Trust also involves in community development by adopting schools in the neighbourhood villages and takes care of the academic needs of the poor students. In the process the Foundation blends the services of the villagers as well in making the events and programs a success story! The Foundation is committed to inclusive, sustainable, social and economic development with thrust on:

- Education
- Community Development
- Health Management & Medical Aids
- Social Welfare
- Orphanages & Old-Age Homes
- Environment Protection
- Disaster I Calamity Management
- Empowerment & Livelihoods





HSE - Our Work Culture



Plan- Do-Check-Act (PDCA). PDCA can be briefly described as follows.

Plan : Establish the objectives and processes necessary to deliver results in accordance with the organization's OH&S policy.

DO : Implement the processes.

CHECK : Monitor and measure processes against OH&S policy, objectives, legal and other requirements and report the results.

Act : Take actions to continually improve OH&S performance.

Power Mech Projects Management demonstrates its commitment by integrating Health, Safety and Environment into its strategic level decisions. The holistic theme of Safety Management is developed logically and systematically, the functional operation of the company is examined in well-structured Safety Management attributes and elements. Risk quantification and control strategy formulation addressed competently. The human resource essentials for Safety Management are thoughtfully presented through Guiding Principles - Commitment, Organization, Accountability, Management System and Standards, Risk Management, Legal and other Requirement Compliance, Training, Environmental Aspects, Continual Improvement, Monitor and Audit and Review.

Commitment: Management at all levels of the company will be actively committed to HSE excellence.

Organization: we maintain and enhance a company wide organization structure and culture that recognizes the full and active participation of all employees in the systematic management of health, safety and environmental issues.

Accountability: Achievement of Health, Safety and Environmental excellence depends heavily on the continuing participation and accountability of the management.

Management System and Standards: We develop, implement and continuously improve effective HSE management system and develop standards that effect best industry practices.

Risk Management: We ensure the potential health, safety and environmental risks associated with all our activities are attended easily to utilize and manage adverse effects and to identify opportunities for improvement.

Legal and other Requirement Compliance: We operate to standards that will comply with the requirements of appropriate legal and other requirement.

Training: Training is an essential element of HSE excellence. Management at all levels will ensure that appropriate training is conducted on a regular basis.

Environmental Aspects: We continuously evaluate the environmental aspects of our products and services to ensure sound environmental strategy.

Continuous Improvement: The Company believes that effective HSE management is good business and is committed to continuous improvement of HSE management practices.

Monitor, Audit and Review: Effective management requires ongoing assessment and review to define whether the HSE policy is being appropriately implemented.



Notice

Notice is hereby given that the Sixteenth Annual General Meeting of the members of M/s Power Mech Projects Limited will be held on Thursday, August 20, 2015 At 11.00 AM at the registered office of the company situated at Jubilee Enclave, Plot No. 77, Madhapur, Hyderabad -500081 to transact the following items of Business:

Ordinary Business

- 1) To receive, consider and adopt the financial statements (Standalone & Consolidated) for the financial year ended 31st March, 2015 together with the report of Board of Directors and auditors thereon.
- 2) To declare a dividend of 10% i.e Rs.1 per Equity Shares of Rs.10 each for the financial year 2014-2015.
- 3) To appoint a director in place of Sri. M. Rajendran (DIN : 01879556), Whole Time Director, who retires by rotation and being eligible, offers herself for re-appointment.
- 4) **To Ratify the appointment of Statutory Auditors for the Financial Year 2015-2016**

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, pursuant to the recommendations of the audit committee and pursuant to the resolution passed by the members at the 15th AGM appointing M/s. Brahmayya & Co., Chartered Accountants, Vijayawada holding ICAI Firm Registration No.005135 as auditors of the company till the conclusion of 20th Annual General Meeting and whose appointment is subject to the ratification at every Annual General Meeting, M/s. Brahmayya & Co., who have confirmed their eligibility in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby ratified to act as Statutory Auditors of the Company for the financial year, 2015-16 on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in connection with the audit of Accounts of the Company.”

By order of The Board of Directors

Date: July 7, 2015
Place: Hyderabad

Mohit Gurjar
Company Secretary

Notes

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM(S) IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. Proxies submitted on behalf of Limited Companies, Societies, Partnership Firms, etc. must be supported by appropriate resolution / authority, as applicable, issued by the member organization.
- 2) Karvy Computer share Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032, Telangana, India Telephone: +91 (40) 6716 2222 Facsimile: + 91 (40) 2300 1153 (email: varghese@karvy.com) ; is the Share Transfer Agent (STA) of the Company. For effecting changes in the Address / Bank details / NECS (National Electronic Clearing Service) mandate; the members are requested to notify to the said share transfer agent if shares are held in physical form; and their respective Depository Participant (DP), if the shares are held in dematerialized form.

- 3) Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations power to attorney, change of address / name, etc. to their Depository Participant only and not to the Company's Registers and Transfer Agents. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the Members.
- 4) Members may also note that the Notice of the 16th Annual General Meeting and the Annual Report for 2015 will also be available on the Company's website www.powermechprojects.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office situated at 77, Jubilee Enclave, Madhapur, Hyderabad for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor email cs@powermech.net.
- 5) Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
- 6) As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the Meeting.
- 7) Members/Proxies are requested to kindly take note of attendance slip, as sent herewith, is required to be brought at the venue duly filled in and signed, for attending the meeting.

By order of the Board of Directors

Date: July 7, 2015
Place: Hyderabad

Mohit Gurjar
Company Secretary

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting their 16th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2015.

1. Financial Performance of the Company

Your Company's Standalone financial performance, for the year ended 31st March 2015 is summarized below:

(Rupees in Lakhs)

PARTICULARS	2014-15	2013-14
Gross Revenue	136,152	119,878
Total Expenditure	119,106	103,655
Profit before Interest, Depreciation and Taxation	17,046	16,223
Less : Interest	2,858	2,258
Depreciation	3,664	3,274
Profit/(Loss) before Taxation	10,524	10,690
Less : Provision for Income Tax	3,765	3,756
Deferred Tax Liability / (Asset)	-312	103
Profit/(Loss) after Tax	7,070	6,831
Add : Balance brought forward from previous year	19,879	13,577
Profit available for appropriation	26,949	20,408
Appropriation		
Transfer to General Reserve	0	350
Proposed Dividend on Equity	126	164
Provision for Tax on distributed profits (On Equity shares)	26	15
Balance of Profit carried forward to next year	26,798	19,879

2. The State of Affairs of the Company

In the financial year 2014-15 your Company continued its growth momentum on key parameters. During the year, your company recorded healthy order intake which helped your Company to close the year with a strong order book of Rs.340,627 lakhs as on 31st March, 2015. The standalone revenue stood at Rs.136,152 lakhs, an increase of 14%, compared to previous year's revenue of Rs.119,878 lakhs.

The PAT stood at Rs.7,070 lakhs as against Rs. 6,831 lakhs in the previous year. The EPS was at Rs.56.94 for the year ended 31st March, 2015.

During the year under review there is no change in the nature of business of the company.

3. Management Discussion & Analysis

The *Management's discussion and analysis* is set out in this Annual Report.

4. Dividend

The Directors are pleased to recommend 10% dividend (i.e Rs.1/- for Equity share of Rs.10/- each) for the approval of the members for the FY 2014-15.

5. Transfer to Reserves

The board has not proposed to transfer any profits to the reserves for this fiscal 2015.

6. Changes in Share Capital

(i) Bonus Issue

The Company on June 26, 2014 had allotted bonus shares in the ratio of 10:1.2 and consequently the paid-up capital has increased by Rs.1,08,00,000 divided in 10,80,000 equity shares of Rs.10/- each.

(ii) Conversion of CCDS

The Company during the year had issued and allotted 562,500 equity shares of Rs.10/- each at a premium of Rs.190/- per share on July 16, 2014 to *India Business Excellence Fund I* pursuant to the exercise of conversion option vide their notice for conversion of 1125 Compulsorily Convertible Debentures of face value of Rs.100,000/-.

The capital structure of the company after taking into the above allotments stands as follows:

Particulars	Equity Shares of Rs.10/- each	Amount(Rs)
Authorized Capital	26,000,000	260,000,000
Issued/subscribed/called-up & paid-up (As on 01.04.2014)	10,940,264	109,402,640
ADD: Bonus Issue in the ratio of 10:1.2 on 26.06.2014	10,80,000	10,800,000
ADD: Conversion of 1125 CCD's on 16.07.2014	5,62,500	5,625,000
Issued/subscribed/called-up & paid-up post conversion of CCDS (As on 31.03.2015)	125,827,64	125,827,640

7. Material Changes and Commitments Affecting Financial Position Between the End of the Financial Year and Date of Report

Public Issue of the Company

Your Company during the FY 2014-15 filed its Draft Red Herring Prospectus (DRHP) with Securities and Exchange Board of India (SEBI) for public issue of 4,269,000 equity shares of face value Rs.10 each, comprising of a fresh issue of 2,128,000 equity shares and an offer for sale of 2,141,000 equity shares. The Company has received final comments from SEBI on DRHP and shall plan for Issue opening at an opportune time.

8. Particulars of Loans, Guarantees or Investments

There are no transactions of Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013.

9. Deposits

The Company has neither accepted nor renewed any deposits from public as defined under the provisions of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

10. Particulars of Contracts or Arrangements Made with Related Parties

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed **Form AOC-2**, is appended as **Annexure I** to this report.

11. Explanation / Comments on Every Qualification / Reservation / Adverse Remarks / Disclaimer Made by Statutory Auditors / Secretarial Auditor

There are no qualifications/reservations/adverse remarks made by statutory auditors

Reply to the observations in the Secretarial Audit Report:

- *The Company has sent a reply dated 31st March, 2015 stating that Form INV 5 for the FY 2012-13 was filed on 27th March, 2015 and that the relevant investor wise details of unclaimed amounts have been uploaded on the Investor Education and Protection Fund Portal on the same day, further stating that the delay was due to oversight and was not intentional.*
- *The Company has responded as appropriate to each such notices related to the labour employed and related matters stated therein and made necessary compliances wherever applicable. In respect of certain matters the company has been levied penalty and the same is paid by the company.*

12. Meetings of the Board

During the year under review the board of directors has met five times on May 13, 2014, June 26, 2014, July 16, 2014, September 11, 2014 and January 9, 2015 and the gap between two meetings did not exceed 120 days.

13. Appointment and Resignation of Directors & Key Managerial Personnel

The following are the changes in the directorships during the financial year 14-15

S. No	Name of the Director	Date of Event	Appointment / Resignation
1	G. Srinivasulu	June 26, 2014	Resignation
2	A.R.N. Rao	June 26, 2014	Resignation
3	M. Jagan Mohan	June 26, 2014	Resignation
4	Amitabha Guha	June 26, 2014	Appointed as an additional Director
5	T. Sankaralingam	June 26, 2014	Appointed as an additional Director
6	Amitabha Guha	September 30, 2014	Confirmed as Director
7	T. Sankaralingam	September 30, 2014	Confirmed as Director
8	G.D.V Prasada Rao	September 30, 2014	Appointed as independent Director under the Companies Act, 2013
9	M.L. Sah	September 30, 2014	Appointed as independent Director under the Companies Act, 2013

During the year Mr. T. Sankaralingam & Mr. Amitabha Guha were appointed as Additional Directors of the company w.e.f June 26, 2014. Members approved the appointments of Mr. Amitabha Guha, Mr. T. Sankaralingam, Mr. G.D.V. Prasada Rao and Mr M.L. Sah as Independent Directors in their Annual General Meeting for a period of five years and they are not liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.

Remuneration Policy for Directors, Key Managerial Personnel and other employees is attached to this report as **Annexure II**

The following are the changes in the KMPs during the financial year 2014-2015

S. No	Name	Designation	Date of change	Reason for change
1	J. Satish	Vice president (finance and accounts)	October 20, 2014	Appointment

13A. COMMITTEES OF DIRECTORS

Currently, the Board has six committees: the audit committee, nomination and remuneration committee, corporate social responsibility committee, stakeholders relationship committee, IPO committee and Risk Management Committee. The composition of the committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the Committee	Composition of the Committee
Audit Committee*	G.D.V. Prasada Rao (<i>Chairman</i>); Rakesh Sony; and Amitabha Guha.
Nomination and Remuneration Committee	T. Sankaralingam (<i>Chairman</i>); Rakesh Sony; and M.L. Sah.
Corporate Social Responsibility Committee	S. Kishore Babu (<i>Chairman</i>); S. Lakshmi; and G.D.V. Prasada Rao.
Stakeholders Relationship Committee	G.D.V. Prasada Rao (<i>Chairman</i>); S. Lakshmi; and M.L. Sah.
IPO Committee	M. Rajendran (<i>Chairman</i>); Rakesh Sony; and G.D.V. Prasada Rao.
Risk Management Committee	M. Rajendran (<i>Chairman</i>); M.L. Sah; T. Sankaralingam and G.D.V. Prasada Rao.

* All recommendations made by the audit committee during the year were accepted by the Board.

14. Alteration to Memorandum and articles of Association of the Company

Your Company has altered the Main Objects of the Memorandum of Association pursuant to the resolution passed by the members through postal ballot on September 30, 2014.

Your Company has altered the Articles of Association pursuant to a special resolution passed by the members on October 16, 2014 in order to align the Articles of Association with the Companies Act, 2013 and Listing Agreement.

15. Extract of Annual Return

Extract of Annual Return of the Company pursuant to Section 134(3)(a) of the Companies Act, 2013 in **Form MGT 9** is annexed herewith as **Annexure III** to this Report.

16. Corporate Governance

Your Company is committed to maintain the highest standards of Corporate Governance and is voluntarily complying various provisions of clause 49 of the listing agreement.

17. Significant and Material Orders

There are no significant material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

18. Sexual Harassment

There were no cases reported during the year under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

19. The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure IV** to this Report.

20. Risk Management Policy

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. There are no material risks which threaten the very existence of the company.

21. Vigil Mechanism

A Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://www.powermechprojects.in/investors.html>

22. Corporate Social Responsibility

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link: <http://www.powermechprojects.in/investors.html>

The Annual Report on CSR activities is annexed herewith marked as **Annexure V**

23. Subsidiaries, Associates & Joint Ventures

As on 31st March, 2015, company has two subsidiaries, i.e Hydro Magus Private Limited(HMPL) and Power Mech Industri Private Limited(PMIPL).

- **Hydro Magus Private Limited (HMPL):** Your Company holds 75% equity in HMPL. HMPL is providing O&M and AMC services to hydro power plants. HMPL has some inherent advantages being a subsidiary of Power Mech Projects Limited (PMPL) in getting projects as well as in completion with the support of PMPL.
- **Power Mech Industri Private Limited (PMIPL):** PMIPL which is 100% subsidiary of PMPL is yet to start its commercial operations. The proposed factory for manufacture, fabricate, re-fabricate, overhauling of spares, machinery parts relating to various power generation plants is coming up at the companies facility at Noida. PMIPL is expected to start its commercial operations in this financial year FY 2015-16.
- **Power Mech CPNED Services (Hongkong) Holding Co., Limited:** In order to provide comprehensive O&M solutions, your company has entered into a joint venture agreement dated December 1, 2014, with Chengdu Pengrun New Energy Development Company Limited ('CPNED'), a company registered under PRC laws for manufacturing and distribution of equipment and spare parts, including boilers, turbines and generators, for O&M projects in India.

Your company has received approval from Reserve Bank of India (RBI) to remit funds for acquisition of 5000 Ordinary Shares (50% stake) in M/s Power Mech – CPNED Services (Hongkong) Holding Co., Limited. Your Company is in the process of making the remittance and acquiring the stake in the Company

- **MAS Power Mech Arabia:** In order to have a strong presence in Saudi Arabia, the company entered into a MOU with local partners in Kingdom of Saudi Arabia (KSA) for the purpose of incorporating a 51% subsidiary in the name & style 'Mas Power Mech Arabia'. Your company has made an application to RBI seeking approval for remitting funds towards initial subscription of shares.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013 financial statements of the subsidiaries were consolidated. Further, a statement containing the

salient features of the financial statement of our subsidiaries in the prescribed **Form AOC-1** is appended as **Annexure VI** to the *Board's report*. The statement also provides the details of performance, financial positions of each of the subsidiaries. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website www.powermechprojects.in.

There are no companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the financial year 2014-2015.

24. Internal Financial Control

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial disclosures.

25. Auditors

Statutory Auditors

M/s. Brahmayya & Co, Chartered Accountants who were appointed as Statutory Auditors of the Company for a period of 5 years at the 15th AGM and whose appointment is subject to the ratification of members at every AGM, has confirmed their eligibility in terms of provisions of Section 141 of the Companies Act, 2013. Pursuant to the recommendation of the Audit Committee, your board recommends to ratify the appointment of M/s. Brahmayya & Co, Chartered Accountants as statutory auditors of the company for the financial year 2015-2016.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules thereunder, M/s. P.S. Rao & Associates, Practicing Company Secretaries was appointed to conduct the Secretarial Audit of the Company for the FY 2014-15. The Secretarial Audit Report for FY 2014-15 forms part of the Annual report as **Annexure VII** to the Board's report.

Internal Auditors

Your board based on the recommendation of the Audit Committee have re-appointed M/s. Ramesh & Co., Chartered Accountants, Hyderabad, as Internal Auditors of the Company.

26. Particulars of Employees

Pursuant to the Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement of particulars of employees is annexed as **Annexure VIII**

27. Directors' Responsibility Statement

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them,

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement

Your Directors acknowledge the tremendous services rendered by the employees of the company at all the levels toward its overall success. Your Directors also express their grateful appreciation for the support and co-operation received from Banks, Government authorities, Customers, Vendors and members.

The Board also acknowledges with thanks the contribution of contractors and consultants in the implementation of various projects of the company and also wishes to place on record their appreciation for the valuable and constructive suggestions received from the auditors.

For and on behalf of the Board of Directors

S. Kishore Babu
Chairman & Managing Director
DIN: 00971313

Place : Hyderabad
Date : July 7, 2015

Annexure I

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 arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

- | | | |
|---|---|---|
| <ul style="list-style-type: none">a) Name(s) of the related party and nature of relationship:b) Nature of contracts / arrangements / transactions:c) Duration of the contracts / arrangements / transactions:d) Salient terms of the contracts or arrangements or transactions including the value, if any:e) Justification for entering into such contracts or arrangements or transactionsf) Date(s) of approval by the Board:g) Amount paid as advances, if any:h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: | } | <p>Not applicable - there were no contracts or arrangements or transactions entered into during the year ended 31st March, 2015 which were not at arm's length basis.</p> |
|---|---|---|

2. Details of material contracts or arrangement or transactions at arm's length basis

- | | | |
|---|---|---|
| <ul style="list-style-type: none">(a) Name(s) of the related party and nature of relationship:(b) Nature of contracts / arrangements / transactions:(c) Duration of the contracts / arrangements / transactions:(d) Salient terms of the contracts or arrangements or transactions including the value, if any:(e) Date(s) of approval by the Board, if any:(f) Amount paid as advances, if any: | } | <p>Not applicable - There were no material contracts or arrangements or transactions entered into during the year ended 31st March, 2015.</p> |
|---|---|---|

For other related party transactions, refer notes to accounts to the financial statements

For and on behalf of the Board of Directors of

Sajja Kishore Babu
Chairman & Managing Director
DIN: 00971313

Place :Hyderabad
Date :July 7, 2015

Remuneration Policy for Directors, Key Managerial Personnel and Other Employees

1. Introduction

- 1.1 Power Mech Projects Limited (PMPL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:
 - 1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
 - 1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
 - 1.1.3 Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope and Exclusion

- 2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References

In this Policy, the following terms shall have the following meanings:

- 3.1 **“Director”** means a director appointed to the Board of the Company.
- 3.2 **“Key Managerial Personnel”** means
 - (i) the Chief Executive Officer or the managing director or the manager;
 - (ii) the company secretary;
 - (iii) the whole-time director;
 - (iv) the Chief Financial Officer; and
 - (v) such other officer as may be prescribed under the Companies Act, 2013
- 3.3 **“Nomination and Remuneration Committee”** means the committee constituted by PMPL’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013

4. Policy

4.1 Remuneration to Executive Directors and Key Managerial Personnel

- 4.1.1 The Board, on the recommendation of the Nomination and Remuneration (NAR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- 4.1.2 The Board, on the recommendation of the Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- 4.1.3 The Annual Plan and Objectives for Executive Directors and Senior Executives (Management Committee) shall be reviewed by the Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

4.2 Remuneration to Non-Executive Directors

- 4.2.1 The Board, on the recommendation of the Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.
- 4.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

4.3 Remuneration to other employees

- 4.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Annexure III

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

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

I. Registration & Other Details

1	CIN	U74140TG1999PLC032156
2	Registration Date	22-Jul-99
3	Name of the Company	Power Mech Projects Limited
4	Category/Sub-category of the Company	Company limited by shares
		Indian Non-Government Company
5	Address of the Registered office & contact details	Plot No.77, Jubilee Enclave, Opp:Hitex, Madhapur, Hyderabad, Telangana- 500081. Email: cs@powermech.net; Phone: +9140-30444418; Fax: +9140-30444400
6	Whether listed company	Unlisted*
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computer share Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032, Telangana, India Telephone: +91 (40) 6716 2222; Facsimile: + 91 (40) 2300 1153; Email: varghese@karvy.com

The Company has filed its DRHP with SEBI on Oct 30, 2014 and is in the process of getting listed on BSE & NSE

II. Principal Business Activities of The Company

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Construction of utility projects	422	100

III. Particulars of Holding, Subsidiary And Associate Companies

S. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Power Mech Industri Private Limited *Reg Off: Plot No.77, Jubilee Enclave, Opp: Hitex, Madhapur, Hyderabad, Telangana - 500081.	U74920DL2006PTC146019	Subsidiary	100	2(87)
2	Hydro Magus Private Limited Reg Off: Plot No.77, Jubilee Enclave, Opp: Hitex, Madhapur, Hyderabad, Telangana - 500081.	U40106TG2012PTC083246	Subsidiary	75	2(87)

** The Registered office of the Company has been shifted from the NCT of Delhi to the State of Telangana vide order dated July 06, 2015 received from RD, Northern region*

IV. Share Holding Pattern

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year [As on 01- April - 2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
	1) Indian									
	a) Individual/ HUF	-	8504525	85,04,525	77.74%	95,25,068	-	95,25,068	75.70%	12.00%
	b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
	c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
	d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
	e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
	f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Sub Total (A) (1)	-	85,04,525	85,04,525	77.74%	95,25,068	-	95,25,068	75.70%	12.00%
	2) Foreign									
	a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
	b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
	c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
	d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
	TOTAL (A)	-	85,04,525	85,04,525	77.74%	95,25,068	-	95,25,068	75.70%	12.00%
B	Public Shareholding									
	1. Institutions									
	a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
	b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
	c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
	d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
	e) Venture Capital Funds	-	6,25,691	6,25,691	5.72%	6,25,691	-	6,25,691	4.97%	0.00%
	f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
	g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
	h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
	i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Sub-total (B)(1):	-	6,25,691	6,25,691	5.72%	6,25,691	-	6,25,691	4.97%	0.00%
	2. Non-Institutions									
	a) Bodies Corp.									
	i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
	ii) Overseas	-	13,14,573	13,14,573	12.02%	18,77,073	-	18,77,073	14.92%	42.79%
	b) Individuals	-	-	-	-	-	-	-	-	-
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	2,50,903	2,50,903	2.29%	840	2,74,981	2,75,821	2.19%	9.93%

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year [As on 01- April - 2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	2,44,572	2,44,572	2.24%	24,360	2,54,751	2,79,111	2.22%	14.12%
	c) Others (specify)									
	Non Resident Indians				0.00%	-	-	-	0.00%	0.00%
	Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Sub-total (B)(2):-	-	18,10,048	18,10,048	16.54%	19,02,273	5,29,732	24,32,005	19.33%	34.36%
	Total Public (B)	-	24,35,739	24,35,739	22.26%	25,27,964	5,29,732	30,57,696	24.30%	25.53%
C	Shares held by Custodian for GDRs & ADRs				0.00%	-	-	-	0.00%	0.00%
	Grand Total (A+B+C)	-	1,09,40,264	1,09,40,264	100.00%	1,20,53,032	5,29,732	1,25,82,764	100.00%	15.01%

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	S. Kishore Babu	32,15,250	29.39%	-	36,01,080	28.62%	-	12.00%
2	S. Lakshmi	21,43,350	19.59%	-	24,00,552	19.08%	-	12.00%
3	S. Rohit	14,02,050	12.82%	-	15,70,296	12.48%	-	12.00%
4	S. Vignatha	5,02,500	4.59%	-	5,62,800	4.47%	-	12.00%
5	S. Kishore Babu (HUF)	12,00,000	10.97%	-	13,44,000	10.68%	-	12.00%
6	Gogineni Babu	22,000	0.20%	-	24,640	0.20%	-	12.00%
7	Sajja Sivarama Krishna	4,000	0.04%	-	4,480	0.04%	-	12.00%
8	Sajja Sai Malleswara Rao	2,125	0.02%	-	2,380	0.02%	-	12.00%
9	Kantheti Subhasini	2,250	0.02%	-	2,520	0.02%	-	12.00%
10	Koyi Uma Devi	5,000	0.05%	-	5,600	0.04%	-	12.00%
11	Gogineni Sekhar Babu	3,000	0.03%	-	3,360	0.03%	-	12.00%
12	Vallabhaneni Sireesha	3,000	0.03%	-	3,360	0.03%	-	12.00%
13	Sajja Satyavathi	-	-	-	-	-	-	-
14	Sri Siddhartha Nekkanti	-	-	-	-	-	-	-
15	Srinivasa Rao Nekkanti	-	-	-	-	-	-	-
16	Rama Devi Nekkanti	-	-	-	-	-	-	-
17	Sravan Kumar Nekkanti	-	-	-	-	-	-	-
	Total	85,04,525	77.74%		95,25,068	75.70%		

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

Sl No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	S. Kishore Babu				
	At the beginning of the year	32,15,250	29.39	32,15,250	29.39
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	3,85,830		36,01,080	
	At the end of the year	36,01,080	28.62	36,01,080	28.62
2	S. Lakshmi				
	At the beginning of the year	21,43,350	19.59	21,43,350	19.59
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	2,57,202		24,00,552	
	At the end of the year	24,00,552	19.08	24,00,552	19.08
3	S. Rohit				
	At the beginning of the year	14,02,050	12.82	14,02,050	12.82
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	1,68,246		15,70,296	
	At the end of the year	15,70,296	12.48	15,70,296	12.48
4	S. Vignatha				
	At the beginning of the year	5,02,500	4.59	5,02,500	4.59
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	60,300		5,62,800	
	At the end of the year	5,62,800	4.47	5,62,800	4.47
5	S. Kishore Babu (HUF)				
	At the beginning of the year	12,00,000	10.97	12,00,000	10.97
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	1,44,000		13,44,000	
	At the end of the year	13,44,000	10.68	13,44,000	10.68

(iv) **Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	India Business Excellence Fund I				
	At the beginning of the year	13,14,573	12.02	13,14,573	12.02
	Changes during the year				
	Add: Pursuant to conversion 1125 compulsory convertible debentures of face value of Rs.100,000 each on 16.07.2014	5,62,500		18,77,073	
	At the end of the year	18,77,073	14.92	18,77,073	14.92

Sl No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
2	India Business Excellence Fund				
	At the beginning of the year	6,25,691		6,25,691	
	Changes during the year	-			
	At the end of the year	6,25,691	4.97	6,25,691	4.97
3	T. Venkata Rao				
	At the beginning of the year	55,172	0.50	55,172	0.50
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	6,621		61,793	
	At the end of the year	61,793	0.49	61,793	0.49
4	K. Pitchaiah				
	At the beginning of the year	47,100	0.43	47,100	0.43
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	5,652		52,752	
	At the end of the year	52,752	0.42	52,752	0.42
5	R Rama Krishna				
	At the beginning of the year	37,000	0.34	37,000	0.34
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	4,440		41,440	
	At the end of the year	41,440	0.33	41,440	0.33
6	G Sridevi				
	At the beginning of the year	29,250	0.27	29,250	0.27
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	3,510		32,760	
	At the end of the year	32,760	0.26	32,760	0.26
7	K Ajay Kumar				
	At the beginning of the year	22,000	0.20	22,000	0.20
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	2,640		24,640	
	At the end of the year	24,640	0.20	24,640	0.20
8	G Srinivasulu				
	At the beginning of the year	20,800	0.19	20,800	0.19
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	2,496		23,296	
	At the end of the year	23,296	0.19	23,296	0.19
9	A R N Rao				
	At the beginning of the year	11,500	0.11	11,500	0.11
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	1,380		12,880	

Sl No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the end of the year	12,880	0.10	12,880	0.10
10	P. Srinivasa Rao				
	At the beginning of the year	11,250	0.10	11,250	0.10
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	1,350		12,600	
	At the end of the year	12,600	0.10	12,600	0.10

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	S.Kishore Babu, Chairman & Managing Director				
	At the beginning of the year	32,15,250	29.39	32,15,250	29.39
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	3,85,830	3.21	36,01,080	29.96
	At the end of the year	36,01,080	28.62	36,01,080	28.62
2	S.Lakshmi, Director				
	At the beginning of the year	21,43,350	19.59	21,43,350	19.59
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	2,57,202	2.14	24,00,552	19.97
	At the end of the year	24,00,552	19.08	24,00,552	19.08
3	G.D.V.Prasada Rao, Director				
	At the beginning of the year	1,000	0.01	1,000	0.01
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	120	0.00	1,120	0.01
	At the end of the year	1,120	0.01	1,120	0.01
4	M.Rajendran				
	At the beginning of the year	3,150	0.03	3,150	0.03
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	378	0.00	3,528	0.03
	At the end of the year	3,528	0.03	3,528	0.03
5	Mohit Gurjar, Company Secretary				
	At the beginning of the year	350	0.00	350	0.00
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	42	0.00	392	0.00
	At the end of the year	392	0.00	392	0.00
6	J Satish, CFO				
	At the beginning of the year	-	0.00	-	0.00

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	Changes during the year				
	Add: Bonus in the ratio of 10:1.2 on 26.06.2014	-	0.00	-	0.00
	At the end of the year	-	0.00	-	0.00

V. Indebtedness

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

(Amt. Rs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,60,05,52,782.00	48,71,44,763.00	-	2,08,76,97,545.00
ii) Interest due but not paid	7,72,183.00	-	-	7,72,183.00
iii) Interest accrued but not due	3,93,315.00	-	-	3,93,315.00
Total (i+ii+iii)	1,60,17,18,280.00	48,71,44,763.00	-	2,08,88,63,043.00
Change in Indebtedness during the financial year				
* Addition	1,03,67,34,103.00	-	-	1,03,67,34,103.00
* Reduction	20,15,68,201.40	35,35,13,405.00	-	55,50,81,606.40
Net Change	83,51,65,901.60	-	-	48,16,52,496.00
Indebtedness at the end of the financial year				
i) Principal Amount	2,43,60,74,296.00	13,36,31,358.00	-	2,56,97,05,654.00
ii) Interest due but not paid	4,12,124.00	-	-	4,12,124.00
iii) Interest accrued but not due	3,97,762.00	-	-	3,97,762.00
Total (i+ii+iii)	2,43,68,84,182.00	13,36,31,358.00	-	2,57,05,15,540.00

VI. Remuneration of Directors and Key Managerial Personnel

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Name	S.Kishore Babu	M.Rajendran	G.Srinivasulu*	A.R.N.Rao*	Amount in Rs.
	Designation	Chairman & Managing Director	COO & Director	Executive Director	Executive Director	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	90,71,624	17,94,000	2,85,000	1,50,000	1,13,00,624.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	18,00,000	-	-	-	18,00,000.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Name	S.Kishore Babu	M.Rajendran	G.Srinivasulu*	A.R.N.Rao*	Amount in Rs.
	Designation	Chairman & Managing Director	COO & Director	Executive Director	Executive Director	
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	4,67,03,203	-	-	-	4,00,00,000.00
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	5,75,74,827	17,94,000	2,85,000	1,50,000	5,31,00,624.00
	Ceiling as per the Act					11,15,49,655.53

*Resigned from the board w.e.f June 26, 2014

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		G.D.V.Prasada Rao	M.Jagan Mohan*	M.L.Sah	Amitabha Guha#	T. Sankaralingam#	Amount in Rs.
1	Independent Directors						
	Fee for attending board committee meetings	3,30,000	20,000	2,30,000	2,30,000	3,30,000	11,40,000.00
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	3,30,000	20,000	2,30,000	2,30,000	3,30,000	
2	Other Non-Executive Directors	S.Lakshmi	Rakesh Sony	NA	NA	NA	-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	3,30,000	20,000	2,30,000	2,30,000	3,30,000	11,40,000.00
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						1,11,54,965.55

*Resigned from the directorship of the company w.e.f June 26, 2014

#Appointed as directors of the company w.e.f June 26, 2014

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

SN.	Particulars of Remuneration			Total Amount
	Name	J.Satish#	Mohit Gurjar	Amount in Rs.
	Designation	CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,18,092.00	8,53,400.00	21,71,492.00

SN.	Particulars of Remuneration			Total Amount
	Name	J.Satish#	Mohit Gurjar	Amount in Rs.
	Designation	CFO	CS	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	21,71,492.00		21,71,492.00
#Appointed as CFO of the company w.e.f October 20, 2014				

VII. Penalties / Punishment/ Compounding of Offences: Nil

There were no penalties / punishments / compounding offences for the year ended 31st March, 2015.

Annexure IV

Particulars in Respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information as required under section 134 of the Companies Act, 2013 read with the rule 8(3) of Companies (Accounts) Rules, 2014 is hereunder:

A) Conservation of Energy

- (i) **Steps taken for conservation of energy:** Energy conservation signifies how effectively and efficiently the company is managing its operations. The Company has undertaken various energy efficient practices and strengthened the Company's commitment towards becoming an environment friendly organization. The Company cautiously utilizes power and fuel to reduce the cost of maintenance.
- (ii) **Steps taken by the company for utilizing alternate sources of energy:** NIL
- (iii) **Capital investment on energy conservation equipment's:** NIL

B) Technology Absorption

- (i) The efforts made towards technology absorption: NIL
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NIL
 - (a) The details of technology imported;
 - (b) The year of import;
 - (c) Whether the technology been fully absorbed;
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:
- (iv) The expenditure incurred on Research and Development: NIL

C) Foreign Exchange Earnings and Outgo

S. No.	Particulars	Rs. In Lakhs	
		2013-2014	2014-2015
1	Earnings	7448.57	8384.41
2	Outgo	6693.86	7789.73

For and on behalf of the Board of Directors

S. Kishore Babu
Chairman & Managing Director
DIN: 00971313

Place: Hyderabad
Date: July 7, 2015

Annexure V

Annual Report on Companies CSR Activities

At PMPL, Corporate Social Responsibility (CSR) is embedded in the long term business strategy of the Company. For us, business priorities co-exist with social commitments to drive holistic development of people and communities. The Company's CSR initiatives seeks to touch and transform people's lives by promoting healthcare, education and employment opportunities. PMPL aims to continue its efforts to build on its tradition of social responsibility to empower people and deepen its social engagements.

We set up the Power Mech Foundation ('the Foundation') in the year 2009 to focus on our CSR initiatives, much earlier than it was made mandatory through the Companies Act, 2013. Visit <http://powermechprojects.in/csr.html> for more details and the activities of the Foundation.

CSR committee

We have a board committee (CSR committee) that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met. Our CSR committee comprises:

- (i) S. Kishore Babu : Chairman
- (ii) S. Lakshmi : Member
- (iii) G.D.V. Prasada Rao : Member

Our objectives

The main object of Foundation is to serve the cause of medical relief, educational relief, rehabilitation of the poor and suffering in times of distress due to vagaries of nature, those poor who sustain loss of property etc. on account of fire accidents or otherwise and to strive for economic development that positively impacts society with a minimal resource footprint.

Focus Areas of Engagement

There are several opportunities to increase and deepen social impact significantly and generate value for all. PMPL seeks to strategically consolidate the Company's CSR initiatives to focus on discrete social problems and enable people to earn their livelihoods. To streamline its social initiatives, the Company, in its CSR policy, has identified five focus areas that aim to positively and holistically impact society.

PMPL's five focus areas comprise:

- Rural Transformation
- Healthcare
- Education
- Environment
- Disaster Response

PMPL has undertaken numerous initiatives aimed at developing the communities around which the Company conducts its operations. The overriding objective is to create value and ensure all-inclusive growth.

Average net profit of the company for last three financial years : Rs.790,174,295

Prescribed CSR Expenditure (2% of the above amount) : Rs.15,803,486

Details of CSR spent during the financial year

- Total amount to be spent for the financial year : Rs.57,00,000
- Amount unspent, if any : Rs.10,103,486

• Manner in which the amount spent during the financial year is detailed below: Details of amount spent is detailed in Annexure A. The balance funds are in the corpus of 'Power Mech Foundation' and shall be spent accordingly.

In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount:

During the financial year 2014-15, your Company endeavored to meet the budgeted expenditure by contributing in various eligible CSR activities and has committed to incur expenditure for CSR initiatives in the coming years through structured events or programs and projects. This being the first year, your Company has taken steps in the right direction and going forward is committed to actively engage in events or projects and programs to incur expenditure in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Our CSR Responsibilities

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

Annexure A

(Amount in ₹)

Sl. No	CSR Project / Activity / beneficiary	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
					Direct expenditure on projects or programs	Overheads		
1	Medical Check up	Health	Vijayawada, Andhra Pradesh	6,00,375	6,00,375	-	6,00,375	Implementating Agency
2	Promoting primary and Secondary education in Rural and Socially/ Economically Backward communitis	Education	Vijayawada, Repalle, Cherala, Nadhigama, Guntur, Nelluru,	7,88,243	7,88,243	-	7,88,243	Implementating Agency
3	Medical Check up	Health	Vijayawada, Andhra Pradesh	3,20,100	3,20,100	-	3,20,100	Implementating Agency
4	Awareness towards Social Service	Services	Vijayawada, Andhra Pradesh	69,850	69,850	-	69,850	Implementating Agency
6	Social Sevice towards Environment	Environment	Vijayawada, Andhra Pradesh	19,110	19,110	-	19,110	Implementating Agency
7	Providing Ambulance Services	Health	Vijayawada, Andhra Pradesh	1,44,728	1,44,728	-	1,44,728	Implementating Agency
8	Eye Checking Camp	Health	Vijayawada, Andhra Pradesh	1,28,460	1,28,460	-	1,28,460	Implementating Agency
						Total	20,70,866	

Implementing Agency

Power Mech Foundation, is a trust formed on May 13, 2009 under the (Indian) Trust Act, 1882. The main object of Power Mech Foundation is to serve the cause of medical relief, educational relief, rehabilitation of the poor and suffering in times of distress due to vagaries of nature, those poor who sustain loss of property etc. on account of fire accidents or otherwise. Power Mech Foundation is currently engaged in social activities covering providing education, drinking water and books to the poor, organising blood donation camps, cataract surgery camps and running an ambulance in Vijayawada.

S. Kishore Babu
Chairman and Managing Director
Chairman - CSR Committee

Annexure VI

Form AOC-1

(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

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details	
		Power Mech Industri Private Limited	Hydro Magus Private Limited
1.	Name of the subsidiary	Power Mech Industri Private Limited	Hydro Magus Private Limited
2.	Reporting period for the subsidiary concerned	1 st April 2014 to 31 st March 2015	1 st April 2014 to 31 st March 2015
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
4.	Share capital*	189,370	24,848,610
5.	Reserves & surplus	20,242,305	8,946,949
6.	Total assets	147,232,923	114,489,679
7.	Total Liabilities	126,801,248	80,694,120
8.	Investments	0	0
9.	Turnover	0	130,797,261
10.	Profit before taxation	0	13,136,739
11.	Provision for taxation	0	4,437,783
12.	Profit after taxation	0	8,698,957
13.	Proposed Dividend	NA	NA
14.	% of shareholding	100%	75%

*Paid-up share capital

None of the above subsidiaries have been liquidated or sold during the year.

Part 'B': Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	NA
1. Latest audited Balance Sheet Date	NA
2. Shares of Associate/Joint Ventures held by the company on the year end No.	NA
Amount of Investment in Associates/Joint Venture	NA
Extend of Holding%	NA
3. Description of how there is significant influence	NA
4. Reason why the associate/joint venture is not consolidated	NA
5. Net worth attributable to shareholding as per latest audited Balance Sheet	NA
6. Profit/Loss for the year	NA
i. Considered in Consolidation	NA
ii. Not Considered in Consolidation	NA

As per our report of even date

For and on behalf of the Board

for BRAHMAYYA & CO.

Firm's Registration Number: 000513S

Chartered Accountants

(Karumanchi Rajaj)

Partner

Membership Number: 202 309

Place: Camp: Hyderabad

Date: 07.07.2015

Rakesh Sony
Director

J Satish
CFO

Mohit Gurjar
Company Secretary

S. Kishore Babu
Chairman and Managing Director

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Power Mech Projects Limited,
CIN:U74140TG1999PLC032156
Plot No.77, Jubilee Enclave,
Madhapur, Hyderabad, Telangana- 500081.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Power Mech 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 compliances 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 31st March, 2015 has 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:

1. 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 31st March, 2015 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; **Not Applicable**
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **Not Applicable**
 - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); **Not Applicable as the Company is not listed**
 - (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

2. The industry specific major law that are applicable to the company is
- The Contract Labour (Regulation and Abolition) Act, 1970;
 - Buildings and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
 - Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of 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 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 year under report,

- *A show cause notice dated 27th February, 2015 has been issued to Company by DROC, Hyderabad, Andhra Pradesh. alleging that the Company has an unpaid dividend of Rs. 0.12 million which has not been transferred to a special account within 30 days and that the Company has not filed Form INV 1 and Form INV 5, thus not complying with the provisions of Section 205A and 205C of the Companies Act, 1956 read with rules made thereof. The Company has sent a reply dated 31st March, 2015 stating that Form INV 5 for the FY 2012-13 was filed on 27th March, 2015 and that the relevant investor wise details of unclaimed amounts have been uploaded on the Investor Education and Protection Fund Portal on the same day, further stating that the delay was due to oversight and was not intentional.*
- *The shareholders vide their resolution dated 16th October, 2014 approved the public issue of upto 2,600,000 (twenty six lakh) equity shares of face value of Rs. 10 each (the "Equity Shares") and an offer for sale of Equity Shares, if any, by existing shareholders, at a price including premium to be determined, in accordance with the book building process or any other method as may be prescribed by the ICDR Regulations. The company filed DRHP with SEBI on 30th October, 2014. The company received observations from SEBI on the DRHP and replied for the same. The company is in the process of updating the RHP.*
- *The company has been issued notices from statutory and other regulatory authorities for non-compliance under labour laws and various notices have been issued to our Company by non-governmental organizations and labour unions with respect to work undertaken at some project sites. The Company has responded as appropriate to each such notices related to the labour employed and related matters stated therein and made necessary compliances wherever applicable. In respect of certain matters the company has been levied penalty and the same is paid by the company.*

For P.S. Rao & Associates
Company Secretaries

N Vanitha
C P No: 10573

Place: Hyderabad
Date: 07.07.2015

Annexure VIII

Particulars of Employees

The particulars of employees as required to be furnished under Section 5(2) of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014

Name, Age and Qualification	Designation and nature of duties	Date of commencement of employment	Experience in Years	No of Equity Shares held	Remuneration in (Rs. In Lacs)	Last Employment
S. Kishore Babu 52 Years Mechanical Engineer	Chairman & Managing Director	22.07.1999	30	3601080	575.75	Joint Managing Director - Indwell Construction Limited

- Remuneration includes Salary, Perquisites, Allowances & Commission.
- The conditions of employment of S. Kishore Babu are contractual and other terms and conditions are as per Company's rules.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Power Mech Projects Limited is a leading integrated power and infrastructure Companies in India providing comprehensive service in erection, testing and commissioning of boilers, turbines and generators and balance of plant ("BOP"), civil works and operation and maintenance (O&M) services. The four principal business lines on which the Company stands are: (i) Erection Works, (ii) Operation & Maintenance (O&M) Services, (iii) Civil Works and International Operations.

The company is undertaking projects of all types, sizes and in all environments in India and abroad which include Ultra Mega Power Projects, Super Critical Thermal Power Projects, Sub Critical Power Projects, Heat Recovery Steam Generator, Waste Heat Recovery Steam Generator, Circulating Fluidized Bed Combustion Steam Generator, Gas Turbine Generator, Hydro Electric Plants, maintenance, renovation, modernization and annual maintenance of running plants and complete civil works.

Business Opportunities

- India is witnessing changes and there are greater expectations all around and Power Mech is not an exemption. We are expecting rekindling of economy and Power sector would get its due share in the growth story of India in the months to be followed. In power sector there is more remain to be achieved and it is seen as an opportunity because power is the basic requirement for all other developments.
- The 12th five year plan envisages adding another one lakh MW to the grid and we are lagging behind the target. The Government is poised to boost the energy sector and there is hope for greater growth and capacity addition. The shortage of coal which played a major hurdle in running of the plants already commissioned is being addressed and if everything goes in the right direction, the day is not far off for power industry to regain its lost glory and pace.
- It is worth mentioning that the company has an order book of Rs.34062.68 Mn as on 31st March, 2015 executable over the period of next 24-30 months. We are confident of sustaining the order book value and will be in a position to keep it at healthy level.
- The company is strategically focusing on Civil works, AMC and overseas projects and also entering steel and petro-chemical industries. The Company has been able to create a healthy order book both in Civil and O&M with unexecutable order book of Rs.5129.74 Mn and Rs.5904.28 Mn respectively as on 31st March, 2015.

Risks, Threats

As there is opportunity, so is there risk and threats associated with any progress. Power Mech being an ETC Contractor, and service provider envisages problems like any other Company at the receiving end and as executioner.

The foremost major challenges such as local labour issues, delay in land acquisition, import of materials, and clearances from various agencies remain to be addressed vigorously, effectively and continually. There is no marked improvement either in availability of finance for power industry and it needs to be addressed immediately. We are hopeful for a break through very early for the financial institutions and bankers to open their doors and windows wider.

The shortage of skilled and semi-skilled labour still poses a major hurdle in this sector. As the demand for power generation keep increasing which is only expected and construction activities getting spurred up, the gap between the supply and demand for skilled and semi skilled labour may widen further. But again this is a matter of concern for not only the power sector industry but to entire industry as well. A comprehensive scheme is expected to be in place in coming year to address this issue.

SWOT Analysis

Strengths

- Fifteen years of experience with proven records and achievements.
- Incredible crane bank capable of handling and erecting more than 3,50,000 MT per annum.
- Man power strength with 2283 direct employees and more than 30,000 indirect employees.
- Excellent relationship with all power majors operating in India.
- Vast and rich experience in overhauling and maintenance of Boilers and Turbines.
- Better connectivity and wider network to remain a 'comprehensive Service Provider'.
- Operating on Mechanical, Civil, O&M and International Operations.

Weakness

- Ever increasing cost of labour and commodities.
- Insufficiency in the availability of employable engineers in the present market.
- General slow down due to inadequate support from Financial Institutions and bankers

Opportunities

- Change expected in investments through Govt intervention and due to market growth.
- Annual maintenance contracts has gained momentum in power sector.
- Exploring opportunity in International Market for maintenance and overhauling works.
- Expansion of civil works to infrastructure in Power Sector.

Threats

- Competition for critical works where price plays primary role over quality.
- Delay and short supply of erection materials from manufacturers.
- Insufficient coal linkage and undue escalation in price of imported coal against demand.

Human Resource Management

Power Mech draws its strength from the work force apart from machines. At present the company has manpower strength of 2283 direct employees as on 31-03-2015 which includes qualified Engineers and highly skilled technicians. This is in addition to huge roll of indirect employees of more than 30,000, engaged through our Associates. Each department at site is headed by qualified and experienced persons fulfilling the requirements at sites. Periodical meetings of Heads with senior officers, planned visits to sites and branch offices by Directors and other officials keep the monitoring system in tact and healthy.

Internal Control System

The Company has inbuilt check and balance mechanism to safeguard its interests and to protect from loss, pilferages, and misuse of resources. With SAP system in place all transactions are made transparent and are to be duly appended by authorized persons with facility for multiple checking. The company is following proper procedures for accounting and book keeping. It has in-house auditing department as well as external auditors and is meeting all statutory needs in accordance with rules and acts. Periodical and surprise visits to sites and branches are made by internal auditing team and detailed auditing are conducted regularly. Audit reports are periodically reviewed by the management and Directors.



Standalone Financials

2014-15

INDEPENDENT AUDITORS' REPORT

**To the Members of
POWER MECH PROJECTS LIMITED**

Report on the Standalone financial statements

We have audited the accompanying standalone financial statements of **POWER MECH PROJECTS LIMITED** ('the Company') which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's board of directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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:

- a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- b) In the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement 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 written representations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The company does not have any pending litigations which would impact its financial position except those which are disclosed in the notes to the financial statements and para no.7 in Annexure to our Audit report.
 - 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 Protection Fund by the company.

For Brahmaya&Co
Chartered Accountants
Firm Registration No. 000513S

(Karumanchi Rajaj)
Partner
(Membership No: 202309)

Place: Hyderabad
Date : 07.07.2015

The Annexure referred to in our Independent Auditors' Report to the members of Power Mech Projects Limited ("Company") on the Standalone financial statements for the year ended 31st March, 2015.

We report that:

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) According to the information and explanations furnished to us, the Company has not physically verified its fixed assets during the year. However, the Company has adopted a phased programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
2. In respect of its inventories:
 - a) According to the information and explanations furnished to us, the Company has physically verified its inventories during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) According to the information furnished to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, clauses (iii)(a) and (b) of paragraph 3 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. Further during the course of our audit, we have not come across any instances of major weaknesses in internal control that in our opinion, require correction.
5. The Company has not accepted any deposits from the public. However an amount of Rs.12.20 crores which was received as advance against supplies from a customer was pending for more than a year and we have been informed that due to discontinuity of business activities by the said customer the said amount was outstanding and negotiations with the customer is under process. According to the information furnished to us, no order has been passed on the Company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of sections 73 to 76 of the Act.
6. The central government has not prescribed the maintenance of cost records under section 148(1) of the Act read with Companies (Cost Records and Audit) Rules, 2014 and hence the reporting requirements in terms of clause 3(vi) of the Order does not apply.
7.
 - a) According to the information furnished to us, the Company made delays in remittance of TDS and service tax but is regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Value added tax, Wealth tax, Customs duty, Excise duty, Cess and any other statutory dues applicable to it. There were no undisputed statutory dues in arrears as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.
 - b) According to the information and explanations furnished to us, the following amounts of Value added tax, Entry tax and Service tax have been disputed by the Company, and hence were not remitted to the authorities concerned at the date of the Balance Sheet under report.

Name of the Statute	Nature of Dues	Amount Rs. (net of amounts paid under protest)	Period to which it relates	Forum where dispute is pending
VAT Acts of various states	VAT/Entry tax	2,58,848	2010-11	ADCC, Bhopal
		8,74,293	2010-11	Do –
		3,83,61,183	2011-12	West Bengal Commercial taxes appellate authority
		1,91,10,463	2012-13	Commissioner of Commercial taxes, Jharkhand
Service tax under Finance Act 1994	Service tax	4,28,09,308	2007-08	CESTAT, Bengaluru

- c) According to the information furnished to us, no amount was pending for deposit to the investor education and protection fund.
8. The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
 9. In our opinion and according to the information and explanations furnished to us, there were no defaults in repayment of dues to banks. However, the company has not borrowed any loans during the year from financial institutions or raised any funds by way of issue of debentures.
 10. According to the information and explanations given to us, the Company applied as co-borrower in respect of loan availed from a bank by its subsidiary company. Further, the company has given corporate guarantee to the banks on behalf of its subsidiary companies in respect of loans availed. However, the terms and conditions of such guarantees are not prejudicial to the interests of the company.
 11. According to the information and explanations given to us, the term loans obtained by the company during the year have been applied for the purpose for which they were raised.
 12. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Brahmaya&Co
Chartered Accountants
Firm Registration No. 000513S

(Karumanchi Rajaj)
Partner
(Membership No: 202309)

Place: Hyderabad
Date : 07.07.2015

Balance Sheet as at 31st March, 2015

(Amount in ₹)

Particulars		Note No.	As at 31.03.2015	As at 31.03.2014
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' funds			
	(a) Share capital	2	125,827,640	109,402,640
	(b) Reserves and surplus	3	3,413,558,187	2,625,582,777
			3,539,385,827	2,734,985,417
(2)	Non-current liabilities			
	(a) Long-term borrowings	4	245,518,869	272,777,563
	(b) Deferred tax Liability (Net)	5	47,202,934	78,367,773
	(c) Other Long term liabilities	6	641,262,702	936,041,053
	(d) Long term provisions	7	1,860,183	-
			935,844,688	1,287,186,389
(3)	Current liabilities			
	(a) Short-term borrowings	8	1,979,219,863	1,393,986,580
	(b) Trade payables	9	2,207,923,250	1,869,697,883
	(c) Other current liabilities	10	1,588,325,709	1,353,619,838
	(d) Short-term provisions	7	1,267,794,021	894,341,829
			7,043,262,842	5,511,646,130
	Total		11,518,493,357	9,533,817,937
II.	ASSETS			
(1)	Non-current assets			
	(a) Fixed assets	11		
	(i) Tangible assets		1,773,169,625	1,719,061,938
	(ii) Intangible assets		11,046,553	13,051,138
	(iii) Capital work-in-progress		91,987,366	66,002,010
			1,876,203,544	1,798,115,086
	(b) Non-current investments	12	68,467,189	53,755,207
	(c) Long-term loans and advances	13	76,880,093	41,049,213
	(d) Other non-current assets	14	1,571,540,935	1,688,476,415
			1,716,888,217	1,783,280,835
(2)	Current assets			
	(a) Inventories	15	306,827,696	242,858,807
	(b) Trade receivables	16	1,941,689,969	1,481,942,769
	(c) Cash and cash equivalents	17	670,367,024	687,315,260
	(d) Short-term loans and advances	13	2,598,577,342	1,934,635,677
	(e) Other current assets	14	2,407,939,565	1,605,669,502
			7,925,401,596	5,952,422,015
	Total		11,518,493,357	9,533,817,937
	Significant accounting policies	1		
	Notes to accounts	27-41		

As per our report of even date

For and on behalf of the Board

for **BRAHMAYYA & CO.**

Firm's Registration Number: 0005135

Chartered Accountants

S.Kishore Babu

Chairman and Managing Director

(Karumanchi Rajaj)

Partner

Membership Number: 202 309

Place: Camp: Hyderabad

Date: 07.07.2015

Rakesh Sony

Director

J Satish

CFO

Mohit Gurjar

Company Secretary

Statement of Profit and Loss for the Year Ended 31st March, 2015

(Amount in ₹)

Particulars	Note No.	Year ended 31.3.2015	Year ended 31.3.2014
Continuing Operations:			
Revenue:			
Revenue from Operations	18	13,556,077,465	11,871,956,311
Other income	19	59,132,091	115,800,008
Total Revenue		13,615,209,557	11,987,756,318
Expenses:			
Cost of materials consumed	20	748,145,509	755,374,322
Changes in inventories of work-in-progress	21	7,579,327	(12,908,526)
Contract execution expenses	22	9,771,134,675	8,384,491,502
Employee benefits expenses	23	1,175,871,031	1,067,230,641
Finance costs	24	292,401,116	263,477,207
Depreciation and amortization expense	25	366,398,632	327,410,062
Other expenses	26	201,279,281	133,631,293
Total expenses		12,562,809,571	10,918,706,501
Profit before tax		1,052,399,985	1,069,049,818
Tax expense:			
Less: Current tax		376,520,095	375,635,197
Deferred tax liability /(Credit)		(31,164,839)	10,303,792
Profit after tax		707,044,728	683,110,828
Earnings per equity share			
Basic		56.94	63.15
Diluted		56.94	60.08
Adjusted Earnings per equity share			
Basic		56.94	57.42
Diluted		56.94	54.87
Significant accounting policies	1		
Notes to accounts	27-41		

As per our report of even date

For and on behalf of the Board

for BRAHMAYYA & CO.

Firm's Registration Number: 0005135

Chartered Accountants

S.Kishore Babu

Chairman and Managing Director

(Karumanchi Rajaj)

Partner

Membership Number: 202 309

Place: Camp: Hyderabad

Date: 07.07.2015

Rakesh Sony

Director

J Satish

CFO

Mohit Gurjar

Company Secretary

Cash Flow Statement for the Year Ended 31st March, 2015

(Amount in ₹)

Particulars		2014-15	2013-14
I.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	1,052,399,985	1,069,049,818
	Add/Less: Adjustments for :		
	Depreciation	366,398,632	327,410,062
	Interest and Finance charges	292,401,116	263,477,207
	Loss on sale of assets	198,920	234,663
	Interest income	(55,654,555)	(64,882,667)
	Dividend Income	-	(7,661,491)
	Profit on sale of assets	(508,051)	(1,215,453)
	Provision for dimunition in value of investments	(47,372)	(6,718)
	Operating profit before working capital changes	1,655,188,676	1,586,405,420
	Add/Less: Adjustments for working capital		
	Increase in Inventories	(63,968,889)	(50,365,845)
	Increase in Trade and other receivables	(1,469,904,040)	(1,562,235,141)
	Increase in Trade payables	355,664,605	618,681,541
	Cash generated from operations	476,980,352	592,485,976
	Less: Direct taxes paid	(374,950,287)	(331,290,244)
	Net cash from Operating activities (A)	102,030,065	261,195,732
II.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets/Capital works-under progress	(447,761,897)	(366,081,933)
	Proceeds from sale of fixed assets	3,583,935	3,499,300
	Investment in securities of Subsidiary company	(14,664,610)	(53,090,413)
	Repatriation of Overseas Investments	-	1,916,040
	Margin money deposits with banks	21,007,745	(106,690,854)
	Interest received	55,654,555	64,882,667
	Dividend received	-	7,661,491
	Net cash used in Investing activities (B)	(382,180,273)	(447,903,701)
III.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from borrowings (Excluding redemption of Compulsorily Convertible Debentures)	475,446,352	402,465,734
	Issue of Equity on conversion of Debentures	112,500,000	37,500,000
	Interest and Finance charges paid	(285,839,360)	(225,826,806)
	Dividends and dividend tax paid	(17,897,274)	(12,580,196)
	Net cash from financing activities (C)	284,209,717	201,558,732
	Net Increase in cash and cash equivalents (A+B+C)	4,059,509	14,850,763
	Cash and cash equivalents at the beginning of the period	108,956,556	94,105,793
	Cash and cash equivalents at the end of the period	113,016,065	108,956,556
	Net Increase in cash and cash equivalents	4,059,509	14,850,763
Components of cash and cash equivalents			
	Particulars	2014-15	2013-14
	Cash on hand	2,981,788	1,446,741
	Earmarked balances with banks towards unclaimed dividends	169,810	49,338
	In Current accounts	109,864,466	107,460,477
		113,016,065	108,956,556

As per our report of even date

For and on behalf of the Board

for BRAHMAYYA & CO.

Firm's Registration Number: 0005135
Chartered Accountants

S. Kishore Babu

Chairman and Managing Director

(Karumanchi Rajaj)

Partner
Membership Number: 202 309

Rakesh Sony

Director

J Satish

CFO

Mohit Gurjar

Company Secretary

Place: Camp: Hyderabad

Date: 07.07.2015

Note No.1

STATEMENT ON ACCOUNTING POLICIES

1. Corporate Information

Power Mech Projects Limited is incorporated in the year 1999 and is engaged in the business of providing ETC, Civil and O&M services for power projects. The company is associated with all power majors in India and Overseas for Public and Private sector power utilities apart from multinational companies. Power Mech is now engaged in several power projects ranging from 135MW to 800MW, besides many projects in lower segment also. Thus, Power Mech is proud to be a vital part of India's Power generation capacity augmentation.

2. Statement on Accounting Policies

a. Basis of Accounting and preparation

The financial statements are prepared under historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India. The financial statements are prepared to comply in all material respects with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of Companies (Accounts) Rules, 2014, the pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 2013 and Companies Act, 1956 to the extent applicable. The Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard or amendments to the provisions of any statute which requires a change in the accounting policy hitherto in use.

b. Use of Estimates

The preparation of financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities and commitments. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Examples of such estimates includes computation of physical proportion of work completed to the total quantum of contract work order, provisions required for doubtful debts and advances, future obligation under employee retirement benefit plans, bifurcation of assets and liabilities into current and non-current and useful lives of tangible and intangible fixed assets. The judgments, estimates and underlying assumptions are made with the management's best knowledge of the business environment and are reviewed on an ongoing basis. However, future results could differ from these estimates. Any revision to these accounting estimates is recognized prospectively in the current and future periods.

c. Tangible fixed assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties and taxes, the cost of installation/erection and other incidental expenses incurred to bring the asset to its present location and condition but exclusive of duties and taxes that are subsequently recoverable from taxing authorities.

Capital Work-in-progress are stated at the amount expended up to the date of balance sheet.

d. Intangible assets

Intangible assets are recorded at the consideration paid for acquisition of such asset and stated at cost less accumulated amortisation and impairment.

e. Depreciation and Amortisation

The depreciation on tangible assets is provided under the Straight-line method over the useful lives of the assets estimated by the management during the financial year 2012-13 which are different from the useful lives as prescribed in schedule -II of the Companies Act, 2013 which becomes effective from 1.4.2014. The management based on internal assessment and independent technical evaluation carried out by external valuers, believes that the useful lives given below best represent the period over which the management expects to use these assets. Such estimation is made based on the past experience and working conditions in which assets are put to usage.

The management estimates the useful lives for the fixed assets as follows.

Name of the asset	Estimated useful life (No. of years)
Office buildings	20
Plant and machinery	5
Furniture and fixtures	5

Computers	4
Office equipments	5
Vehicles	5
Cranes	12.5
Mobile Phones	1
Temporary sheds	1

Individual assets costing up to Rs. 5,000/- each, other than mobile phones, are fully depreciated in the year of purchase since in the opinion of the management the useful life of such assets are of one year.

Depreciation on assets added/sold during the year is provided on pro-rata basis from the date of acquisition or up to the date of sale, as the case may be.

Intangible assets, comprising of expenditure on computer software, incurred are amortised on a straight line method over a period of five years.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically at the end of each financial year.

f. Impairment of Assets

An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

g. Borrowing Costs

Borrowing Costs, that are directly attributable to the acquisition or construction of assets, that necessarily take a substantial period of time to get ready for its intended use, are capitalised as part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

h. Investments

Non-current investments are stated at cost and income thereon is accounted for on accrual. Provision towards decline in the value of long term investments is made only when such decline is other than temporary.

i. Inventories

a) Stores and consumables are valued at lower of cost or Net realizable value.

b) Work-in-progress:

Contracts in progress and not due for billing to the customer as on date of balance sheet are valued at agreed contract price.

c) Contracts awarded to the company and not commenced as on date of balance sheet, the cost incurred in securing the contract, mobilization expenses of labour and material and other related expenses incurred are shown as asset as per the requirements of AS-7.

j. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

The company undertakes erection, civil and maintenance contracts and revenue from these contracts is recognized by following the percentage of completion method and is measured with reference to actual completion of physical proportion of the work to the extent of work certified by the customer. The portion of the work which was completed, but pending for certification by the customer, is also recognized as revenue by treating the same as uncertified revenue. Any claims, variations and incentives is recognized as revenue only when the customer accepts the same. Provision for expected loss is recognized immediately when it is probable that the total estimated cost will exceed total contract revenue.

The contracts receipts are exclusive of service tax.

Revenue from sale of products is recognised when the risks and rewards of ownership are transferred to the buyer under the terms of the contract usually on the dispatch of goods to the customer.

Interest on investments and deposits is booked on a time proportion basis taking into account the amounts invested and the rate of interest when no significant uncertainty as to measurability or collectability exists. Revenue from sale of assets are recognised upon delivery, which is when title passes to the customer.

Dividend income is accounted for in the year in which the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

k. Employee Benefits

i) Defined Contribution Plans

Company's contribution to Employees Provident Fund and Employees State Insurance are made under a defined contribution plan, and are accounted for at actual cost in the year of accrual.

ii) Defined Benefit Plans

– Company's liability to Gratuity on retirement of its eligible employees is funded and is being administered by the Life Insurance Corporation of India. Cost of providing these benefits is determined on the basis of actuarial valuation at the end of each year and the incremental expense thereon is recognised and charged to Profit and Loss Account in the year in which the employee has rendered service.

– For the period from 1.4.2014, the employees of the company are entitled to leave encashment which are both accumulating and non-accumulating in nature. The liability towards accumulated leave encashment, which are to be encashable only at the time of retirement, death while in service or on termination of employment, is determined by actuarial valuation using projected unit credit method.

The liability towards non-accumulated leave encashment over and above accumulated leaves, being short term employee benefit and eligible to encash after the end of each financial year, is provided based on actual liability computed at the end of each year.

– Gains / Losses arrived at in the above actuarial valuations are charged to Profit and Loss Account.

l. Foreign Currency Transactions

i) The reporting currency of the Company is Indian Rupees.

ii) Transactions in foreign currency are initially recorded in the reporting currency at the exchange rate prevailing on the date of transaction, and charged or credited to revenue with the difference in rate of exchange arising on actual receipt/payment during the year.

iii) At each Balance Sheet date

– Foreign currency monetary items are reported using the rate of exchange on that date.

– Foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized.

m. Income-Taxes

Income tax expense comprises current and deferred taxes.

i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

ii) Deferred tax is recognised under the liability method, on timing differences, being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods, at the rate of tax enacted or substantively enacted by the balance sheet date.

n. Provisions, Contingent Liabilities and Contingent assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The company does not recognise contingent liabilities but the same are disclosed in the Notes.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

o. Dividends

Provision for dividends payable (including income tax thereon) is accounted in the books of account as proposed by the Directors, pending approval of share holders at the Annual General Meeting.

p. Earnings per share

Earnings per share is calculated by dividing the net profit or loss for the year after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Further, if the number of equity shares increases as a result of bonus issue, the above calculations are adjusted retrospectively for the previous year figures also.

q. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and loss account on a straight basis over the lease term.

r. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise of Cash on hand and balances with banks in Current accounts and fixed deposits with a maturity period of less than 3 months.

s. Cash flow statement

Cash flows are reported using the indirect method, whereby the profit before tax is adjusted for the effects of transactions of non-cash nature and items of income or expenses associated with investing and financing activities. The cash flows are segregated into Operating, investing and financing activities.

Note No.2

SHARECAPITAL

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
Authorised:		
26,000,000 Equity Shares of Rs.10/- each	260,000,000	260,000,000
Issued, subscribed and paid up:		
12,582,764 (10,940,264) Equity Shares of Rs.10/- each fully paid up	125,827,640	109,402,640
Total	125,827,640	109,402,640

- During the year, the company issued 1,080,000 equity shares of Rs 10/- each as fully paid-up bonus shares aggregating to Rs.10,800,000/- in the ratio of 10:1.2 (i.e 1.2 shares for every 10 shares held, except to members holding 1,940,264 shares)
- During the year, the company converted 1125 compulsorily convertible Debentures of Rs. 1 lakhs each into 562,500 equity shares of Rs.10/- each at a premium of Rs.190/- each.
Rights, Preferences and restrictions attached to Equity shares
- The company has only one class of Equity shares having a face value of Rs.10/- each. Each holder of equity share is entitled to one vote per share held.

The company declares and pays dividends as proposed by the Board of directors and is subject to approval of the shareholders in the ensuing Annual general meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company in proportion to their shareholding after distribution of payments to preferential creditors.

- Details of share holders holding more than 5% of total number of shares

Name of the Share Holder	As at 31.03.2015		As at 31.03.2014	
	Number of Shares held	% out of total Number of shares of the company	Number of Shares held	% out of total number of shares of the company
S. Kishore Babu	3,601,080	28.62%	3,215,250	29.39%
S. Kishore Babu (HUF)	1,344,000	10.68%	1,200,000	10.97%
S. Lakshmi	2,400,552	19.08%	2,143,350	19.59%
S. Rohit	1,570,296	12.48%	1,402,050	12.82%
India Business Excellence Fund - I	1,877,073	14.92%	1,314,573	12.02%
India Business Excellence Fund	625,691	4.97%	625,691	5.72%
Total	11,418,692	90.75%	9,900,914	90.50%

- The company is not a subsidiary company to any of the company. The company had 2 subsidiary companies Hydra Magus Pvt. Limited and Power Mech Industri Pvt. Ltd. None of the shares of the company are held by its subsidiary companies. Further, the company is in the process of setting another subsidiary company in Saudi Arabia under the name of Mas Power Mech Arabia (MASPA) and incorporation is under progress. The company agreed to subscribe for 51% share in the said company.
- Reconciliation of number of Shares:

Particulars	As at 31.03.2015		As at 31.03.2014	
	Equity Shares		Equity Shares	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	10,940,264	109,402,640	10,752,764	107,527,640
Add: Bonus shares issued	1,080,000	10,800,000	-	-
Conversion of debentures into equity	562,500	5,625,000	187,500	1,875,000
	12,582,764	125,827,640	10,940,264	109,402,640
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12,582,764	125,827,640	10,940,264	109,402,640
	-	-		

- Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date :- During the Financial Year 2014-15, the company had allotted 1,080,000 equity shares as fully paid up bonus shares by capitalising part of securities premium.

8. No shares were issued pursuant to a contract without payment being received in cash.

Note No.3

RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
Securities Premium Reserve		
Figures as at the end of the previous reporting period	268,098,360	232,473,360
Additions during the year-		
Conversion of debentures into equity at premium	106,875,000	35,625,000
Deductions during the year -		
Utilised for issue of fully paid-up bonus shares	10,800,000	-
Figures as at the end of current reporting period	364,173,360	268,098,360
General Reserve		
Figures as at the end of the previous reporting period	369,604,955	334,604,955
Additions - Transfer from P&L a/c	-	35,000,000
	369,604,955	369,604,955
Deductions	-	-
Figures as at the end of current reporting period	369,604,955	369,604,955
Surplus in Profit and Loss Account		
Figures as at the end of the previous reporting period	1,987,879,462	1,357,665,908
Add: Profit for the year transferred from P&L a/c	707,044,728	683,110,828
Amount available for appropriation	2,694,924,191	2,040,776,737
Less: Appropriations		
: Proposed dividend - On Equity	12,582,764	16,410,396
: Tax on Proposed dividend	2,561,555	1,486,878
: Transfer to General reserves	-	35,000,000
Figures as at the end of current reporting period	2,679,779,872	1,987,879,462
Total of Reserves and Surplus	3,413,558,187	2,625,582,777

Note No.4

LONG-TERM BORROWINGS

(Amount in ₹)

Particulars	Non-current Portion		Current Maturities	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
A. Secured				
i. Term loans				
a) From banks:				
i) Axis bank	108,584,428	78,407,879	70,550,112	67,500,149
ii) State bank of Hyderabad	-	-	-	2,355,739
iii) HDFC	10,816,640	9,742,740	12,914,565	12,211,190
iv) ICICI	66,551,649	-	53,843,726	7,646,806
v) Standard Chartered Bank	-	117,096	153,281	10,574,303
vi) Kotak Mahendra bank	3,639,217	-	2,151,291	-
vii) State Bank of India	20,361,000	36,645,000	16,284,000	16,284,000
viii) Standard Chartered Bank (Under Buyers credit)	-	28,547,405	29,730,629	-
ix) National Bank of Abudhabi	1,401,561	-	1,562,721	-
b) From Companies:				
i) Bajaj Finance	-	-	-	5,977,887
ii) SREI	-	6,817,443	6,817,439	21,022,751
iii) HDB Financial Services	27,730,087	-	14,031,532	-
iv) TATA Capital	6,434,286	-	3,296,269	-

Total (a)	245,518,869	160,277,563	211,335,564	143,572,825
B. Unsecured				
a) 1125 2% Compulsorily Convertible Debentures of Rs.1,00,000/- each (Converted into equity during the year as per the terms of issue)	-	112,500,000	-	-
b) Deferred payment liabilities Due to suppliers on deferred credit basis	-	-	133,631,358	277,360,577
Total (b)	-	112,500,000	133,631,358	277,360,577
Total (a+b)	245,518,869	272,777,563	344,966,922	420,933,402

Note:

- The term loans from banks and companies are secured by way of hypothecation of assets funded under the said facility. Further, the loans are guaranteed by Managing Director and a Director in their personal capacities.
- The above loans carries interest varies from 7.5 % to 12.75%
- The above loans are repayable in monthly/quarterly instalments.
- The non-current portion of above term loans are repayable in following manner.
 Banks: 2016-17 Rs.156,330,354 & 2017-18 - Rs. 55,024,142
 Companies: 2016-17 - Rs.19,319,505 & 2017-18 - Rs. 14,844,868
- No defaults were made in repayment of above term loans.

Note No.5

DEFERRED TAX LIABILITY

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
Opening balance (Asset)/Liability	78,367,773	68,063,981
Add/less : Liability provided/(Credit taken) during the year	(31,164,839)	10,303,792
Closing balance - Liability	47,202,934	78,367,773

COMPONENTS OF DEFERRED TAX LIABILITY/(ASSET)

Particulars	As at 31.03.2015	As at 31.03.2014
a) Liability:		
- On fixed assets towards depreciation	48,981,652	87,325,483
b) Assets:		
- Loss on Foreign exchange fluctuations disallowed u/s 43A of Income-tax Act	1,101,063	8,957,710
- Disallowances u/s 43B of Income-tax	677,655	-
Total	47,202,934	78,367,773

Note No.6

OTHER LONG-TERM LIABILITIES

(Amount in ₹)

Particulars	Non-current Maturities		Current Maturities	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
a) Mobilisation advances received from customers	262,677,829	358,683,331	326,272,652	251,001,326
b) Retention Money & Security deposits recovered from Sub Contractors	378,584,873	577,357,722	268,758,061	133,297,704
Total	641,262,702	936,041,053	595,030,713	384,299,030

Note:

- Current maturities represents amounts to be settled within 12 months after the date of balance sheet.
- The segregation of above amounts are made based on the time schedule in execution of projects, estimated turnover, probability in completion of works, terms of release of amounts and estimates of the management.

Note No.7 PROVISIONS

(Amount in ₹)

Particulars	Long term		Short term	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	-	-	933,861	1,283,665
- Leave Encashment (Unfunded)	1,860,183	-	5,070,054	5,035,195
b) Provision for Income-tax	-	-	1,246,645,787	870,125,695
c) Proposed Equity dividend	-	-	12,582,764	16,410,396
d) Provision for tax on equity dividend	-	-	2,561,555	1,486,878
Total	1,860,183	-	1,267,794,021	894,341,829

Disclosure pursuant to requirements of AS-15 "Employee Benefits"

(I) Defined contribution plans

Contributions recognised in the statement of profit or loss

Particulars	Year ended 31.3.2015	Year ended 31.3.2014
Employer's contribution to providend fund	32,555,096	27,992,332

(II) Defined benefit plans

Particulars	Gratuity		Leave Encashment	
	31-03-2015	31.3.2014	31-03-2015	31-03-2014
Defined Benefit Plan:				
Expenses recognised in Profit and Loss Account:				
Current service cost	4,970,082	4,970,082	583,510	-
Interest cost	2,051,476	1,500,921	-	-
Expected return on plan assets	(2,452,483)	(1,892,388)	-	-
Net actuarial (gain)/loss	806,736	750,623	1,374,577	-
Net expense recognised in statement of P&L	5,375,811	5,329,238	1,958,087	-
Reconciliation of Fair value of plan assets:				
Assets at the beginning of the year	24,359,781	18,701,149	-	-
Contributions	5,725,615	4,105,934	-	-
Actual return on plan assets	2,452,483	1,892,388	-	-
Benefits paid	(147,311)	(339,690)	-	-
Assets at the end of the year	32,390,568	24,359,781	-	-
Reconciliation of changes in present value of defined benefit obligations:				
PV of obligation at the beginning of the year	25,643,446	18,761,509	-	-
Current service cost	4,970,082	4,970,082	583,510	-
Interest cost	2,051,476	1,500,921	-	-
Benefits paid	(147,311)	(339,690)	-	-
Actuarial (gain)/loss	806,736	750,623	1,374,577	-
PV of obligation at the end of the year	33,324,429	25,643,446	1,958,087	-
Net liability recognized in the balance sheet:				
PV of obligation at the end of the year	33,324,429	25,643,446	1,958,087	-
Assets at end of the year	32,390,568	24,359,781	-	-
Funded status	933,861	1,283,665	-	-
Net liability recognized in balance sheet	933,861	1,283,665	1,958,087	-
Actuarial assumptions:				
Discount rate	8.00	8.00	8.00	-
Salary escalation	7.00	7.00	5.00	-

Note No.8

SHORT-TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
A. Secured		
Loans repayable on demand :		
a) Working capital loans from banks		
i) From State Bank of Hyderabad	536,267,206	530,599,235
ii) From Standard Chartered bank	250,000,000	50,000,000
iii) From ICICI bank	50,464,024	50,367,845
iv) From State Bank of India	769,027,298	298,352,663
v) Citi bank bill discounting	46,823,691	247,657,829
vi) Ratnakar bank	240,000,000	-
b) Over Draft from banks:		
i) From State Bank of Hyderabad	86,637,644	92,570,261
ii) From State Bank of India	-	27,154,562
B. Unsecured		
i) From SIDBI under MSME- Receivable finance scheme	-	97,284,186
Total	1,979,219,863	1,393,986,580

Note:

- Working capital loans from SBH, Standard Chartered bank, SBI, ICICI and Ratnakar bank are secured by way of first charge on entire current assets of the company on pari passu basis. Further these loans are secured by way of first charge on fixed assets both present and future, excluding those assets against which charge was given to equipment financiers. The said loans are collaterally secured by way of equitable mortgage of immovable properties belonging to the company, Managing director, director and a firm.
- In case of loan from Ratnakar bank, the company is in the process of creating security against its assets as per the terms of sanction.
- Bill Discounting facilities with Citi Bank is secured by way of first charge on pari-passu basis on inventories and book debts of the company.
- Overdraft facility from banks is secured against fixed deposits with banks.
- All the above loans are guaranteed by Managing Director and a director in their personal capacities.

Note No.9

TRADE PAYABLES

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
Dues to : Small and Micro Enterprises (Refer note below)	56,466,499	-
: Other than Small and Micro Enterprises	2,151,456,751	1,869,697,883
Total	2,207,923,250	1,869,697,883

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006.

Based on and to the extent of information obtained during the year 2014-15 and available with the company, with regard to the status of their suppliers under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT), on which the auditors have relied, the disclosure requirement with regard to the payment made/ due to Micro, Small and Medium Enterprises are given below.

Particulars	31-03-2015 Rs.	31-03-2014 Rs.
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	23,833,803	-
(b) Interest due there on	1,805,410	-
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date		
Interest there on in terms of Sec 16 of the Act	-	-
(b) Interest paid along with such payments during the year	-	-
(c) Interest due and payable at the end of the year on such payments made during the year.	-	-
3. Amount of Interest for the year u/s 16 of the Act.		
Accrued and remaining un paid at the end of the year	1,805,410	-
4. Total amount of interest u/s 16 of the Act. Including that arising in earlier years, accrued and remaining unpaid at end of the year	1,805,410	-

Note No.10

OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
a) Current maturities of long-term debt (Refer note no.4)	211,335,564	143,572,825
b) Current maturities of deferred credit payment to suppliers (Refer note no.4)	133,631,358	277,360,577
c) Current maturities of Mobilisation advances from customers (Refer note no.6)	326,272,652	251,001,326
d) Current maturities of retention money and security deposits due to sub-contractors (Refer note no.6)	268,758,061	133,297,704
e) Creditors for capital goods	9,596,680	82,604,170
f) Advances received from customers against supplies/works (Includes Rs.3,02,88,743 received from subsidiary - Power Mech Industri Private Limited)	300,376,088	179,582,186
g) Interest accrued and due on borrowings	412,124	772,183
h) Interest accrued but not due on borrowings	397,762	393,315
i) Unclaimed Dividend *	178,560	73,650
j) Others:		
i) Employee related payments	103,072,960	120,368,136
ii) Statutory liabilities	78,974,240	86,782,066
iii) Other liabilities	155,319,659	77,811,700
Total	1,588,325,709	1,353,619,838

* Represents dividend for the financial year 2011-12 and 2013-14.

Note No.11
DEPRECIATION STATEMENT AS ON 31.03.2015

(Amount in ₹)

Sl. No.	Name of The Asset	Gross Block			Depreciation			Net Block		
		As On 01.04.2014	Additions	Deletions	As On 31.03.2015	As On 31.03.2014	Deprec For The Year	Depr Upto 31.03.2015	As On 31.03.2015	As On 31.03.2014
(A)	TANGIBLE ASSETS :									
1	Land	25,277,084	5,461,689	-	30,738,773	-	-	-	30,738,773	25,277,084
2	Office Buildings	133,186,404	3,408,989	-	136,595,393	10,817,375	6,488,281	17,305,656	119,289,737	122,369,029
3	Plant and Machinery	423,048,158	75,144,752	25,500	498,167,410	228,995,962	67,120,182	296,110,569	202,056,841	194,052,196
4	Furniture and Fixture	26,910,628	10,929,233	-	37,839,862	18,451,438	7,735,512	26,186,950	11,652,912	8,459,190
5	Computers	30,239,169	11,769,096	-	42,008,265	17,858,315	6,505,340	24,363,655	17,644,610	12,380,854
6	Office Equipment	59,977,422	18,562,599	-	78,540,021	28,960,598	14,437,835	43,398,433	35,141,588	31,016,824
7	Mobiles	2,541,460	668,627	-	3,210,087	2,223,840	528,670	2,752,510	457,577	317,620
8	Cars & Jeeps	129,228,135	37,363,105	7,194,306	159,396,934	60,550,928	24,891,512	81,331,512	78,065,421	68,677,207
9	Vehicles	160,352,017	58,423,466	3,205,773	215,569,710	101,979,674	26,570,260	125,516,161	90,053,549	58,372,343
10	Cranes	1,571,933,016	125,456,904	-	1,697,389,920	444,831,356	122,643,251	567,474,607	1,129,915,313	1,127,101,660
11	Temporary Sheds	395,647,423	73,135,827	-	468,783,250	324,609,487	86,020,456	410,629,943	58,153,307	71,037,936
	Total	2,958,340,916	420,324,287	10,425,579	3,368,239,624	1,239,278,973	362,941,299	1,595,069,997	1,773,169,627	1,719,061,939
(B)	INTANGIBLE ASSETS:									
1	Power Mech Brand	24,000	-	-	24,000	12,795	4,560	17,355	6,645	11,205
2	Computer Software	17,371,083	1,452,748	-	18,823,831	4,331,150	3,452,773	7,783,923	11,039,908	13,039,933
	Total	17,395,083	1,452,748	-	18,847,831	4,343,945	3,457,333	7,801,278	11,046,553	13,051,138
	Grand Total	2,975,735,999	421,777,035	10,425,579	3,387,087,455	1,243,622,918	366,398,632	1,602,871,274	1,784,216,181	1,732,113,077
	Previous Year	2,615,745,332	369,045,190	9,054,523	2,975,735,999	922,748,872	327,410,062	1,243,622,918	1,732,113,077	1,692,996,458

Note No.12

NON-CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
(a) (i) Trade - Quoted		
Investments in Equity Instruments		
a) 24 Equity shares of Rs.10/ each in Reliance Power Limited	6,750	6,750
Total (a)(i)	6,750	6,750
(ii) Non-trade - Quoted		
a) Investments in Equity Instruments		
200 Equity shares of Rs.10/ each in Assam Company Limited	11,301	11,301
b) Investments in mutual funds		
20000 units of SBI Infra structure fund - I - Growth Rs.10/ each	200,000	200,000
Total (a)(ii)	211,301	211,301
Total Quoted (a) (i+ii)	218,051	218,051
Less: Provision for diminution in value of investments	15,885	63,257
	202,166	154,794
(b) (i) Trade - Unquoted		
Investments in Subsidiary company		
a) 75000 (51000) Equity shares of Rs.10 each in Hydro Magus Pvt Ltd	1,326,000	510,000
b) 18937 Equity shares of Rs.10 each in Power Mech Industri Pvt Ltd.	43,090,413	43,090,413
c) 1000000 10% Redeemable, Cumulative, Non Participating, Non Convertible Preference share of Rs.10 each in HydroMagus Pvt Ltd - Redeemable at the end of 5 years at one time	10,000,000	10,000,000
d) 1384861 (Nil) 10% Redeemable, Cumulative, Non Participating, Non Convertible Preference share of Rs.10 each in HydroMagus Pvt Ltd Redeemable on or before completion of 10 years from the date of allotment with an option to redeem on or after completion of 5 years	13,848,610	-
Total (b)	68,265,023	53,600,413
Total (a+b)	68,467,189	53,755,207
Aggregate amount of : Quoted investments -		
At cost	218,051	218,051
- Market value	237,720	154,794
Aggregate amount of unquoted investments	68,265,023	53,600,413
Aggregate provision for diminution in value of investments	15,885	63,257

Note No.13

LOANS AND ADVANCES

(Amount in ₹)

Particulars	Long-term		Short-term	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Unsecured, Considered Good				
a) Advances for Capital goods	25,149,405	2,076,111	-	-
b) Security deposits with Govt. authorities and others	36,611,797	25,638,892	-	-
c) EMD with customers	15,118,891	13,334,211	-	-
d) Advances to creditors against supplies	-	-	187,239,665	180,334,107
e) Advances to sub-contractors against works	-	-	1,088,772,401	814,025,923
f) Prepaid expenses	-	-	21,627,927	19,543,214
g) Employee related advances	-	-	11,973,726	13,022,698
h) Balances with Statutory Authorities:				
CENVAT credit receivable	-	-	29,522,130	10,040,449
Works contract tax (TDS)	-	-	53,776,924	69,227,365
Sales Tax Refund Receivable	-	-	5,451,728	3,491,903
Advance Income Tax and TDS	-	-	1,196,235,733	821,285,446
i) Other advances	-	-	3,977,107	3,664,574
Total	76,880,093	41,049,213	2,598,577,342	1,934,635,677

Note No.14

OTHER ASSETS

(Amount in ₹)

Particulars	Non Current		Current	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Unsecured, Considered Good				
a) Long term trade receivables				
- Retention Money and Security Deposit with customers	1,571,540,935	1,652,375,911	692,789,994	231,146,977
b) Uncertified Revenue	-	-	1,646,069,202	1,314,690,830
c) Mobilisation advances to Sub - Contractors	-	36,100,504	31,487,107	45,098,164
d) Due from Subsidiary company				
- Hydro Magus Pvt Ltd	-	-	4,804,229	12,766,030
- Power Mech Industri Pvt Ltd	-	-	-	1,967,501
e) Advance to MAS Power Mech Arabia towards expenses (Subsidiary company to be incorporated)	-	-	4,285,949	-
f) Advance to Power Mech CPNED for expenses (A Joint venture company to be incorporated)	-	-	1,490,827	-
g) Contract expenses in respect of projects to be executed	-	-	10,036,641	-
h) IPO expenses	-	-	16,975,616	-
Total	1,571,540,935	1,688,476,415	2,407,939,565	1,605,669,502

Note: The bifurcation of RM/ SD with customers between current and non current is made based on the terms of contract, time schedule in the execution of work orders, fulfilment of conditions for release of RM /SD and based on estimates and certified by the management.

Note No.15 INVENTORIES

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
a) Stores and spares	301,498,496	229,950,281
b) Work-in-progress	5,329,199	12,908,526
Total	306,827,696	242,858,807

Note No.16 TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
Unsecured, Considered Good		
Outstanding for a period exceeding six months	341,249,276	102,537,552
Others	1,600,440,693	1,379,405,217
Total	1,941,689,969	1,481,942,769

Note No.17 CASH AND CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
1. Cash on hand	2,981,788	1,446,741
2. Cash Equivalents		
i. Balances with banks		
a. Earmarked balances with banks held as margin money against LC and guarantees (refer note below)	557,350,959	578,358,704
b. Earmarked balances with banks towards unclaimed dividends	169,810	49,338
c. In Current accounts	109,864,466	107,460,477
Total	670,367,024	687,315,260

Note:

- All the above fixed deposits had original maturity period of 12 months and above. Further, of the above, fixed deposits of Rs.353,854,692 /- falls due for maturity within 12 months from the date of balance sheet.
- None of the above fixed deposits had original maturity period of less than 3 months that meet the definition of cash and cash equivalents as defined under AS-3 "Cash flow statements".

Note No.18 REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	Year ended 31-03-2015	Year ended 31-03-2014
Contract receipts: (Net of Service tax)		
Erection works	9,102,040,670	8,906,180,945
Civil works	1,749,264,964	1,659,449,528
Maintenance	2,692,494,692	1,257,954,771
Other operating revenue :		
Crane hire charges received	12,277,139	48,371,066
TOTAL	13,556,077,465	11,871,956,311

Note No.19 OTHER INCOME

(Amount in ₹)

Particulars	Year ended 31-03-2015	Year ended 31-03-2014
Interest from banks and others	55,654,555	64,882,667
Profit on sale of assets	508,051	1,215,453
Dividend received -		
From Subsidiary companies	-	7,661,481
From others	-	10
Difference in foreign exchange fluctuations	2,922,114	42,033,678
Provision for diminution in value of investment withdrawn	47,372	6,718
TOTAL	59,132,091	115,800,008

Note No.20 COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	Year ended 31-03-2015	Year ended 31-03-2014
Opening Stock	229,950,281	192,492,963
Add: Purchases of electrodes, gases and other consumables	819,693,725	792,831,640
	1,049,644,006	985,324,603
Less : Closing Stock	301,498,496	229,950,281
TOTAL	748,145,509	755,374,322

Note No.21 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

(Amount in ₹)

Particulars	Year ended 31-03-2015	Year ended 31-03-2014
Opening work-in-progress	12,908,526	-
	12,908,526	-
Closing work-in-progress	5,329,199	12,908,526
	5,329,199	12,908,526
Increase / (Decrease) in inventories	(7,579,327)	12,908,526

Note No.22 CONTRACT EXECUTION EXPENSES

(Amount in ₹)

Particulars	Year ended 31-03-2015	Year ended 31-03-2014
Sub-contract expenses	8,900,496,093	7,789,222,840
Radiography charges	101,704,829	77,638,748
Hire charges	191,864,435	82,939,868
Rent at Project sites	80,577,426	55,564,458
Power and fuel	48,630,316	57,769,899
Insurance	15,711,718	13,878,834
Vehicles movement and other freight expenses	102,390,172	60,070,503
Repairs and maintenance : Plant and machinery	59,840,130	40,363,539
Other assets	23,091,852	11,979,689
Fuel and vehicle maintenance	201,182,019	168,610,780
Travelling expenses at projects	45,645,685	26,452,343
TOTAL	9,771,134,675	8,384,491,502

Note No.23

EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	Year ended 31-03-2015	Year ended 31-03-2014
Salaries and Wages	819,082,170	779,129,507
Remuneration to managerial personnel	58,018,828	59,830,400
Contribution to provident and other funds	35,082,891	31,653,364
Staff welfare expenses	258,311,331	191,288,132
Contribution towards group gratuity	5,375,811	5,329,238
TOTAL	1,175,871,031	1,067,230,641

Note No.24

FINANCE COSTS

(Amount in ₹)

Particulars	Year ended 31-03-2015	Year ended 31-03-2014
Interest paid to banks and others	240,127,098	188,223,504
Bank charges and BG commission	28,892,438	25,659,971
Loan Processing charges	11,847,566	9,451,376
Interest on Income-tax	3,985,114	1,614,492
Exchange fluctuations on deferred credit payment	6,561,756	37,650,401
Interest on debentures	987,145	877,463
TOTAL	292,401,116	263,477,207

Note No.25

DEPRECIATION AND AMORTISATION

(Amount in ₹)

Particulars	Year ended 31-03-2015	Year ended 31-03-2014
Depreciation	362,941,299	324,606,291
Amortisation	3,457,333	2,803,770
TOTAL	366,398,632	327,410,062

Refer note no 1(2)(e) given under Significant accounting policies for method of providing depreciation.

Note No.26

OTHER EXPENSES

(Amount in ₹)

Particulars	Year ended 31-03-2015	Year ended 31-03-2014
Rents - Office	11,220,749	6,096,774
Directors Sitting Fee	1,140,000	120,000
Donations	246,561	7,358,500
Payments to auditors		
Towards Statutory audit	1,000,000	850,000
Towards tax audit and taxation matters	100,000	100,000
Rates and taxes	63,660,224	33,439,076
Miscellaneous expenses	118,012,828	81,376,109
CSR expenses	5,700,000	-
Loss on sale of assets	198,920	234,663
Irrecoverable advances written off	-	4,056,170
TOTAL	201,279,281	133,631,293

Notes to Accounts for the year 2014-15

(Amount in ₹)

Note	Details	31.03.2015	31.03.2014
27	Contingent Liabilities and Commitments		
A.	Contingent Liabilities		
	a) Claims against the company not acknowledged as debts		
	Sales Tax	63,728,894	-
	Service Tax	42,809,308	-
	b) Other contingent liabilities		
	(i) Counter Guarantees given by the company to the bank in respect of guarantees given to its subsidiary Companies		
	- Hydro Magus Private Limited	-	35,508,963
	(ii) Co-applicant in respect of loans sanctioned to Subsidiary company		
	- Hydro Magus Private Limited	1,410,296	2,539,915
	(iii) Corporate guarantee given to bank in respect of limits sanctioned to subsidiary companies to the extent of balance outstanding		
	- Hydro Magus Private Limited	37,399,490	-
	- Power Mech Industri Private Limited	120,000,000	-
B.	Commitments		
	Estimated amount of contracts remaining to be Executed on capital account and not provided for	29,474,870	16,033,790
28.	Guarantees given by the company's bankers and outstanding. The said guarantees were covered by way of pledge of Fixed Deposit receipts with the bankers.	5,468,595,190	4,719,855,803
29.	CIF value of Imports made by the company during the year		
	a) Consumables & Spare parts	200,854	753,126
	b) Capital goods	114,854,950	-
30	The amount remitted during the year in foreign currencies on account of:		
	a) Interest	5,986,961	8,927,812
31	Earnings in foreign exchange currencies		
	a) Contract receipts (Projects executed outside India)		
	Yemen	708,619,805	709,499,600
	Abu Dhabi	129,820,675	27,695,863
	b) Dividend from foreign subsidiary	-	7,661,481
32	Expenditure in foreign currency		
	a) Expenditure on contracts executed outside India (Including Foreign Travel)		
	Yemen	654,062,365	637,234,311
	Abu Dhabi	124,413,844	32,151,516
	Bheramara	159,834	-
	b) Foreign travel Others	337,389	-

33. Unhedged Foreign Currency Exposure

Sl. No.	Amount Payable/Receivable in foreign currency on account of the following:	Currency	As at 31 st March, 2015		As at 31 st March, 2014	
			Foreign Currency	INR	Foreign Currency	INR
			Amount	Amount	Amount	Amount
1	Sundry Creditors	USD	5,693,031	356,331,365	5,111,873	307,174,320
		AED	1,332,702	22,608,774	105,646	1,731,293
		BDT	651,706	521,720	-	-
2	Advances from Customers	USD	299,699	18,758,413	75,583	4,542,535
		BDT	26,708,654	21,381,462	-	-
3	Sundry Debtors	USD	2,658,766	166,414,267	5,350,127	317,479,275
		AED	2,998,237	50,863,930	611,571	10,086,726
4	Advances given	USD	187,812	11,755,290	239,896	14,374,096
		SAR	356,083	5,917,303	-	-
5	Bank Balances	USD	1,381	86,432	36,146	2,172,366
		AED	159,254	2,701,689	7,583	123,774
		BDT	28,162,126	22,545,031	-	-
6	Buyers Credit	USD	-	-	20,333	901,580
7	Foreign Letter of Credit	USD	2,610,000	163,361,988	5,090,000	305,907,982

34 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
a) Gross amount required to be spent by the company during the year	15,803,486	-
b) Amount spent during the year (Contribution paid to Power Mech Foundation)	5,700,000	-

35 A) Particulars disclosed pursuant to AS-18 "Related party transactions"

i) Key Managerial personnel	S. Kishore Babu, Chairman and Managing director
ii) Relatives of Key Managerial personnel	S. Lakshmi – Director W/o S. Kishore Babu S. Rohit s/o S. Kishore Babu S. Vignatha d/o S. Kishore Babu S. Kishore Babu (HUF)
iii) Companies controlled by KMP/Relatives of KMP	- Power Mech Infra Limited - Bombay Avenue Developers Private Limited - True Rrav Marketing Private Limited - Power Mech Foundation - Lakshmi Agro Farms
iv) Subsidiary companies	- Power Mech Overseas Projects FZE, Sharjah (Winded up in F.Y 2013-14) - Hydro Magus Private Limited - Power Mech Industri Private Limited

B) Transaction with related parties

Sl. No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company
i) Rent Paid					
a)	S. Kishore Babu	2,880,000 (1,404,000)	--	--	--
b)	S. Lakshmi	--	900,000 (762,000)	--	--
c)	S. Kishore Babu (HUF)	--	620,000 (280,500)	--	--
d)	S. Rohit	--	990,000 (990,000)	--	--

ii) Remuneration Paid

a)	S. Kishore Babu	55,774,827 (56,530,400)			
b)	S.Rohit	--	648,667 (-)	--	-

iii) Sub-Contract Expenses Paid

a)	Power Mech Infra Limited	--	--	532,296,361 (514,754,622)	--
----	--------------------------	----	----	------------------------------	----

iv) Contract receipts from

a)	Hydro Magus Private Limited	--	--	--	24,645,014 (10,099,910)
----	-----------------------------	----	----	----	----------------------------

v) Interest Received

a)	Hydro Magus Private Limited	--	--	--	1,787,103
----	-----------------------------	----	----	----	-----------

					(1,657,561)
--	--	--	--	--	-------------

vi) Rent Received

a)	Hydro Magus Private Limited	--	--	--	168,000
					(168,000)

vii) Hire charges Received

a)	Power Mech Industri Private Limited	--	--	--	642,857 (-)
----	-------------------------------------	----	----	----	----------------

viii) Donations paid

a)	Power Mech foundation	--	--	5,700,000	--
				(5,000,000)	

C) Balances outstanding as on 31.03.2015

i)	Investment in Hydro Magus Private Limited	--	--	--	25,174,610 (10,510,000)
ii)	Investment in Power Mech Industri Private Limited	--	--	--	43,090,413 (43,090,413)
iii)	Due to Power Mech Infra Limited	--	--	27,902,797 (147,215,422)	--
iv)	Remuneration Payable	4,232,409 (15,367,573)	--	--	--
v)	Due to Power Mech Industri Private Limited (Advance received against supply)	--	--	--	30,288,743 (-)
vi)	Due from Power Mech Industri Private Limited	--	--	--	- (1,967,501)
vii)	Due from Hydro Magus Private Limited	--	--	--	4,804,229 (12,766,030)
viii)	Trade Receivable - Hydro Magus Private Limited	--	--	--	21,154,614 (406,632)

- 36 In the opinion of the management, current assets, loans and advances have a value on realization in the ordinary course of business equal to the value at which they are stated. Balances in some of the parties account are subject to confirmation and reconciliation.
- 37 The company has claimed an amount of Rs. 53,776,924/- (As on 31.03.2014 Rs. 69,227,365/-) being the Works contract tax deducted by the customers and outstanding as on 31.03.15 in respect of works carried out in some of the states. The company's management is of opinion that there is no sales tax liability in respect of the said works carried out and hence claimed as refund due and grouped under loans and advances. Sales tax liability, if any has arisen, on completion of assessments will be charged to Profit and Loss account.
- 38 Segment reporting:
During the financial year 2014-15, the company operates only in one segment i.e in construction activities. This, in the context of Accounting standard-17 "Segment reporting" as specified in the Companies (Accounting Standards) Rules, 2006 is considered to constitute one single primary segment. The company carried out overseas operations and they do not qualify as reportable segment as operations does not exceeded the thresh hold limit of 10%

specified in paragraph no.27 of AS-17.

39 Calculation of Earnings per Share:

Sl.No	Particulars	2014-15	2013-14
1)	Basic Earning per share		
	No. of shares at the beginning of the year	10,940,264	10,752,764
	Issue of shares on conversion (weighted avg no. of shares)	397,603	187,500
	Increase on account of Bonus Issue	1,080,000	-
	Weighted average number of shares	12,417,867	10,817,490
	Profit after tax	707,044,728	683,110,828
	Basic Earning per share	56.94	63.15
2)	Diluted Earning per share		
	Profit after tax	707,044,728	683,110,828
	Add: Interest paid to debentureholders (net of tax)	-	579,213
	Adjusted Net Profit	707,044,728	683,690,041
	No. of shares at the beginning of the year	10,940,264	10,752,764
	Weighted avg no. of shares resulting from conversion of debentures	397,603	64,726
	Compulsorily convertible debentures	-	562,500
	Increase on account of Bonus Issue	1,080,000	-
	Total Number shares	12,417,867	11,379,990
	Diluted Earning per share	56.94	60.08
3)	Adjusted Basic Earnings per Share		
	No. of shares at the beginning of the year	10,940,264	10,752,764
	Issue of shares on conversion (weighted avg no. of shares)	397,603	64,276
	Increase on account of Bonus Issue	1,080,000	1,080,000
	Weighted average number of shares	12,417,867	11,897,490
	Profit after tax	707,044,728	683,110,828
	Adjusted Basic Earning per share	56.94	57.42
4)	Adjusted Diluted Earnings per Share		
	Profit after tax	707,044,728	683,110,828
	Add: Interest paid to debentureholders (net of tax)	-	579,213
	Adjusted Net Profit	707,044,728	683,690,041
	No. of shares at the beginning of the year	10,940,264	10,752,764
	Weighted avg no. of shares resulting from conversion of debentures	397,603	64,726
	Compulsorily convertible debentures	-	562,500
	Increase on account of Bonus Issue	1,080,000	1,080,000
	Total Number shares	12,417,867	12,459,990

Adjusted Diluted Earning per share	56.94	54.87
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40 Disclosure requirement under AS 7 “Construction Contracts”:

Particulars	31.03.2015	31.03.2014
Contract revenue recognized during the year	13,543,800,326	11,823,585,245
Method used to recognise the revenue	% of Completion Method	% of Completion Method
Method used to determine stage of completion	Physical proportion of work completion	Physical proportion of work completion
Dues from customers	1,941,689,969	1,481,942,769
Retention & SD amounts due from customers	2,264,330,929	1,883,522,888
Due to Sub Contractors	1,772,210,397	1,526,092,702
Retention & SD amount due to Sub Contractors	647,342,934	710,655,426
Mobilisation advances from Customers	588,950,481	609,684,657
Mobilisation advances to Sub Contractors	31,487,107	81,198,668

41 Previous year figures have been regrouped wherever necessary to confirm to current year classification

As per our report of even date

For and on behalf of the Board

for BRAHMAYYA & CO.

Firm's Registration Number: 000513S
Chartered Accountants

S.Kishore Babu
Chairman and Managing Director

(Karumanchi Rajaj)

Partner

Membership Number: 202 309

Place: Camp: Hyderabad

Date: 07.07.2015

Rakesh Sony

Director

J Satish

CFO

Mohit Gurjar

Company Secretary

Consolidated Financials

2014-15

INDEPENDENT AUDITORS' REPORT

To the Members of
POWER MECH PROJECTS LIMITED

Report on the Consolidated financial statements

We have audited the accompanying Consolidated financial statements of **POWER MECH PROJECTS LIMITED** ('the Company') and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 and presentation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for prevention and detection of frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Group has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's board of directors, as well as evaluating the overall presentation of the Consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Consolidated state of affairs of the Group as at 31st March, 2015, of the profit of the Group for the year ended on that date and the Cash flows of the Group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 of the Consolidated financial statements;
 - b. In our opinion, proper books of account as required by law have been kept by the Group so far as appears from our examination of those books;
 - c. The Consolidated Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Consolidated Balance Sheet, Statement of Profit and Loss and Cash Flow Statement 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 written representations received from the directors of each of the respective entity as on 31st March, 2015 and taken on record by the respective Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with the 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 Group does not have any pending litigations which would impact its financial position except those which are disclosed in the notes to the financial statements and para no.7 in Annexure to our Audit report.
 - ii) The Group 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 Protection Fund by the Group.

For Brahmayya&Co
Chartered Accountants
Firm Registration No. 0005135

(Karumanchi Rajaj)
Partner
(Membership No: 202309)

Place: Hyderabad
Date : 07.07.2015

The Annexure referred to in our Independent Auditors' Report to the members of Power Mech Projects Limited ("Company") and its subsidiaries on the Consolidated financial statements for the year ended 31st March, 2015.

We report that

1. In respect of its fixed assets:
 - a. The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. According to the information and explanations furnished to us, the respective entities has not physically verified its fixed assets during the year. However, the respective entities has adopted a phased programme of verification which, in our opinion, is reasonable having regard to the size of the each entity and the nature of its assets.
2. In respect of its inventories:
 - a. According to the information and explanations furnished to us, the respective entities has physically verified its inventories during the year. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion, the procedures of physical verification of inventories followed by the management of respective entities are reasonable and adequate in relation to the size of the relevant entity and the nature of its business.
 - c. According to the information furnished to us, the Company and its subsidiaries are maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.
3. The Company and its subsidiaries has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, clauses (iii)(a) and (b) of paragraph 3 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and its subsidiaries and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. Further during the course of our audit, we have not come across any instances of major weaknesses in internal control that in our opinion, require correction.
5. The Company and its subsidiaries has not accepted any deposits from the public. However in respect of parent company, an amount of Rs.12.20 crores which was received as advance against supplies from a customer was pending for more than a year and we have been informed that due to discontinuity of business activities by the said customer the said amount was outstanding and negotiations with the customer is under process. According to the information furnished to us, no order has been passed on the Company and its subsidiaries by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of sections 73 to 76 of the Act.
6. The central government has not prescribed the maintenance of cost records for the company and its subsidiaries under section 148(1) of the Act read with Companies (Cost Records and Audit) Rules, 2014 and hence the reporting requirements in terms of clause 3(vi) of the Order does not apply.
7.
 - a) According to the information furnished to us, the Company and one of its subsidiary Hydro Magus made delays in remittance of TDS and service tax but is regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Value added tax, Wealth tax, Customs duty, Excise duty, Cess and any other statutory dues applicable to it. There were no undisputed statutory dues in arrears as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.
 - b) According to the information and explanations furnished to us, the following amounts of Value added tax, Entry tax and Service tax have been disputed by the parent company, and hence were not remitted to the authorities concerned at the date of the Balance Sheet under report.

Name of the Statute	Nature of Dues	Amount Rs. (net of amounts paid under protest)	Period to which it relates	Forum where dispute is pending
VAT Acts of various states	VAT/Entry tax	2,58,848	2010-11	ADCC, Bhopal
		8,74,293	2010-11	Do -
		3,83,61,183	2011-12	West Bengal Commercial taxes appellate authority
Service tax under Finance Act 1994	Service tax	1,91,10,463	2012-13	Commissioner of Commercial taxes, Jharkhand
		4,28,09,308	2007-08	CESTAT, Bengaluru

- c) According to the information furnished to us, no amount was pending for deposit to the investor education and protection fund.
8. The Group does not have any accumulated losses at the end of the financial year. The Group has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations furnished to us, the respective entities have not defaulted in repayment of dues to banks and did not have any amount outstanding to financial institutions or debenture holders.
10. According to the information and explanations given to us, the parent company applied as co-borrower in respect of loan availed from a bank by one of its subsidiary company. Further, the parent company has given corporate guarantee to the banks on behalf of its subsidiary companies in respect of loans availed. However, the terms and conditions of such guarantees are not prejudicial to the interests of the parent company.
11. According to the information and explanations given to us, the term loans obtained by the respective entities during the year have been applied for the purpose for which they were raised.
12. During the course of our examination of the books and records of each of the entity, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by each of the entity, noticed or reported during the year, nor have we been informed of such case by the management.

For Brahmayya&Co
Chartered Accountants
Firm Registration No. 0005135

(Karumanchi Rajaj)
Partner
(Membership No: 202309)

Place: Hyderabad
Date : 07.07.2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in ₹)

	Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I.	LIABILITIES			
(1)	Shareholders' funds			
	(a) Share capital	2	125,827,640	109,402,640
	(b) Reserves and surplus	3	3,421,324,484	2,626,668,116
			3,547,152,124	2,736,070,756
(2)	Minority Interest	3	2,486,738	1,532,599
(3)	Non-current liabilities			
	(a) Long-term borrowings	4	365,745,804	274,187,859
	(b) Deferred Tax Liability (Net)	5	47,214,956	78,370,541
	(c) Other Long term liabilities	6	641,262,669	936,041,053
	(d) Long term provisions	7	1,923,024	-
			1,056,146,453	1,288,599,453
(4)	Current liabilities			
	(a) Short-term borrowings	8	1,997,414,637	1,393,986,580
	(b) Trade payables	9	2,221,457,017	1,876,225,155
	(c) Other current liabilities	10	1,579,928,268	1,368,187,571
	(d) Short-term provisions	7	1,273,842,393	895,341,829
			7,072,642,315	5,533,741,135
	Total		11,678,427,630	9,559,943,943
II.	ASSETS			
(1)	Non-current assets			
	(a) Fixed assets	11		
	(i) Tangible assets		1,798,365,300	1,744,917,750
	(ii) Intangible assets		33,770,630	35,709,876
	(iii) Capital work-in-progress		162,993,203	67,745,658
	(iv) Unallocated Capital expenditure		7,332,413	99,119
			2,002,461,545	1,848,472,404
	(b) Non-current investments	12	202,166	154,794
	(c) Long-term loans and advances	13	77,128,468	42,140,339
	(d) Other non-current assets	14	1,566,099,205	1,688,496,189
			1,643,429,839	1,730,791,321
(2)	Current assets			
	(a) Inventories	15	320,912,260	242,990,943
	(b) Trade receivables	16	1,953,654,588	1,492,439,732
	(c) Cash and cash equivalents	17	678,290,184	688,416,073
	(d) Short-term loans and advances	13	2,613,073,613	1,941,968,850
	(e) Other current assets	14	2,466,605,600	1,614,864,620
			8,032,536,245	5,980,680,218
	Significant accounting policies	1		
	Notes to accounts	27-43		
	Total		11,678,427,630	9,559,943,943

As per our report of even date

For and on behalf of the Board

for BRAHMAYYA & CO.

Firm's Registration Number: 000513S
Chartered Accountants

S.Kishore Babu

Chairman and Managing Director

(Karumanchi Rajaj)

Partner
Membership Number: 202 309

Rakesh Sony

Director

J Satish

CFO

Mohit Gurjar

Company Secretary

Place: Camp: Hyderabad

Date: 07.07.2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹)

Particulars	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
Continuing Operations:			
Revenue:			
Revenue from Operations	18	13,662,229,712	12,002,709,844
Other income	19	57,608,943	108,125,100
Total Revenue		13,719,838,655	12,110,834,944
Expenses:			
Cost of materials consumed	20	770,041,828	790,154,659
Changes in inventories of work-in-progress	21	7,579,327	(12,908,526)
Contract execution expenses	22	9,800,149,320	8,434,094,761
Employee benefits expenses	23	1,201,761,344	1,090,318,680
Finance costs	24	294,301,501	266,136,252
Depreciation and amortization expense	25	367,776,446	328,433,787
Other expenses	26	212,692,146	147,304,257
Total expenses		12,654,301,913	11,043,533,870
Profit before tax		1,065,536,743	1,067,301,074
Tax expense			
Less:			
Current tax		380,948,624	375,004,292
:Deferred tax liability / (Credit)		(31,155,585)	10,306,560
Profit after Tax but before adjusting for Minority Interest		715,743,703	681,990,222
Less: Share of profit transferred to minority interest		1,704,799	1,042,599
Profit after tax and after adjusting for Minority Interest		714,038,904	680,947,623
Earnings per equity share			
Basic		57.48	62.95
Diluted		57.48	59.89
Adjusted Earnings per equity share (Bonus Issue)			
Basic		57.48	57.23
Diluted		57.48	54.70
Significant accounting policies	1		
Notes to Accounts	27-43		

As per our report of even date

for BRAHMAYYA & CO.

Firm's Registration Number: 0005135

Chartered Accountants

(Karumanchi Rajaj)

Partner

Membership Number: 202 309

Place: Camp: Hyderabad

Date: 07.07.2015

Rakesh Sony

Director

J Satish

CFO

Mohit Gurjar

Company Secretary

For and on behalf of the Board

S. Kishore Babu

Chairman and Managing Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹)

	Particulars	2014-15	2013-14
I.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	1,065,536,743	1,067,301,074
	Add/Less: Adjustments for :		
	Depreciation	367,776,446	328,433,787
	Interest and Finance charges	294,293,717	266,144,344
	Loss on sale of assets	198,920	-
	Interest income	(54,131,406)	(57,205,311)
	Dividend Income	-	(7,661,491)
	Profit on sale of assets	(508,051)	(985,453)
	Provision for diminution in value of investments	(47,372)	(6,718)
	Operating profit before working capital changes	1,673,118,996	1,596,020,231
	Add/Less: Adjustments for working capital		
	Increase in Inventories	(77,921,317)	(50,497,981)
	Increase in Trade and other receivables	(1,520,046,204)	(1,581,258,666)
	Increase in Trade payables	340,039,840	635,419,644
	Cash generated from operations	415,191,315	599,683,229
	Less: Direct taxes paid	(376,623,769)	(332,173,860)
	Net cash from Operating activities (A)	38,567,546	267,509,369
II.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets/Capital works-under progress	(524,975,548)	(374,346,960)
	Proceeds from sale of fixed assets	3,584,435	7,849,300
	Investment in subsidiary acquired from Others	(816,000)	-
	Repatriation of Overseas Investments	-	(7,663,960)
	Margin money deposits with banks	15,631,544	(106,690,854)
	Interest received	54,131,406	57,207,955
	Dividend received	-	7,661,491
	Net cash used in Investing activities (B)	(452,444,163)	(415,983,027)
III.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from borrowings(Including redemption of Compulsorily Convertible Debentures)	612,511,507	402,186,116
	Issue of Equity on conversion of Debentures	112,500,000	-
	Interest and Finance charges paid	(287,731,961)	(226,631,882)
	Dividends and dividend tax paid	(17,897,274)	(12,580,196)
	Net cash from financing activities (C)	419,382,272	162,974,038
	Net Increase in cash and cash equivalents (A+B+C)	5,505,655	14,500,380
	Cash and cash equivalents at the beginning of the period	110,057,369	95,556,989
	Cash and cash equivalents at the end of the period	115,563,024	110,057,369
	Net Increase in cash and cash equivalents	5,505,655	14,500,380

Components of cash and cash equivalents

Particulars	2014-15	2013-14
Cash on hand	3,060,854	1,532,770
Earmarked balances with banks towards unclaimed dividends	169,810	49,338
In Current accounts	112,332,360	108,475,261
	115,563,024	110,057,369

As per our report of even date

For and on behalf of the Board

for BRAHMAYYA & CO.

Firm's Registration Number: 0005135
Chartered Accountants

S. Kishore Babu
Chairman and Managing Director

(Karumanchi Rajaj)

Partner
Membership Number: 202 309

Rakesh Sony
Director

J Satish
CFO

Mohit Gurjar
Company Secretary

Place: Camp: Hyderabad
Date: 07.07.2015

Note No.1

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

Corporate Information

Power Mech Projects Limited was incorporated in the year 1999 and is engaged in the business of providing ETC, Civil and O&M Services for Power Projects. The Company has associated with various power majors in India and overseas for public and private sector power utilities apart from multinational companies. Power Mech is now engaged in several power projects ranging from 135MW to 800MW, besides many projects in lower segments also.

The subsidiary company, Hydro Magus Private Limited is incorporated in the year 2012. The company is setup with a vision to support the Hydro utility owners in a professional manner to enhance the generation output and viability factor of their power plants by implementing Reliability-centric- Maintenance programs on their Hydro generating units in a cost effective way. The company also envisages achieving this vision of generation enhancement by undertaking renovation, modernization and uprating of old generating sets based upon the recommendations of life extension and uprating studies.

Power Mech Industri Private Limited was incorporated in the year 2006 and became subsidiary company to Power Mech Projects Limited in the year 2013-14. On acquisition by Power Mech Projects Limited, the company is involved in the manufacture of all types of machinery parts, equipments, development and construction of industrial sheds and overhaul and Maintenance pertaining to all industrial units. The company has not commenced its commercial operations during the financial year 2014-15 and till date.

Power Mech Overseas Projects FZE, SAIF Zone, Sharjah, UAE was incorporated as 100% subsidiary company on May 26, 2010 as a Free Zone Establishment and operates in UAE under a service licence issued by SAIF Zone Authority, Government of Sharjah. The principal activity of the establishment is providing business consultancy services. However, it was liquidated on 9.12.2013 and all the assets and liabilities were settled and investment in the said company was repatriated to the parent company.

Basis of Accounting

The Financial Statements of the company and its subsidiary companies are prepared under the historical cost convention on accrual basis of accounting and in accordance with the generally accepted accounting principles in India. The financial statements are prepared to comply in all material aspects with the applicable Accounting Standards and the relevant provisions thereof. The financial statements of the company and its subsidiary companies are drawn up to the same reporting date i.e of 31st March.

In case of foreign subsidiary, Power Mech Overseas Projects, FZE the financial statements are prepared in accordance with the International Financial reporting Standards issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB and applicable requirements of UAE laws.

Principles of Consolidation

The Consolidated Financial Statements relate to Power Mech Projects Limited ("the Company") and its Subsidiary Companies Hydro Magus Private Limited, Power Mech Industri Private Limited and Power Mech Overseas Projects FZE (Winding up during the financial year 2013-14). The Consolidated Financial Statements have been prepared on the following basis:-

- The Financial Statements of the Company and its Subsidiary Companies (collectively referred to as "Group") have been Consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and resulting unrealized profits or losses in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" as notified by the Central Government under Companies (Accounting Standards) Rules, 2006.
- The Consolidated Financial Statements have been prepared using uniform accounting policies, for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements.
- The investments in equity shares of subsidiary companies have been fully eliminated from the share capital of subsidiary companies and investments in parent company.
- The excess of cost to the company of its investments in the subsidiary companies over its share of equity of the subsidiary companies at the date on which investment was made is recognized as "Goodwill" being an asset in the Consolidated financial statements. Alternatively, where the share of equity in subsidiary companies as on date of investment is in excess of cost of investment, it is recognized as "Capital Reserve" and shown under the head "Reserves and Surplus" in the consolidated financial statements.

- Minority interest, if any, in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and share in Reserves and surplus.
- Minority interests' share of net profit of the consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company.
- Minority interests' share of net assets of the consolidated subsidiaries as on date of balance sheet is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- For the purpose of preparation of Consolidated Financial Statements, assets and liabilities (other than fixed assets) of Overseas Subsidiary have been translated at the rate of exchange prevailing on the date of balance sheet of the foreign Subsidiary Company and all items of the profit and loss accounts have been translated at average monthly Exchange Rates and the resultant exchange differences are accumulated in foreign currency translation reserve until the disposal of investment.
- The Subsidiary Companies considered in the Consolidated Financial Statements are:

Name of the Company	Relationship	Country of Incorporation	% Share Holding held as on 31.3.2015
Hydro Magus Private Limited	Subsidiary	India	75%
Power Mech Industri Private Limited	100% Subsidiary	India	100%
Power Mech Overseas Projects Ltd FZE	100% Subsidiary	Dubai (winding up during the year 2013-14)	-

The reporting date of Financial Statements of all subsidiary companies was 31st March.

- The parent company Power Mech Projects Limited invested in Nos.51000 Equity shares of Rs.10/-each during the financial year 2012-13 and Nos. 24000 Equity Shares of Rs.10/- each during the financial year 2014-15 in Hydro Magus Private Limited aggregating to Rs.13.26 lakhs being 75% of holding in the said company.
- The parent company Power Mech Projects Limited invested in Nos.18937 Equity shares of Rs.10/- each in Power Mech Industri Private Limited at a premium of Rs.2265/- each aggregating to Rs.4.31 crores during the financial year 2013-14 being 100% of holding in the said company.
- The parent company Power Mech Projects Limited invested in Nos.1000000 10% Redeemable preference shares of Rs.10/- each in Hydro Magus Private Limited aggregating to Rs.1crores during the financial year 2013-14 and invested in Nos.1384861 10% Redeemable preference shares of Rs.10/- each in Hydro Magus Private Limited aggregating to Rs.1.38 crores during the financial year 2014-15.
- The parent company Power Mech Projects Limited invested in No.1 Share of AED 150000 each in Power Mech Overseas Projects FZE, in the financial year 2010-11, a company incorporated in Sharjah. However, the said subsidiary company Power Mech Overseas Projects FZE, closed its operations in the financial year 2013-14 and repatriated the investment along with surplus to its parent company Power Mech Projects Limited.

1) Significant Accounting Policies

a. Basis of preparation of financial statements

The Company and its subsidiaries has prepared the financial statements under historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles in India.

However in case of Power Mech Overseas projects FZE, incorporated in Sharjah, UAE, the financial statements are prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB"), interpretations issued by the international Financial Reporting interpretations Committee ("IFRIC") of the IASB and applicable requirements of the UAE laws. The Significant accounting policies are adopted and applied consistently in dealing with items that are considered material in relation to these financial statements. However adoption of said Accounting policies and Accounting standards does not have any material effect on preparation of consolidated restated financial statements.

In case of Parent company and other Indian subsidiary companies, the financial statements are prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

b. Other Significant accounting policies

These are set out under "Significant Accounting policies" as given in each company's separate financial statements.

c. Segment reporting:

The group operates only in one segment i.e in construction activities. This, in the context of AS-17 "Segment reporting" as specified in the Companies (Accounting standard) Rules, 2006 is considered to constitute one single primary segment. The company carried out overseas operations and they do not qualify as reportable segment as operations does not exceed the threshold limit of 10% specified in paragraph no.27 of AS-17.

Note No.2

SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
Authorised:		
26,000,000 Equity Shares of Rs.10/- each	260,000,000	260,000,000
2,500,000 (1,500,000) Preference Shares of Rs.10/- each	25,000,000	15,000,000
Issued, subscribed and paid up:		
12,582,764 (10,940,264) Equity Shares of Rs.10/- each fully paid up	125,827,640	109,402,640
Total	125,827,640	109,402,640

- During the year, the parent company issued 1,080,000 equity shares of Rs 10/- each as fully paid-up bonus shares aggregating to Rs.10,800,000/- in the ratio of 10:1.2 (i.e 1.2 shares for every 10 shares held, except to members holding 1,940,264 shares)
- During the year, the parent company converted 1125 compulsorily convertible Debentures of Rs. 1 lakhs each into 562,500 equity shares of Rs.10/- each at a premium of Rs.190/- each.

Note No.3

RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
Securities Premium Reserve		
Figures as at the end of the previous reporting period	268,098,360	232,473,360
Additions during the year - Conversion of CCD at premium	106,875,000	35,625,000
Deductions during the year		
Utilised for issue of fully paid up bonus shares	10,800,000	-
Figures as at the end of current reporting period	364,173,360	268,098,360
General Reserve		
Figures as at the end of the previous reporting period	369,989,584	334,989,584
Additions - Transfer from P&L a/c	-	35,000,000
Figures as at the end of current reporting period	369,989,584	369,989,584
Surplus in Profit and Loss Account		
Figures as at the end of the previous reporting period	1,988,580,172	1,368,191,304
Add: Profit for the year transferred from P&L a/c	714,038,904	680,947,623
Amount available for appropriation	2,702,619,076	2,049,138,927
Less : Appropriations		
: Proposed dividend - On Equity	12,582,764	16,410,396
: Tax on Proposed dividend	2,561,555	1,486,878
: Transfer to General reserves	-	35,000,000
: Distribution of Profits of subsidiary on closure	-	7,661,481
- Tax on Preference dividend for current year	313,217	-
Figures as at the end of current reporting period	2,687,161,540	1,988,580,172
Total of Reserves and Surplus	3,421,324,484	2,626,668,116

MINORITY INTEREST

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
Share in Equity Share capital	2,50,000	490,000
Share in Reserves and Surplus	2,236,738	1,042,599
Total	2,486,738	1,532,599

Note No.4

LONG TERM BORROWINGS

(Amount in ₹)

Particulars	Non-Current Portion		Current Maturities	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
A. Secured				
i. Term loans				
a) From banks:				
i) Axis bank	108,811,363	79,818,175	71,733,473	68,629,768
ii) State bank of Hyderabad	-	-	-	2,355,739
iii) HDFC	10,816,640	9,742,740	12,914,565	12,211,190
iv) ICICI	66,551,649	-	53,843,726	7,646,806
v) Standard Chartered Bank	-	117,096	153,281	10,574,303
vi) Kotak Mahendra bank	3,639,217	-	2,151,291	-
vii) State Bank of India	20,361,000	36,645,000	16,284,000	16,284,000
viii) Standard Chartered Bank (Under Buyers credit)	-	28,547,405	29,730,629	-
ix) National Bank of Abudhabi	1,401,561	-	1,562,721	-
x) Ratnakar Bank	120,000,000	-	-	-
b) From Companies:				
i) Bajaj Finance	-	-	-	5,977,887
ii) SREI	-	6,817,443	6,817,439	21,022,751
iii) HDB Financial Services	27,730,087	-	14,031,532	-
iv) TATA Capital	6,434,286	-	3,296,269	-
B. Unsecured				
a) 1125 2% Compulsorily Convertible Debentures of Rs.1,00,000/- each (Converted into Equity during the year)	-	112,500,000	-	-
b) Deferred payment liabilities Due to suppliers on deferred credit basis	-	-	133,631,358	277,360,577
Total	365,745,804	274,187,859	346,150,283	422,063,021

Note No.5

DEFERRED TAX LIABILITY/(ASSET)

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
Opening balance (Asset)/Liability	78,370,541	68,063,981
Add/less : Liability provided/(amount credited) during the year	(31,155,585)	10,306,560
Closing balance - Liability/(Asset)	47,214,956	78,370,541

COMPONENTS OF DEFERRED TAX LIABILITY/(ASSET)

Particulars	As at 31.03.2015	As at 31.03.2014
a) Liability :		
- On fixed assets towards depreciation	49,015,542	87,328,251
b) Assets :		
- Loss on Foreign exchange fluctuations disallowed u/s 43A of Income-tax Act	1,101,063	8,957,710
- Disallowances u/s 43B of Income-tax	699,524	-
Total	47,214,956	78,370,541

Note No.6

OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	Non-Current Portion		Current Maturities	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
a) Mobilisation advances received from customers	262,677,829	358,683,331	327,467,371	255,747,847
b) Retention Money & Security deposits recovered from Sub Contractors	378,584,840	577,357,722	268,758,061	133,512,704
Total	641,262,669	936,041,053	596,225,432	389,260,551

Note:

- Current maturities represents amounts to be settled within 12 months after the date of balance sheet.
- The segregation of above amounts are made based on the time schedule in execution of projects, estimated turnover, probability in completion of works, terms of release of amounts and estimates of the management.

Note No.7

LONG TERM PROVISIONS

(Amount in ₹)

Particulars	As at	As at
	31.03.2015	31.03.2014
a) Provision for employee benefits		
- Group gratuity (Net of plan assets)	-	-
- Leave Encashment (Unfunded)	1,923,024	-
TOTAL	1,923,024	-

SHORT TERM PROVISIONS

(Amount in ₹)

Particulars	As at	As at
	31.03.2015	31.03.2014
a) Provision for employee benefits		
- Group gratuity (Net of plan assets)	933,861	1,283,665
- Leave Encashment (Unfunded)	5,073,361	5,035,195
b) Provision for Income-tax	1,252,377,635	871,125,695
c) Proposed Equity dividend	12,582,764	16,410,396
d) Provision for tax on equity dividend	2,561,555	1,486,878
e) Provision for tax on preference dividend	313,217	-
TOTAL	1,273,842,393	895,341,829

Disclosure pursuant to requirements of AS-15 "Employee Benefits"				
Particulars	GRATUITY		LEAVE ENCASHMENT	
	31-03-2015	31-03-2014	31-03-2015	31.3.2014
Defined Benefit Plan:				
Expenses recognised in Profit and Loss Account:				
Current service cost	4,970,082	4,970,082	603,222	-
Interest cost	2,051,476	1,500,921	-	-
Expected return on plan assets	(2,452,483)	(1,892,388)	-	-
Net actuarial (gain)/loss	806,736	750,623	1,421,013	-
Net expense recognised in statement of P&L	5,375,811	5,329,238	2,024,235	-
Reconciliation of Fair value of plan assets:				
Assets at the beginning of the year	24,359,781	18,701,149	-	-
Contributions	5,725,615	4,105,934	-	-
Actual return on plan assets	2,452,483	1,892,388	-	-
Benefits paid	(147,311)	(339,690)	-	-
Assets at the end of the year	32,390,568	24,359,781	-	-
Reconciliation of changes in present value of defined benefit obligations:				
PV of obligation at the beginning of the year	25,643,446	18,761,509	-	-
Current service cost	4,970,082	4,970,082	603,222	-
Interest cost	2,051,476	1,500,921	-	-
Benefits paid	(147,311)	(339,690)	-	-
Actuarial (gain)/loss	806,736	750,623	1,421,013	-
PV of obligation at the end of the year	33,324,429	25,643,446	2,024,235	-
Net liability recognized in the balance sheet:				
PV of obligation at the end of the year	33,324,429	25,643,446	2,024,235	-
Assets at end of the year	32,390,568	24,359,781	-	-
Funded status	933,861	1,283,665	-	-
Net liability recognized in balance sheet	933,861	1,283,665	2,024,235	-
Actuarial assumptions:				
Discount rate	8.00	8.00	8.00	-
Salary escalation	7.00	7.00	5.00	-

Note No.8

SHORT-TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
A. Secured		
a) Working capital loans from banks		
i) State bank of Hyderabad	554,461,981	530,599,235
ii) Standered chartered Bank	250,000,000	50,000,000
iii) ICICI	50,464,024	50,367,845
iv) Citi Bank bill discounting	46,823,691	247,657,829
v) State Bank of India	769,027,298	298,352,663
vi) Ratnakar bank	240,000,000	-
b) Over Draft from banks :		
i) From State Bank of Hyderabad	86,637,644	92,570,261
ii) From State Bank of India	-	27,154,562
B. Unsecured		
i) From SIDBI under MSME- Receivable finance scheme	-	97,284,186
TOTAL	1,997,414,637	1,393,986,580

Note No.9

TRADE PAYABLES

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
Dues to : Small and Micro Enterprises	56,466,499	-
: Other than Small and Micro Enterprises	2,164,990,518	1,876,225,155
TOTAL	2,221,457,017	1,876,225,155

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006.

Based on and to the extent of information obtained during the year 2014-15 and available with the group, with regard to the status of their suppliers under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT), on which the auditors have relied, the disclosure requirement with regard to the payment made/ due to Micro, Small and Medium Enterprises are given below.

PARTICULARS	31-03-2015 Rs.	31-03-2014 Rs.
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	23,833,803	-
(b) Interest due there on	1,805,410	-
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date		
Interest there on in terms of Sec 16 of the Act	-	-
(b) Interest paid along with such payments during the year	-	-
(c) Interest due and payable at the end of the year on such payments made during the year.	-	-
3. Amount of Interest for the year u/s 16 of the Act. Accrued and remaining un paid at the end of the year	1,805,410	-
4. Total amount of interest u/s 16 of the Act. Including that arising in earlier years, accrued and remaining unpaid at end of the year	1,805,410	-

Note No.10

OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
a) Current maturities of long-term debt (Refer note no.4)	212,518,925	144,702,444
b) Current maturities of deferred credit payment to suppliers (Refer note no.4)	133,631,358	277,360,577
c) Current maturities of Mobilisation advances from customers (Refer note no.6)	327,467,371	255,747,847
d) Current maturities of retention money and security deposits due to sub-contractors (Refer note no.6)	268,758,061	133,512,704
e) Creditors for capital goods	15,763,832	82,674,668
f) Advances received from customers against supplies/works	270,087,345	179,582,186
g) Interest accrued and due on borrowings	412,124	772,183
h) Interest accrued but not due on borrowings	397,762	393,315
i) Staff security deposits & Others	386,334	-
j) Unclaimed Dividend	178,560	73,650
k) Others:		
i) Employee related payments	106,515,064	123,513,154
ii) Statutory liabilities	80,033,142	88,572,633
iii) Other liabilities	163,778,390	81,281,195
l) Share application money refundable	-	1,015
TOTAL	1,579,928,268	1,368,187,571

Note: Un claimed dividend represents dividend for the financial years 2011-12 & 2013-14

Note No.11

Statement of Fixed Assets

(Amount in ₹)

Name of the Asset	Gross Block			Depreciation			Net Block			
	As on 01.04.2014	Additions	Deletions	As on 31.03.2015	Up to 01.04.2014	For the year	Deletions	Up to 31.03.2015	As on 31.03.2015	As on 31.03.2014
	Land	25,277,084	5,461,689	-	30,738,773	-	-	-	-	30,738,773
Lease hold Land	20,356,419	-	-	20,356,419	-	248,249	-	248,249	20,108,170	20,356,419
Office Buildings	133,186,404	3,408,989	-	136,595,393	10,817,375	6,488,281	-	17,305,656	119,289,737	122,369,029
Plant and Machinery	423,237,289	75,144,752	25,500	498,356,541	229,018,152	67,156,117	5,575	296,168,694	202,187,847	194,219,137
Furniture and Fixtur	27,542,428	10,953,135	-	38,495,564	18,614,626	7,862,833	-	26,477,459	12,018,105	8,927,802
Computers	30,964,705	12,308,640	-	43,273,345	17,995,107	6,758,019	-	24,753,126	18,520,219	12,969,598
Office Equipment	60,481,082	18,964,137	-	79,445,219	29,027,515	14,548,674	-	43,576,189	35,869,030	31,453,567
Mobiles	2,578,998	71,1546	-	3,290,544	2,261,367	561,983	-	2,823,350	467,194	317,631
Cars & jeeps	133,752,954	37,363,105	7,194,306	163,921,753	61,237,395	25,751,228	4,110,928	82,877,695	81,044,057	72,515,559
Vehicles	160,352,017	58,423,466	3,205,773	215,569,710	101,979,674	26,570,260	3,033,772	125,516,161	90,053,549	58,372,343
Cranes	1,571,933,016	125,456,904	-	1,697,389,920	444,831,356	122,643,251	-	567,474,607	1,129,915,313	1,127,101,660
Temporary Sheds	395,647,423	73,135,827	-	468,783,250	324,609,487	86,020,456	-	410,629,943	58,153,307	71,037,936
Total (A)	2,985,309,819	421,332,190	10,425,579	3,396,216,430	1,240,392,054	364,609,351	7,150,275	1,597,851,130	1,798,365,300	1,744,917,765
Power Mech Brand	24,000	-	-	24,000	12,795	4,560	-	17,355	6,645	11,205
Computer Software	17,371,083	1,452,748	-	18,823,831	4,331,150	3,452,773	-	7,783,923	11,039,908	13,039,933
Good Will	22,658,738	65,339	-	22,724,077	-	-	-	-	22,724,077	22,658,738
Total (B)	40,053,821	1,518,087	-	41,571,908	4,343,945	3,457,333	-	7,801,278	33,770,630	35,709,876
Total (A+B)	3,025,363,640	422,850,277	10,425,579	3,437,788,338	1,244,735,999	368,066,684	7,150,275	1,605,652,407	1,832,135,931	1,780,627,641
Previous Year figures	2,635,948,698	398,469,463	369,045,190	3,025,363,640	922,838,237	328,433,787	6,536,013	1,244,735,999	1,780,627,641	1,713,110,460

Note: Depreciation for the year includes an amount of Rs.290,238 (Previous Year : Nil) capitalised during the year

Note No.12

NON-CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at 31.3.2015	As at 31.03.2014
(i) Trade - Quoted		
Investments in Equity Instruments		
a) 24 Equity shares of Rs.10/ each in Reliance Power Limited	6,750	6,750
Total (a)(i)	6,750	6,750
(ii) Non-trade - Quoted		
a) Investments in Equity Instruments		
200 Equity shares of Rs.10/ each in Assam Company Limited	11,301	11,301
b) Investments in mutual funds		
20,000 units of SBI Infra structure fund - I - Growth Rs.10/- each	200,000	200,000
Total (ii)	211,301	211,301
Total Quoted (i+ii)	218,051	218,051
Less: Provision for diminution in value of investments	15,885	63,257
	202,166	154,794
Total	202,166	154,794
Aggregate amount of : Quoted investments - At cost	218,051	218,051
- Market value	237,720	154,794
Aggregate provision for diminution in value of investments	15,885	63,257

Note No.13

LONG TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
Advances for capital goods	25,154,405	2,576,111
Security deposits with govt.authorities and others	36,759,172	25,790,017
EMD with customers	15,214,891	13,774,211
Total	77,128,468	42,140,339

SHORT TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
EMD with customers	2,375,400	4,903,402
Advances to creditors against supplies	192,759,696	180,627,956
Advances to sub-contractors against works	1,088,772,401	814,025,923
Prepaid expenses	22,021,696	19,740,192
Employee related advances	12,693,518	13,193,320
Balances with Statutory Authorities:		
a) CENVAT credit receivable	29,522,130	10,482,982
b) Works contract tax (TDS)	55,154,023	69,495,840
c) Sales Tax Refund Receivable	6,302,076	3,491,903
d) Advance Income Tax and TDS	1,199,088,186	822,169,062
e) Other Advances & deposits	4,384,487	3,838,270
Total	2,613,073,613	1,941,968,850

Note: Works Contract Tax(TDS) represent works contract tax deducted by the customers under local sales tax laws and management is opinion that there is no sales tax liability in respect of works carried out and hence claimed as refund due from sales tax department.

Note No.14

OTHER NON-CURRENT ASSETS

(Amount in ₹)

Particulars	Non-current		Current	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Unsecured, Considered Good				
a) Long term trade receivables - Retention Money and Security Deposit with customers	1,566,079,431	1,652,375,911	702,634,492	235,644,357
b) UnCertified Revenue	-	-	1,697,839,178	1,332,192,144
c) Mobilisation advances to Sub-Contractors	-	36,100,504	33,342,897	45,098,164
d) Preliminary expenses	19,774	19,774	-	-
e) Pre-Operative expenses	-	-	-	1,417,955
f) Deposits with Customers	-	-	-	512,000
g) IPO Expenses	-	-	16,975,616	-
h) Advance to MAS Power Mech Arabia towards expenses (Subsidiary company to be incorporated)	-	-	4,285,949	-
i) Advance to Power Mech CPNED for expenses (A Joint venture company to be incorporated)	-	-	1,490,827	-
j) Contract expenses in respect of projects to be executed	-	-	10,036,641	-
Total	1,566,099,205	1,688,496,189	2,466,605,600	1,614,864,620

Note:

- 1) Uncertified revenue represents that portion of work which was completed but pending for certification by the customer as on date of Balance sheet which is recognized as revenue and included in contract receipts.
- 2) The bifurcation of RM/ SD with customers between current and non current is made based on the terms of contract, time schedule in the execution of work orders, fulfilment of conditions for release of RM/ SD and based on estimates and certified by the management.

Note No.15

INVENTORIES

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
a) Stores and spares	301,541,336	230,082,417
b) Capital Stores - Construction Material	14,041,724	-
c) Construction Work-in-progress	5,329,199	12,908,526
Total	320,912,260	242,990,943

Note No.16

TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
Unsecured, Considered Good		
Outstanding for a period exceeding six months	341,249,276	102,537,552
Others	1,612,405,312	1,389,902,180
Total	1,953,654,588	1,492,439,732

Note No.17

CASH AND CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
1. Cash on hand	3,060,854	1,532,770
2. Cash Equivalents		
i. Balances with banks		
a. Earmarked balances with banks held as margin money against LC and guarantees	562,727,160	578,358,704
b. Earmarked balances with banks towards unclaimed dividends	169,810	49,338
c. In Current accounts	112,332,360	108,475,261
Total	678,290,184	688,416,073

Note: None of the above fixed deposits had original maturity period of less than 3 months that meet the definition of Cash and Cash Equivalents as defined under AS – 3 “Cash Flow Statements.”

Note No.18

REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Contract receipts:		
Erection works	9,102,040,670	8,906,180,945
Civil works	1,749,264,964	1,659,449,528
Operation and Maintenance	2,764,751,515	1,388,708,304
Supply of goods	33,895,424	-
Other operating revenue :		
Crane hire charges received	12,277,139	48,371,066
TOTAL	13,662,229,712	12,002,709,844

Note No.19

OTHER INCOME

(Amount in ₹)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Interest from banks and others	54,131,406	57,207,760
Profit on sale of assets	508,051	1,215,453
Dividend received	-	7,661,491
Difference in foreign exchange fluctuations	2,922,114	42,033,678
Provision for diminution in value of investment withdrawn	47,372	6,718
TOTAL	57,608,943	108,125,100

Note No.20

COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Opening Stock	230,082,418	192,492,963
Add: Purchases of electrodes, gases and other consumables	841,500,747	827,744,114
	1,071,583,165	1,020,237,077
Less : Closing Stock	301,541,336	230,082,418
TOTAL	770,041,828	790,154,659

Note No.21

CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

(Amount in ₹)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Opening work-in-progress	12,908,526	-
	12,908,526	-
Closing work-in-progress	5,329,199	12,908,526
	5,329,199	12,908,526
Decrease/(Increase) in inventories	7,579,327	(12,908,526)

Note No.22

CONTRACT EXECUTION EXPENSES

(Amount in ₹)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Sub-contract expenses	8,923,607,838	7,828,808,037
Radiography charges	103,244,400	79,544,430
Hire charges	194,034,570	82,939,868
Rent at Project sites	80,577,426	55,564,458
Power and fuel	48,630,316	57,899,949
Insurance	16,226,933	14,059,058
Vehicles movement and other freight expenses	103,888,697	60,716,353
Repairs and maintenance : Plant and machinery	60,019,584	40,526,026
: Other assets	23,091,852	11,979,689
Fuel and vehicle maintenance	201,182,019	170,925,387
Travelling expenses at projects	45,645,685	31,131,505
TOTAL	9,800,149,320	8,434,094,761

Note No.23

EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Salaries and Wages	836,129,129	794,632,231
Remuneration to managerial personnel	64,368,828	64,580,400
Contribution to provident and other funds	35,524,540	31,863,441
Staff welfare expenses	260,363,035	193,913,370
Contribution towards group gratuity	5,375,811	5,329,238
TOTAL	1,201,761,344	1,090,318,680

Note No.24

FINANCE COSTS

(Amount in ₹)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Interest to banks and others	240,996,673	188,469,398
Interest on debentures	987,145	877,463
Bank charges and BG commission	29,352,732	26,218,752
Loan Processing charges	12,082,666	9,451,376
Interest on Income-tax	4,320,529	1,614,492
Exchange fluctuations on deferred credit payment	6,561,756	39,504,771
TOTAL	294,301,501	266,136,252

Note No.25

DEPRECIATION AND AMORTISATION

(Amount in ₹)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Depreciation	364,319,113	325,630,016
Amortisation	3,457,333	2,803,770
TOTAL	367,776,446	328,433,787

Note No.26

OTHER EXPENSES

(Amount in ₹)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Rents - Office	12,374,552	8,544,594
Directors Sitting Fee	1,140,000	120,000
Donations	260,812	7,358,500
Payments to auditors		
Towards Statutory audit	1,075,000	900,000
Towards tax audit and taxation matters	100,000	100,000
Rates and taxes	63,868,140	33,914,292
Miscellaneous expenses	125,350,037	87,503,468
CSR expenses	5,700,000	-
Loss on sale of assets	198,920	234,663
Irrecoverable advances written off	-	4,056,170
Registration expenses	-	160,000
Pre-operative expenses written-off	1,417,955	2,977,387
Preliminary expenses	-	54,216
Business promotion expenses	1,206,731	1,380,966
TOTAL	212,692,146	147,304,257

Consolidated notes to Accounts for the year 2014-15

(Amount in ₹)

Note	Details	31.03.2015	31.03.2014
27	Contingent Liabilities and Commitments		
A.	Contingent Liabilities		
	a) Claims against the company not acknowledged as debts		
	- Sales Tax	63,728,894	-
	- Service Tax	42,809,308	-
B.	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	80,488,348	16,033,790
28.	Guarantees given by the company's bankers and outstanding. The said guarantees were covered by way of pledge of Fixed Deposit receipts with the bankers.	5,487,799,906	4,719,855,803
29.	CIF value of Imports made by the company during the year		
	a) Consumables & Spare parts	200,854	753,126
	b) Capital goods	114,854,950	-
30.	The amount remitted during the year in foreign currencies on account of:		
	a) Interest	5,986,961	8,927,812
31.	Earnings in foreign exchange currencies		
	a) Contract receipts (Projects executed outside India)		
	Yemen	708,619,805	709,499,600
	Abu Dhabi	129,820,675	27,695,863
32.	Expenditure in foreign currency		
	a) Expenditure on contracts executed outside India (Including Foreign Travel)		
	Yemen	654,062,365	637,234,311
	Abu Dhabi	124,413,844	32,151,516
	Bheramara	159,834	-
	Rent for Canada office	66,100	66,935
	b) Foreign travel Others	337,389	-

33. Unhedged Foreign Currency Exposure

(Amount in ₹)

Sl. No.	Amount Payable/ Receivable in foreign currency on account of the following:	Currency	As at 31 st March, 2015		As at 31 st March, 2014	
			Foreign Currency	INR	Foreign Currency	INR
			Amount	Amount	Amount	Amount
1	Sundry Creditors	USD	5,693,031	356,331,365	5,111,873	307,174,320
		AED	1,332,702	22,608,774	105,646	1,731,293
		BDT	651,706	521,720	-	-
2	Advances from Customers	USD	299,699	18,758,413	75,583	4,542,535
		BDT	26,708,654	21,381,462	-	-
		USD	2,658,766	166,414,267	5,350,127	317,479,275
3	Sundry Debtors	AED	2,998,237	50,863,930	611,571	10,086,726
		USD	187,812	11,755,290	239,896	14,374,096
4	Advances given	SAR	356,083	5,917,303	-	-
		USD	1,381	86,432	36,146	2,172,366
		AED	159,254	2,701,689	7,583	123,774
5	Bank Balances	BDT	28,162,126	22,545,031	-	-
		USD	-	-	20,333	901,580
		USD	2,610,000	163,361,988	5,090,000	305,907,982
6	Buyers Credit	USD	-	-	-	-
7	Foreign Letter of Credit	USD	-	-	-	-

34. Expenditure On Corporate Social Responsibility

(Amount in ₹)

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
a) Gross amount required to be spent during the year	15,803,486	-
b) Amount spent during the year (Contribution paid to Power Mech Foundation)	5,700,000	-

35. Significant Enterprises consolidated as Subsidiaries in accordance with Accounting Standard - 21: Consolidated Financial Statements

(Amount in ₹)

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
Hydro Magus Private Limited	INDIA	75%
Power Mech Industri Private Limited	INDIA	100%

36. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

(Amount in ₹)

Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Power Mech Projects Limited	99.72%	3,539,691,913	98.78%	707,044,744
Subsidiaries				
Hydro Magus Private Limited	0.21%	7,460,211	0.98%	6,994,158
Power Mech Industri Private Limited	-	-	-	-
Share of Minority	0.07%	2,486,738	0.24%	1,704,801
TOTAL		3,549,638,862		715,743,703

ANNEXURE-A
SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY AS PER THE COMPANIES ACT, 2013

(Amount in ₹)

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Other Liabilities	Total Assets	Investments	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
1	Hydro Magus Private Limited	INR	24,848,610	8,946,949	80,694,120	114,489,679	-	130,797,261	13,136,739	4,437,783	8,698,956	-	75%
2	Power Mech Industri Private Limited	INR	189,370	20,242,305	126,801,248	147,232,923	-	-	-	-	-	-	100%

NAME OF SUBSIDIARIES WHICH ARE YET TO COMMENCE OPERATIONS

Sl. No.	Name of Subsidiary Company
1	MAS Power Mech Arabia (MASPA)

37 Particulars disclosed pursuant to AS-18 "Related party transactions"

A)	i) Key Managerial personnel	<ul style="list-style-type: none"> - S. Kishore Babu, Chairman and Managing director of Power Mech Projects Limited - Jitendra Kumar, Managing Director of Hydro Magus - Arbind Kumar Koul, Director and CEO of Hydro Magus Private Limited - K Shishir Kumar, Managing Director of Power Mech Industri Private Limited
	ii) Relatives of Key Managerial personnel	<ul style="list-style-type: none"> - S. Lakshmi – Director w/o S.Kishore Babu - S. Rohit s/o S.Kishore Babu - S. Vignatha d/o S. Kishore Babu - S. Kishore Babu (HUF)
	iii) Companies controlled by KMP/Relatives of KMP	<ul style="list-style-type: none"> - Power Mech Infra Limited - Bombay Avenue Developers Private Limited - True Rrav Marketing Private Limited - Lakshmi Agro Farms - Power Mech Foundation

B) Transactions with related parties
(Amount in ₹)

Sl. No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP
i) Rent Paid				
a)	S. Kishore Babu	2,880,000 (1,404,000)	--	--
b)	S. Lakshmi	--	900,000 (762,000)	--
c)	S. Kishore Babu (HUF)	--	620,000 (280,500)	--
d)	S. Rohit	--	990,000 (990,000)	--
ii) Remuneration Paid				
a)	S. Kishore Babu	55,774,827 (56,530,400)	--	--
b)	S. Rohit	--	648,667 (-)	--
c)	Jitendra kumar	3,175,000 (1,750,000)	--	--
d)	Arbind kumar koul	3,175,000 (3,000,000)	--	--
iii) Sub-Contract Expenses Paid				
a)	Power Mech Infra Limited	--	--	542,500,445 (514,754,622)
iv) Hire Charges Paid				
a)	Power Mech Infra Limited	--	--	346,000 (-)
v) Donations paid				
a)	Power Mech Foundation	--	--	5,700,000 (5,000,000)

C) Balances outstanding as on 31.03.2015

(Amount in ₹)

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/ Relatives of KMP
i)	Due to Power Mech Infra Limited	--	--	28,248,063 (147,215,422)
ii)	Remuneration Payable			
	S kishore babu	4,232,409	--	--
		(15,367,573)		
	Jitendra kumar	1,765,360	--	--
		(603,289)		
	Arbind kumar koul	1,676,260	--	--
		(473,595)		

38 In the opinion of the management, current assets, loans and advances have a value on realization in the ordinary course of business equal to the value at which they are stated. Balances in some of the parties account are subject to confirmation and reconciliation.

39 The company has claimed an amount of Rs. 55,154,023/- (As on 31.03.2014 Rs. 69,495,840/-) being the Works contract tax deducted by the customers and outstanding as on 31.03.15 in respect of works carried out in some of the states. The company's management is of opinion that there is no sales tax liability in respect of the said works carried out and hence claimed as refund due and grouped under loans and advances. Sales tax liability, if any has arisen, on completion of assessments will be charged to Profit and Loss account.

40 Segment reporting

During the financial year 2014-15, the group operates only in one segment i.e in construction activities. This, in the context of Accounting standard-17 "Segment reporting" as specified in the Companies (Accounting Standards) Rules, 2006 is considered to constitute one single primary segment. The group carried out overseas operations and they do not qualify as reportable segment as operations does not exceeded the thresh hold limit of 10% specified in paragraph no.27 of AS-17.

41 Calculation of Earnings per Share:

Sl.No	Particulars	2014-15	2013-14
1)	Basic Earning per share		
	No. of shares at the beginning of the year	10,940,264	10,752,764
	Issue of shares on conversion (weighted avg no. of shares)	397,603	187,500
	Increase on account of Bonus Issue	1,080,000	-
	Weighted average number of shares	12,417,867	10,817,490
	Profit after tax	714,038,904	680,947,623
	Less :Tax on preference dividend	313,217	-
	Profit after tax attributable to equity share holders and after minority interest	713,725,687	680,947,623
	Basic Earning per share	57.48	62.95
2)	Diluted Earning per share		
	Profit after tax attributable to equity share holders and after minority interest	713,725,687	680,947,623
	Add: Interest paid to debentureholders (net of tax)	-	579,213
	Adjusted Net profit for diluted EPS	713,725,687	681,526,837
	No. of shares at the beginning of the year	10,940,264	10,752,764
	Weighted avg no. of shares resulting from conversion of debentures	397,603	64,726
	Compulsorily convertible Debentures	-	562,500
	Increase on account of Bonus Issue	1,080,000	-
	Weighted average number of shares	12,417,867	11,379,990
	Diluted Earning per share	57.48	59.89

3) Adjusted Basic Earnings per Share			
No. of shares at the beginning of the year		10,940,264	10,752,764
Issue of shares on conversion (weighted avg no. of shares)		397,603	64,726
Increase on account of Bonus Issue		1,080,000	1,080,000
Weighted average number of shares		12,417,867	11,897,490
Profit after tax		714,038,904	680,947,623
Less :Tax on preference dividend		313,217	-
Profit after tax attributable to equity share holders and after minority interest		713,725,687	680,947,623
Adjusted Basic Earning per share		57.48	57.23
4) Adjusted Diluted Earnings per Share			
Profit after tax attributable to equity share holders and after minority interest		713,725,687	680,947,623
Add: Interest paid to debenture holders (net of tax)		-	579,213
Adjusted Net Profit		713,725,687	681,526,837
No. of shares at the beginning of the year		10,940,264	10,752,764
Weighted avg no. of shares resulting from conversion of debentures		397,603	64,726
Compulsorily convertible Debentures		-	562,500
Increase on account of Bonus Issue		1,080,000	1,080,000
Weighted average number of shares		12,417,867	12,459,990
Adjusted Diluted Earning per share		57.48	54.70

42 Disclosure requirement under AS 7 "Construction Contracts":

(Amount in ₹)

	Particulars	31.03.2015	31.03.2014
a)	Contract revenue recognized during the year	13,662,229,712	12,002,709,844
b)	Method used to recognise the revenue	% of Completion Method	% of Completion Method
c)	Method used to determine stage of completion	Physical proportion of work completion	Physical proportion of work completion
d)	Dues from customers	1,953,654,588	1,492,439,732
e)	Retention & SD amounts due from customers	2,268,713,923	1,888,020,268
f)	Due to Sub Contractors	1,785,744,164	1,534,169,974
g)	Retention & SD amount due to Sub Contractors	647,342,934	710,870,426
h)	Mobilisation advances from Customers	590,145,200	614,431,178
i)	Mobilisation advances to Sub Contractors	31,487,107	81,198,668

43 Previous year figures have been regrouped wherever necessary to confirm to current year classification.

As per our report of even date

for BRAHMAYYA & CO.

Firm's Registration Number: 000513S
Chartered Accountants

For and on behalf of the Board

S.Kishore Babu

Chairman and Managing Director

(Karumanchi Rajaj)

Partner
Membership Number: 202 309

Rakesh Sony

Director

J Satish

CFO

Mohit Gurjar

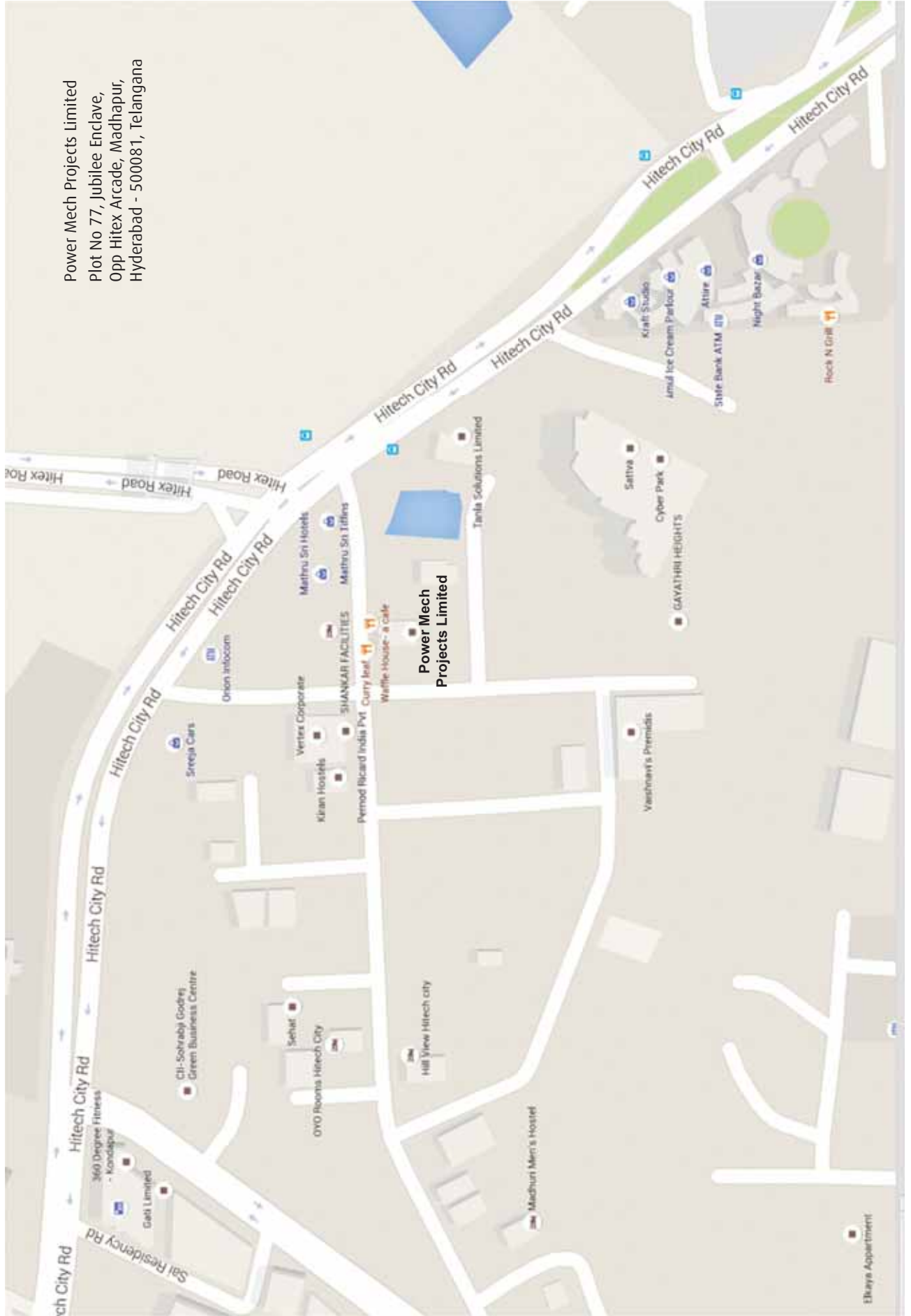
Company Secretary

Place: Camp: Hyderabad

Date: 07.07.2015



Route map to the Venue of AGM



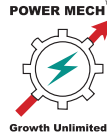
Power Mech Projects Limited
Plot No 77, Jubilee Enclave,
Opp Hitelex Arcade, Madhapur,
Hyderabad - 500081, Telangana



Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]



Power Mech Projects Limited

CIN: U74140TG1999PLC032156

Registered Office: Plot No.77, Jubilee Enclave, Opp:Hitex, Madhapur, Hyderabad, Telangana - 500081

E-mail: cs@powermech.net Website: powermechprojects.in

16th ANNUAL GENERAL MEETING

1. Name(s) of Member(s) : _____
(including joint holders, if any)
2. Registered address of the
sole / first named Member : _____

3. E-mail ID : _____
4. DP ID No. & Client ID No.
Registered Folio No. : _____

I / We, being the Member(s) of _____ shares of Power Mech Projects Limited, hereby appoint

(1) Name : _____
Address : _____

E-mail ID : _____ Signature : _____
or failing him

(2) Name : _____
Address : _____

E-mail ID : _____ Signature : _____
or failing him

(3) Name : _____
Address : _____

E-mail ID : _____ Signature : _____

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 16th Annual General Meeting (AGM) of the Company to be held on August 20, 2015 at 11.00 AM at the registered office of the Company at Plot No.77, Jubilee Enclave, Opp:Hitex, Madhapur, Hyderabad, Telangana - 500081 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Optional (✓)	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the financial statements (Standalone & Consolidated) for the financial year ended 31 st March, 2015 together with the report of Board of Directors and Auditors thereon.		
2	To declare a dividend of 10% i.e Rs.1 per Equity Shares of Rs.10 each for the financial year 2014-2015.		
3	To appoint a director in place o Sri M. Rajendran (DIN : 01879556), Director, who retires by rotation and being eligible, offers herself for re-appointment.		
4	To Ratify the appointment of Statutory Auditors for the Financial Year 2015-2016.		

Signed this _____ day of August 2015.

Signature of shareholder:



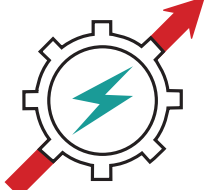
NOTE : This form of proxy, in order to be effective, should be duly completed and deposited at the Investor Service Centre, Power Mech Projects Limited, Plot No.77, Jubilee Enclave, Opp:Hitex, Madhapur, Hyderabad, Telangana - 500081 not less than 48 hours before the commencement of the AGM

CLIENTELE



Note: All brand names, logos and trademarks displayed are property of their respective owners

POWER MECH™



Growth Unlimited

Registered office

Plot No 77, Jubilee Enclave, Opp Hitex Arcade
Madhapur, Hyderabad - 500081, Telangana

Regional Office – India

Eastern Region

Unit No. 3-6A, 6th Floor,
PS Magnum, VIP Road,
Opp VIP Haldiram, Kaikhali,
Kolkata, West Bengal - 700052

Western Region

402, Swastik Pride
Opp ICICI Bank Chembur (E)
Mumbai - 400074, Maharashtra

Central Region

202, Parijath Apartments
Vikas Nagar, Wardha Road
Nagpur - 400145, Maharashtra

Northern Region

1607, Jaipuriya Sunrise Greens
Plot 12A, Ahinas Khand, Indirapuram
Ghaziabad - 201010, Uttar Pradesh

International Offices

Middle East Regional Office

Office#2006, CITADEL TOWER,
Business Bay, Dubai,
P.O Box: 215452, UAE

Abu Dhabi Office

4th Floor, Sheraton Building,
Zayed 1st Street, Al Khalidiya,
P.O Box: 29915,
Abu Dhabi, U.A.E

Subsidiary Companies

Hydro Magus Private Limited

Head office:

H-113, Sector-63, Gautam Budh Nagar
Noida-201301, Uttar Pradesh

Power Mech Industri Private Limited

Plot No 77, Jubilee Enclave, Opp Hitex Arcade
Madhapur, Hyderabad - 500081, Telangana