POWER MECH
Growth Unlimited

Date: 07.09.2021

To
Corporate Relations Department
BSE Limited,P.J.Towers,
Dalal Street, **MUMBAI-400001**

To
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E),**MUMBAI-400051**

Dear Sir/Madam,

Sub: Compliance under Regulation34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: BSE Scrip Code: 539302, NSE Symbol: POWERMECH

Please find enclosed herewith the 22nd Annual Report of Power Mech Projects Limited for the Financial Year 2020-21 along with notice of the 22nd AGM. The Annual Report is also being sent through electronic mode to those members whose email addresses are registered with the Company/Registrars and Transfer Agent/Depositories.

Please take the same on record.

Regards
For Power Mech Projects Limited

Power Mech Projects Limited Hyderabad

Mohith Kumar Khandelwal
Company Secretary

Encl:A/a

POWER MECH PROJECTS LIMITED
AN ISO 9001, ISO 14001 & OHSAS 18001 CERTIFIED COMPANY

JAS-ANZ
M4570910IN

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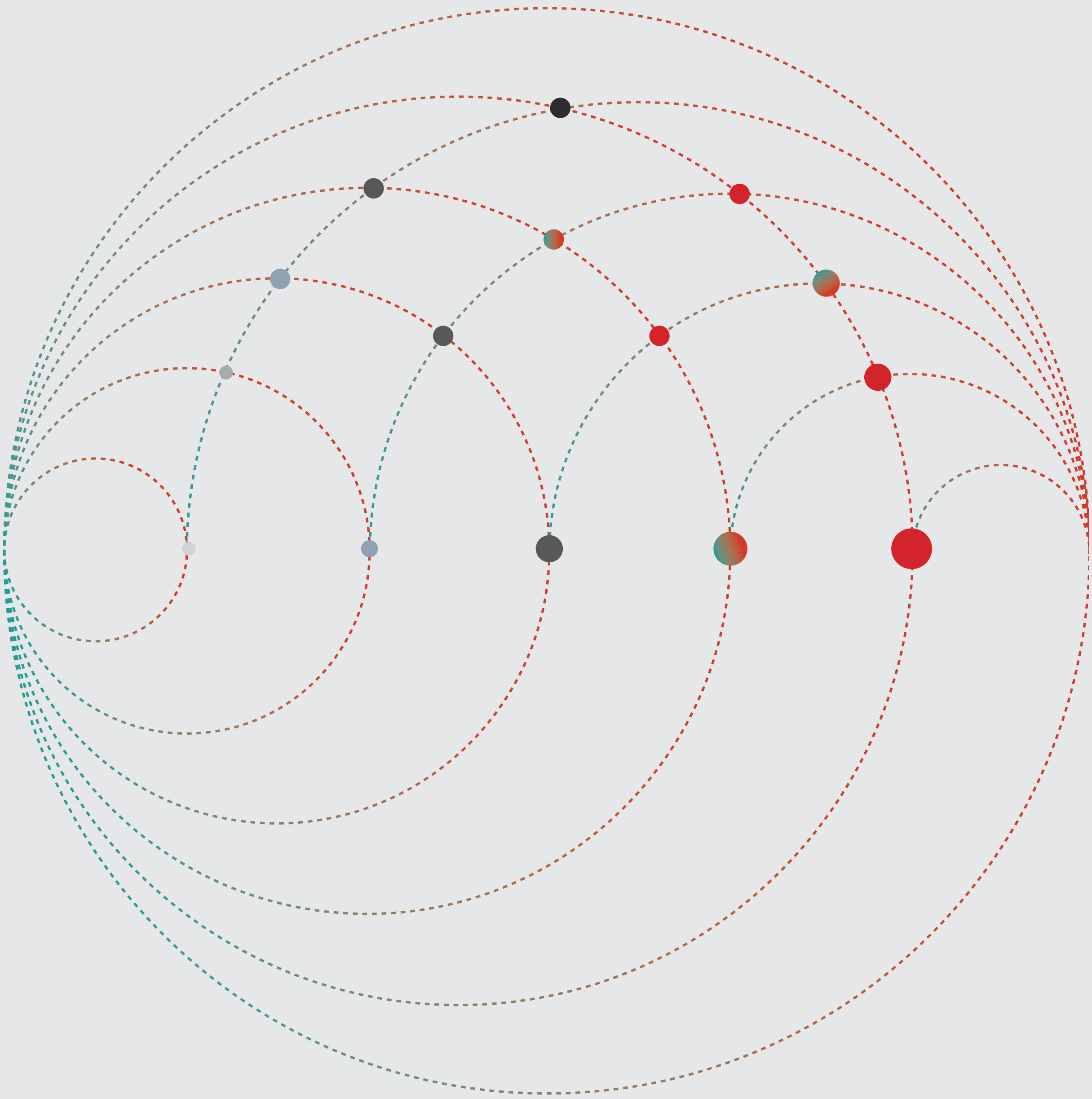
ICR
ANAB ACCREDITED
SAFETY FIRST

POWER MECH

Growth Unlimited

DIVERSIFYING ABILITIES.
STRENGTHENING CAPABILITIES.



POWER MECH PROJECTS LIMITED

22nd ANNUAL REPORT 20-21

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CIN
L74140TG1999PLC032156

BSE Code
539302

NSE Symbol
POWERMECH

AGM Date
30th September, 2021

AGM Mode
Video Conferencing ('VC')/Other Audio Visual Means ('OAVM')

Please find the online version of this Report at: https://www.powermechprojects.com/investor-relations/

Or simply scan to download

Disclaimer:

This document contains statements about expected future events and financials of Power Mech Projects Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Diversifying Abilities. Strengthening Capabilities.

An organisation's growth is a testimony of how it responds to the prospects that come on its way while fully using its potential. It is directly related to its ability to expand, which is derivative of its strong foundation and preparedness to seize opportunities.

Power Mech Projects Limited's legacy is synonymous with capabilities and ability to diversify. The goals that the Company has achieved and everything it has become in the process reflects its concerted efforts. The journey started with the Power sector. Since the beginning, the Company has aspired to be a comprehensive service provider. Today, Power Mech has come a long way and established a strong footing in the Infrastructure, Industrial Construction, and long-term Operations & Maintenance (O&M) segment.

The road that the Company has travelled so far is nothing but proof of how it has been '***Diversifying*** its ***Abilities***' while consistently '***Strengthening*** its ***Capabilities***.' Power Mech Projects Limited's focus strategies testify to the Company's zeal and ability to analyse, assess and seize upcoming opportunities. It also underlines its operational proficiency, which directly contributes to the Company's progress and growth. Through these years, the talented workforce of Power Mech Projects Limited, its vast resource base in machinery and equipment, rich experience and strong management team has enabled the Company to face the challenges and embrace the possibilities with confidence. Thereby, defining its path and progress going ahead.

Power Mech Projects Limited

Established in 1999 by Mr S. Kishore Babu, Power Mech Projects Limited ('Power Mech' or 'The Company'), based in Hyderabad, is among the leading infrastructure-construction Companies in India. With the Company's global presence, Power Mech is renowned for providing a spectrum of services in the Power, Industrial and Infrastructure sectors. The Company owns a large workforce and a huge fleet of cranes and machinery. Over the years, Power Mech has built trust and longstanding relationships with its customers, employees and stakeholders. The Company's strong foundation and rich expertise enable it to handle simultaneously and execute multiple projects across the globe.

2x660 MW MEJA TPS, UP

LARGEST O&M service provider IN INDIA with 90 ONGOING projects, including 40 AMCS and 7 OVERSEAS.

Power Mech has established a niche in power generation in segments of installation, operation and maintenance of the entire power plant arena. Similarly, the Company has built strong expertise in the execution of projects in non-power sector related to infrastructure, steel plant installation works, cross country pipe lines, railway works, electrical works and undertaking of water related to drinking water supply and sewage treatment plants, among others. The Company has also forayed into manufacturing and mining development & operations as part of backward integration for sustained long term revenue with higher margins.

Industrial Construction

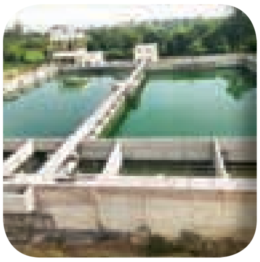
Infrastructure Construction

Electrical Transmission & Distribution

Overseas Business

Industrial Services (O&M)

Manufacturing & Heavy Fabrication



Hydro Power & Water

Mine Development and Operation (MDO)

Mission

To be the best and most competitive industrial and infrastructure engineering, construction & services Company

Vision

To provide services with:

- Highest level of workmanship, exemplary speed by continuously enhancing organizational skills through innovation & teamwork
- Highest level of professionalism, integrity, honesty, and fairness in our relationship with our stakeholders and employees
- Remarkable planning & optimization of resources in the pursuit of excellence

Values

Passion

The Organisation's goals are driven by strong passion with dedication, hard work and energy. We strongly encourage and offer a platform to our teams to continuously deliver and perform.

Diligence

The Company's strength is based on a strong delivery system that dovetails with the customers' requirement. The direct involvement of senior management for controlling project deliverables ensures better customer satisfaction.

Excellence

Excellence is part of our work culture to fulfil the expectations of the customer and investor.

Continuous Learning

Our desire to be a lead player in the market warrants a strong focus on continual learning in process needs for our employees. We provide opportunities to learn and develop their skill-set and enhance the value addition to facilitate the Company's growth and boost market penetration.

Safety

Safety is a key aspect of our commitment to the health and safety of our employees. It is our constant endeavor to meet the demanding safety standards of our valued customers in executing various projects.

Quality

Quality is part of our work culture to meet the varied and complex needs of project and customer requirements. We always strive to meet the demanding benchmarks set by our customers, and this is reflected in the huge customer base established across the business verticals and segments.

Power Mech's Strategic Business Units

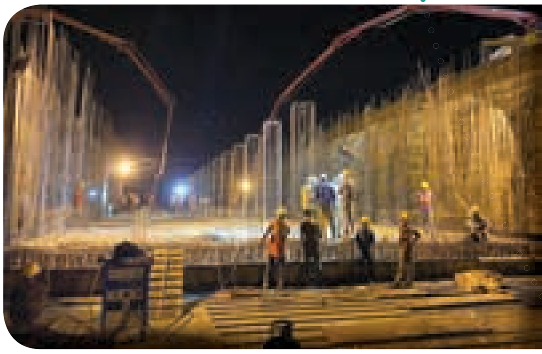
Since its formative years, the Company has been primarily focussing on strengthening its capabilities into various construction-infrastructure segments. Power Mech has diversified into eight strategic business units. The Company's agility in response, strategic decision-making, and ability to identify potential opportunities have helped it earn recognition as the leading service provider.



INDUSTRIAL CONSTRUCTION

Power Mech provides services for erection, testing & commissioning (ETC) of projects in power, nuclear, refinery, petrochemicals, oil & gas, steel, minerals, coal-based power plants with boilers, turbines and generators (BTG), and balance of plant (BOP) works. With unit capacities of 150 MW to 800 MW, these projects include steam generators auxiliaries, critical piping, low-pressure, high-pressure piping, structural steel, coal handling plant, ash handling, cooling water system, fuel oil system, external static pressure (ESP) ducts, flue gas desulfurisation plants/selective catalyst reduction plants (FGD/SCR). The Company also provides integrated services both in power projects and non-power projects. Recently the Company made headways towards cross country pipelines, steel plant construction works, material handling in minerals & the petrochemical segment.





INFRASTRUCTURE CONSTRUCTION

This segment mainly caters to the civil works related to power plants for main plant and balance of plant, material handling systems, railway works on track laying, track doubling, bridges, stations works, maintenance depots, turnkey solutions for technology parks, irrigation canals and networks, roads, drinking water systems for rural segment. The Company is also presently establishing capability by undertaking civil works along with engineering on turnkey basis.

ELECTRICAL TRANSMISSION & DISTRIBUTION

Power Mech has developed rich experience in extra-high-voltage substation works of 33 KV to 700 KV, optical fibre networks, overhead equipment (OHE), signal & telecommunication (S&T) as part of railway electrification. The Company has experience in constructing and operating substations, maintaining existing substations, and construction of transmission lines.

SS01 & SS04, 220/132 KVA Sub station works, Nagaland

OVERSEAS BUSINESS

The Company provides services for erection, testing & commissioning of oil-fired boiler, heat recovery steam generator (HRSG), reserve/auxiliary boiler, BOP, steam turbine generators & auxiliaries, gas turbine generators & auxiliaries, combined cycle power piping, low pressure & high pressure piping, structural steel, cooling water system, fuel oil system, ESP, SCR, rotating equipment erection works for desalination plants as well as O&M of power plants.

INDUSTRIAL SERVICES (O&M)

Power Mech provides comprehensive and integrated O&M services under one roof in mechanical, electrical, control and instrumentation (C&I) areas. The Company also executes overhauling and maintenance of boiler, turbine & auxiliaries, refurbishment & maintenance of BTG, GTG, CHP, BOP; repair, modification and rehabilitation of boiler; revival and life extension; troubleshooting, upgrade & retrofits; rebuilds & plant relocation. It is focussed on expanding its O&M business into non-power sectors such as refineries, petrochemicals and steel. The Company also undertakes refurbishing of spares & manufacturing of reverse engineered parts for various plants.

2x660MW Meja TPS, UP

HYDRO POWER & WATER

Power Mech is involved in the supply & construction of hydropower plants; renovation & modernisation; annual maintenance contracts (AMC) and O&M; after-sales services, spares management, residual life analysis (RLA) studies, long term service agreements (LTSA); troubleshooting of chronic problems by providing value-added technical solutions in electromechanical and hydro-mechanical fields; EPC of mini-hydro projects; construction of sewage treatment plant (STP's), water treatment plants, including their networking on EPC basis.

MANUFACTURING & HEAVY FABRICATION

As backward integration for the Company's services business, Power Mech also manufactures spares and components in-house. It has advanced manufacturing and machining facilities at Noida for the entire range of services needed for the power and non-power sector. The Company fabricates heavy structures for plant buildings, conveyor systems, material handling packages, large & high-pressure tanks, heavy trusses, ducts, and pipes. It also provides comprehensive solutions for repairing steam & hydro turbines. Furthermore, the Company has tie-ups with major OEMs for authorised production of critical & general spares, including reverse engineering of spares and components.

Manufacturing Facility, Noida

MINE DEVELOPMENT AND OPERATION (MDO)

The Company has recently ventured into the mining development space. The work encompasses development of mine infrastructure, removal of overburden and extraction of coking coal, processing, crushing and transportation of coal, installation of coal handling facilities, carrying out R&R activities and any other activities incidental to mining.

Factors that Strengthen Capabilities

Largest service provider in the O&M space with backward and forward integration, a well-diversified business profile and consistent revenue and profitability

Established a huge asset base with self sufficiency to cater to the diversified project requirements with a significant asset base of cranes, transportation equipments and other construction equipments

Large talent pool and industry-experienced management team with strong cross-functional teams in business development, operations, finance, execution, project, and construction management

Strong execution capabilities across verticals, enabled through a cross-functional approach and multi-skilling

Robust supply chain service support and logistics support for effective project execution, enabling project handling capabilities for diversified project needs around the world

Long-term relationships with prestigious clients including major OEMs, EPC players, engineering companies and utility companies

Dangote Refinery & Petrochemical Project, Nigeria

POWER MECH
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Abilities Spelt through Numbers

26.5 Lakhs MT
Erection works executed till now

1.95 Lakhs MT
Structural fabrication works completed

66,640 MW
Engaged in capacity addition of BTG and BOP works so far

35 Lakhs M³
Earth work executed till now

6,792 MW
Commissioned in overseas market

15 Lakhs sq ft
Infrastructure development work related to Medical Technology Park completed in just 12 months at Vizag, Andhra Pradesh

400 Kms
Execution of natural gas cross country pipeline

5.5L Inch Mts
Piping and 3.0L inch diameter of welding of various materials at single project, Dangote, Nigeria

65,275 MW
Engaged in the aggregate unit capacity of the O&M & AMC

500+ TKM
Commissioned over-head electrification works

10.5 Lakhs M³
Concreting works carried out at various projects

33 KV Lines & 33/11 KV
Substations under the DDUGJY completed before schedule

815 MW AL AWEER PROJECT, DUBAI, UAE

Chairman's Message

I am optimistic about the Indian market and confident in the rebounding capability of the corporate world, particularly Power Mech! I strongly feel and foresee that the worst is over, and whatever is left is just passing away. We have a strong team and robust strategy to survive, sustain and grow further. We have the will to overcome, the capability to reorient and the flexibility to adapt! We have established it in the past and we will continue in the future!

Dear Shareholders,

Warm greetings to all my friends, colleagues, shareholders, and stakeholders who are my pillars of strength and hope. I am happy presenting the 22nd Annual Report of your Company with a sense of measured confidence and assured hope for better days ahead!

The entire calendar year 2020 and FY 20-21 have reeled under the unprecedented Covid-19 pandemic. And we are still emerging from it. All predictions, calculations and imaginations went amiss and many in the corporate world had to be content with what they achieved against what could have been. The external contribution for the turbulent economy and the Company's performance was high and dry that seldom anything was really under our control for coming out unscathed. Therefore, the question before us was how low we could curtail the effect of the external factors on the Company. My answer: Power Mech Group has indeed fared well in the given circumstances and amidst chaos.

Last year was special because the initiatives taken during past few years to give more autonomy and responsibilities to second and third level leadership resulted in many more positives as they honed their skills in the toughest possible environment.

Relocation of Stranded Manpower

The story of the 22nd Annual Report of your Company begins with the massive task of retrieving our manpower stranded in various locations, including foreign countries. The most important task for us then was bringing them back home safely and quickly. I am overwhelmed to note here that we successfully did it, and it was done exceptionally well! We could mobilise men and materials when no transport facilities were available on hand, and public transportation was totally suspended. We could achieve this despite low revenue from the clients as no work could be executed for billing.

But our corporate team worked day and night, 24X7 and succeeded in bringing back our workers, staff and engineers – reuniting them with their families. This will go down the Company's history as one of the major exercises, successfully achieved at an incredible speed! I congratulate the entire team in charge of the 'Operation-Back-Home' for completing the same as desired. Many of our employees' (including contract workers') family members personally thanked me, and it made me feel extremely overwhelmed.

Fiscal Analysis

As anticipated, the top line for the FY 20-21 ended at ₹ 1,900 Cr. This stands as the first-ever negative show in our Company's history, completely accredited to the unprecedented Covid-19 situation. Continuing the unenviable Q4 of the FY 19-20, the Q1 and Q2 of the FY 20-21 followed suit, showing some negative results. With the whole economy reeling under negative growth, this too was anticipated.

But the Company started bouncing back towards the end of Q3 of the FY 20-21 and showed remarkable resilience in Q4 of FY 20-21. There was an all-round growth in Q4, and the performance was one of the Company's best so far. Here again, the performance of Q4, particularly, demonstrated the Company's preparedness for working along the challenges thrown by Covid-19. We have learnt the art of surviving, sustaining and growing in situations like the pandemic.

Let us also discuss some positive developments of the Company in terms of fiscal deliberations. Despite the gloomy market situation, the Company was able to build a bandwidth of ₹ 500-850 Cr per quarter as an average in terms of execution. This was possible perhaps because of the robust order book value of ₹ 7,333 Cr, giving a clear vision for the next 3 years. Convinced by the fact that the Company bagged new orders worth ₹ 4,638 Cr during the FY 20-21, I am confident that we are all set to repeat the target in the next financial year, thanks to our performance so far.

Strategy and Plan for Future

We have evaluated a strategic plan for targeting new orders. We are associating with potential companies experienced in selected fields and leading the bids as JV partners. This strategy has worked well and it will be a trendsetting practice for the future, although at some costs. Alongside, Power Mech has been busy consolidating its base and increasing its credentials in core fronts, including railways, drinking water systems, steel, petrochemical, material handling and other specialised constructions. We are now adequately qualified to bid on our own in the said verticals, saving cost towards credentials and can add to the bottomline, which is a good sign. As a strategy, we are careful in selecting the projects and bidding for only those with healthy cash flow and decent margins.

In an effort to get edge for sustainability and long term growth, we are taking steps to groom the

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next-generation in line. A programme is already on the anvil for creating a base of young leadership at appropriate level and from all departments in the Company. Your Company is choosing a conservative path while implementing new ideas and striving to connect both the old and the new.

Transparency is a virtue that your Company is passionate about! The strength of your Company lies in its openness in its moves, decision making, promoting new ventures, expanding to new horizons, inducting new faces and there is always a team that takes responsibility which ensures total and genuine transparency.

Your Company understands that creating wealth to the stakeholders is its ultimate purpose and aim. For achieving such a goal, the Company is in the process of enhancing core competence, technical expertise, branding and credibility in the market. It is what exactly it is doing in its pursuit to move in to different league. I affirm that Power Mech of 2021 is not the same that of 2000. It keeps moving, growing and expanding to reach shoulder to shoulder with reputed and recognised group of Companies.

Operation & Maintenence

The O&M segment remains a dominant part of the Company with steady and solid growth. There is no looking back as far as this segment is concerned. The entire team is working cohesively in finding new avenues and exploring higher participation on critical fronts like the comprehensive operation of power plants. We are undertaking comprehensive O&M of power plants, including desk operations. Power Mech remains one of the very few firms qualified for such operations. I am glad that we are associating with as many as 40 power plants providing O&M services with a generating capacity of 65,275 MW in India.

There has been a remarkable improvement in international projects providing O&M services in the last five years. The contribution, through the international market, stands at ₹ 54 Cr, and it is desired to push it to at least ₹ 300 Cr in the near future. The Company's Noida workshop is strongly backing the O&M services and is complimenting the O&M business in a big way with technical and manufacturing support. If the trend continues, I foresee a topline contribution of ₹150 Cr from the workshop in the next three years itself!

Efforts have been initiated, and due inroads have been achieved in entering non-power sector for O&M services. We have forecasted that there is huge potential for gaining market share in the non-power sector and Power Mech will definitely and decisively take advantage and plunge in. We envisage to aggressively improve revenue to ₹ 350-400 Cr in the next three years. Therefore, the combined revenue from both power and non-power sectors should double in the next three years – a goal set for ourselves!

Non-power

The Company's future may be broadly commensurate with the growth of the non-power sector in India. Rightly so, the Government of India is planning huge investments as part of the National Infrastructure Pipeline (NIP) to the tune of ₹ 111 Lakhs Cr. Power Mech is aligning itself with the requirements and qualifications to transform the business model as per the NIP document.

The Company is establishing itself in the non-power sector, especially railways, drinking water system, petrochemicals, material-handling, specialised construction, electrical and steel. We foresee many opportunities in track laying, electrification, signaling, and tunneling. The Company has successfully executed and completed the prestigious 'Gudiwada-Machilipatnam' Railway project already. We will enter the bids independently wherever qualified and otherwise jointly bid wherever possible using the JV model. Presently, the consolidated business on non-power sectors stands at 31% of the Company's total revenue and we are poised to increase it to a substantial pie of our total business in the next three years.

With assured revenue over a considerable period of time, the MDO project provides a long-term visibility to the Company akin to its O&M segment and could become a major growth driver and contributor to the topline and bottomline over the years.

Material Handling

We are foreseeing a high opportunity in 'material handling', a segment that was evading our net so far. But now, it has succeeded in entering the arena as Power Mech is well equipped and experienced in this field of operation. Our association with reputed and trusted firms like FL Smidth and Thyssenkrupp, will further strengthen our hands in the market and increase our share in the business. We have already established our presence in certain projects like Buxar and Kurmitar, and are now vigorously pursuing projects with NMDC, Coal India and other large coal handling plants. We aim to peg the yields from this business to 10% of the Company's total revenue in the next two to three years.

Water Projects

Power Mech has diversified and entered the water projects. These have drawn the Government's attention and are being strongly pursued for piped water supply, and STP works for the past five years. Current order book value of water STP projects stands at a robust ₹ 990 Cr, which is very comfortable and healthy. However, we wish to selectively choose these projects based on the state of implementation and funding agency.

Mine Development & Operation (MDO)

I am proud and extremely happy that Power Mech has clinched a huge order for Mine Development and Operation (MDO) project from the Central Coalfields Limited (CCL). CCL is a subsidiary of Coal India Limited, and the aggregated value of the project is ₹ 9,294 Cr for the contractual period. The contract includes mine infrastructure development, removal of overburden, extraction of coking coal, processing, crushing, transportation of coal to washery of CCL and carrying out R&R. It also includes other activities incidental to mining at Kotre Basantpur Pachmo OCP in Jharkhand.

The project has a total coal extraction capacity of approximately 105 MMT with an annual capacity of 5 MMT, and overburden removal during the project period is over 539 MBCM. The concession period is 25 years, including three years of development period, with an extension up to 35 years. SPV has been formed to undertake and execute the project. The SPV will combine the operation & maintenance, earth works & material handling expertise of Power Mech with the technical knowledge of technical partner AMR India Limited.

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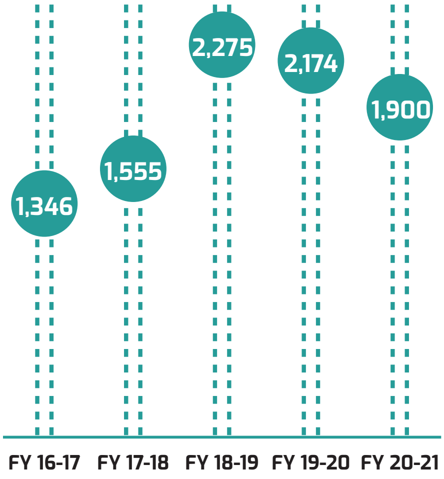
Thank you note

I express my gratitude and appreciation towards all my employees who have consistently supported the Company's efforts during difficult times. I profoundly thank my colleagues on the Board, who have shown greater concern for the Company and have always supported our endeavours. My gratitude is due to all the financial institutions, bankers, central and state Governments' officials, auditors, our associates and dependents for their cooperation, guidance and critical support. I thank all the shareholders for their confidence, good wishes, support and prayers.

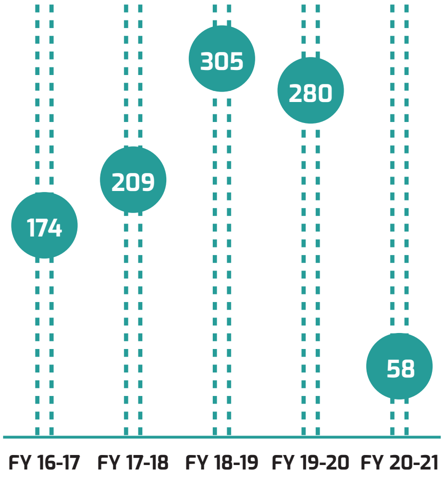
S Kishore Babu

Chairman and Managing Director

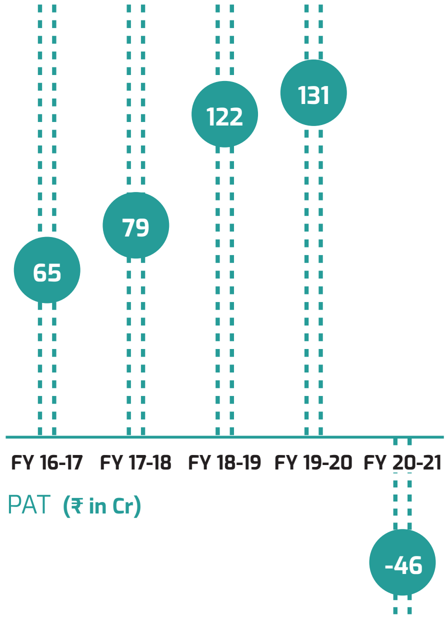
Power Mech in Numbers



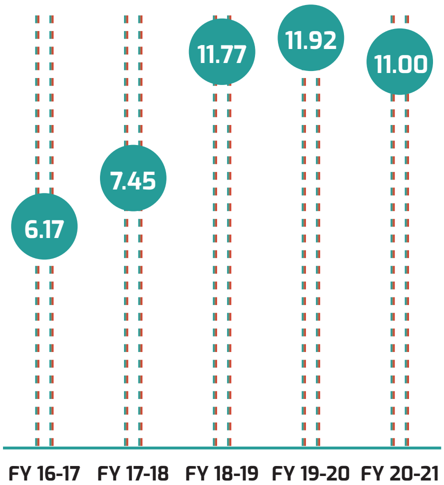
Total Revenue (₹ in Cr)



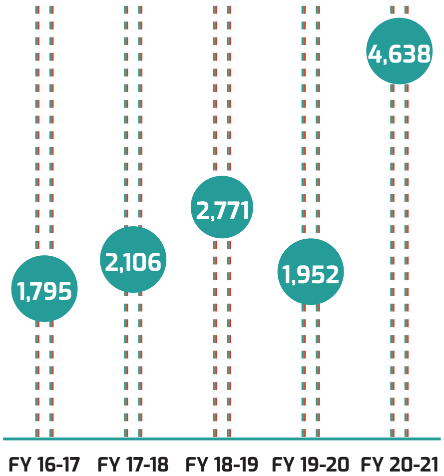
EBITDA (₹ in Cr)



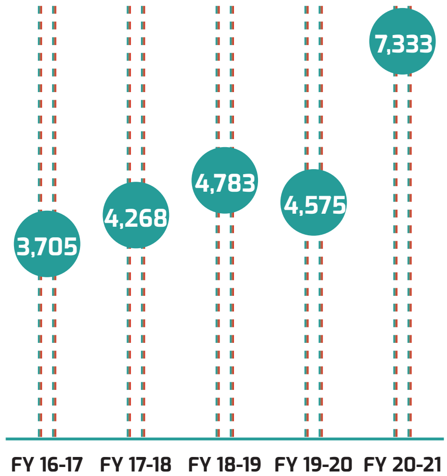
PAT (₹ in Cr)



Asset Turnover (X)

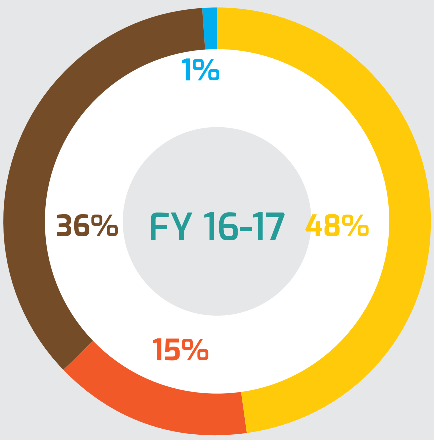


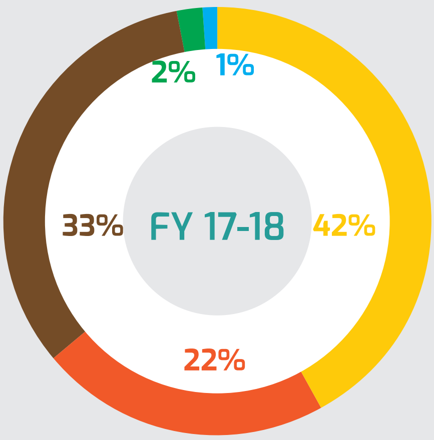
Order Inflow (₹ in Cr)

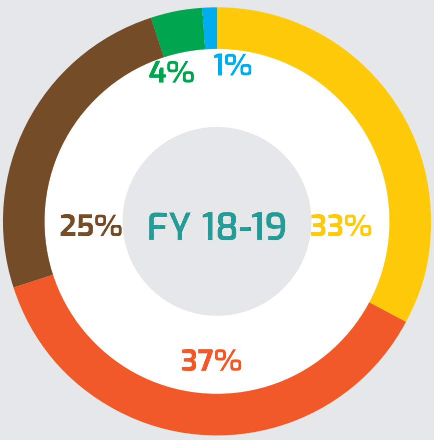


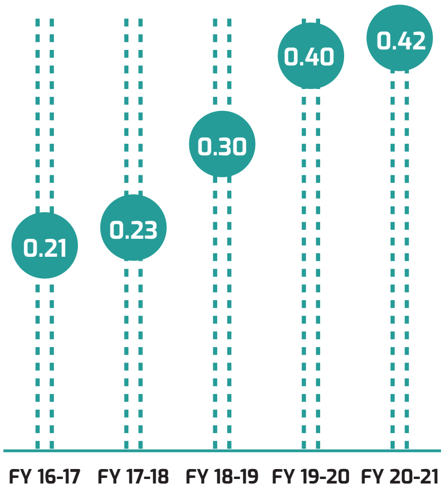
Order Backlog (₹ in Cr)

Total Revenue Mix

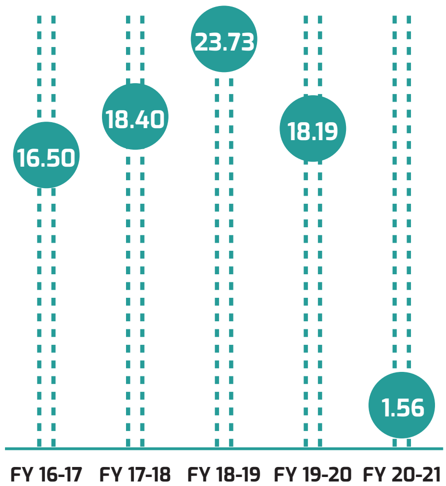




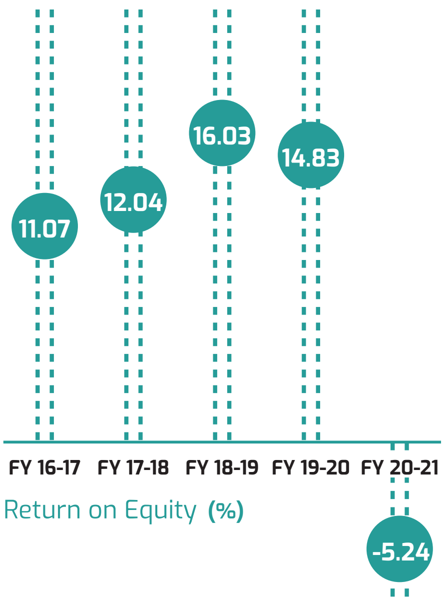




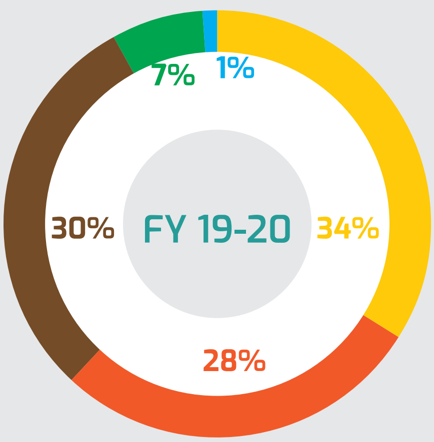
Net Debt/Equity **(X)**

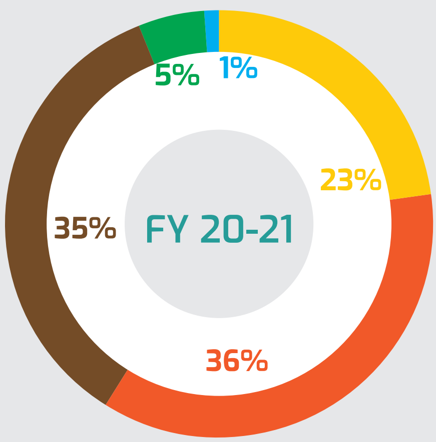


Return on Capital Employed **(%)**



Return on Equity **(%)**





Erection Works
Civil Works
O&M
Electrical
Others

TWO DECADES OF EXPERIENCE AND 3rd DECADE OF CONSOLIDATION AND GROWTH

First Decade

FOCUS ON THE POWER SECTOR

- Power Mech's story began with the Company's efforts of getting into the Indian power sector in 1999
- For the first seven years, the Company kept moving ahead at an accelerated pace and soon accomplished several milestones in Erection, Testing and Commissioning (ETC) and the maintenance of thermal plants

2x660 MW Maitree STP, Bangladesh

Second Decade

DIVERSIFICATION INTO NON-POWER BUSINESS

- The second decade saw Power Mech becoming the 'Service Provider of Choice' in FY 13-14 for a large customer base. The Company generated a revenue of ₹ 1,000 Cr, with its wide-ranging service portfolio encompassing:
  - ETC services to thermal power plants
  - Operations and Maintenance (O&M) activities related to overhauls, repair, maintenance as well as entry into long-term O&M business
  - Diversification into civil and structural works of power plants
- The Company then progressed with significant breakthroughs into high-performance super-critical thermal units while continuing its diversification journey with:
  - Entry into exports business
  - Expansion of ETC services to the non-power sector
  - Expansion of service offerings to the infrastructure sector, petrochemicals, steel plants, industrial technology parks and railway works
- Power Mech also became the country's largest O&M player with the Company's growing expertise in O&M services
- The Company's revenues doubled and crossed ₹ 2,000 Cr in FY 18-19 as diversification led to increased scope for growth.

Third Decade

UNLOCKING GROWTH INTO NON-POWER AND INFRASTRUCTURE DEVELOPMENT BUSINESS

Guided by the Company's proficient and experienced Board, Power Mech is poised to conquer the next chapter of its growth story. The Company's strategy for the decade is to focus on expanding the non-power and infrastructure segments. While O&M is the key driver of Power Mech, the Company aims to double in the next three years by expanding in the power sector, captive sector, and greater penetration into non-power sector both in domestic and international markets. Following are the ways through which Power Mech intends to achieve its goal for the decade:

- Transforming the non-power business to align with the Government's National Infrastructure Pipeline (NIP) plan in the next five years
- Analysing and identifying new sectors to enable backward integration and gradually transforming into a comprehensive service provider in engineering and project-related solutions for higher value additions
- Expanding into new areas in railways, roads, electrical, steel plant works, material handling works, oil & gas sector across the value chain, new plants for capacity addition, cross country pipelines, urban infrastructure projects, among others
- Focussing on heavy steel fabrication works with planned investments to reduce site costs, enabling better and faster delivery
- Enabling optimum utilisation of Noida unit to expand spares business and product offerings for industrial application
- Deploying IT-enabled services for better utilisation of manpower and productivity improvement measures on-site

GEOGRAPHICAL REACH AND FOOTPRINT ACROSS CONTINENTS

Power Mech has diversified across geographies globally, leveraging its expertise across sectors. The Company's comprehensive strategies have enabled it to hedge risks, improve margins and unlock revenue growth. The Company's capabilities stand testimony to its presence in diverse sectors and projects internationally.

Revenue
₹ 328 Cr
International Business

Revenue
₹ 1,572 Cr
Domestic Business

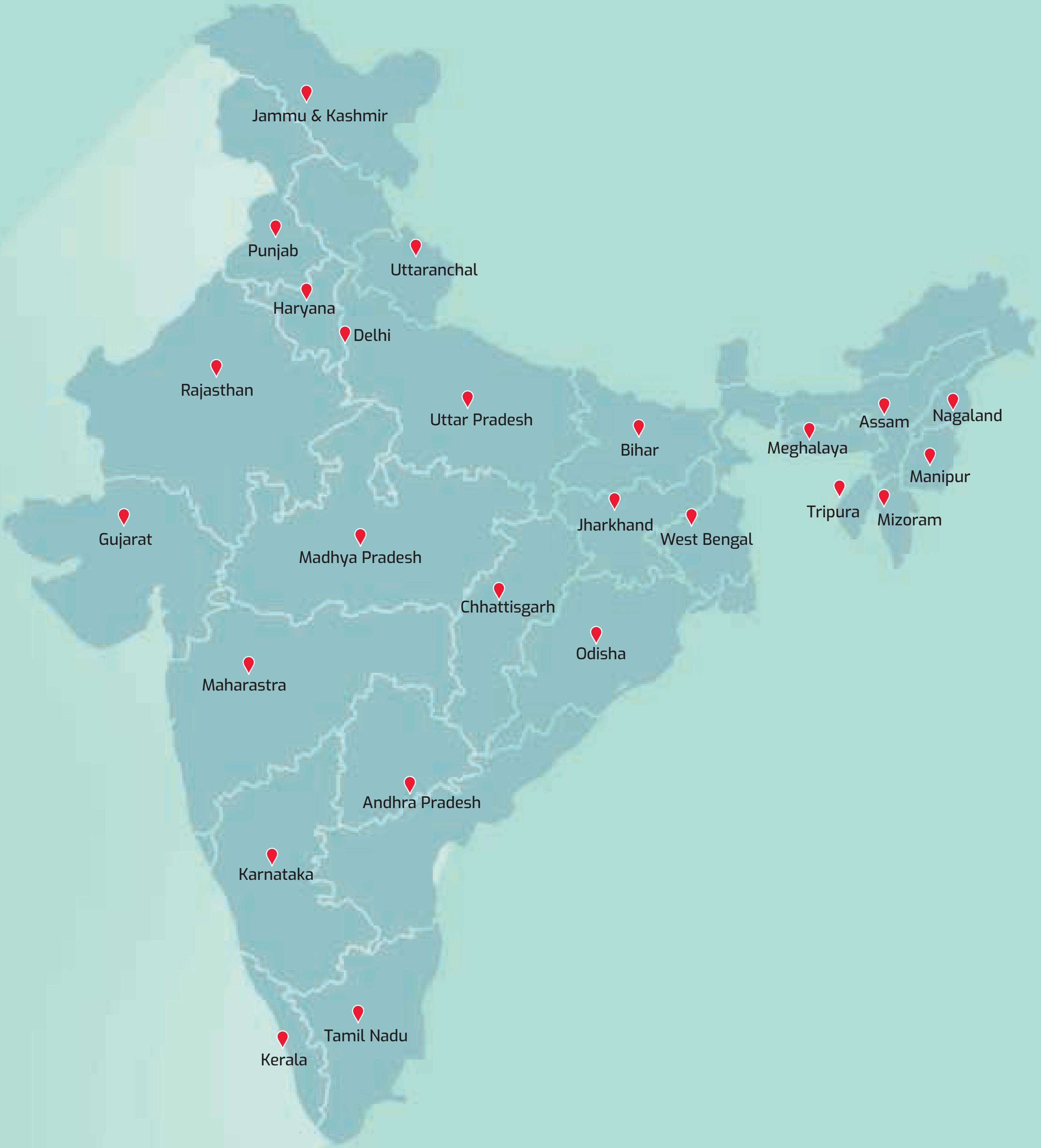
Contribution
17%
International Business

Contribution
83%
Domestic Business

Existing Geopraphies Exploring New Geographies

This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company, or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

PAN INDIA PRESENCE



Map not to scale. For illustrative purposes only.

2x660 MW Meja TPS, UP

Diversified Opportunities. Promoting Growth.

2x660 MW Maitree STPP,Bangladesh

Industrial Construction

- Mineral & coal handling facilities coming up with National Mineral Development Corporation (NMDC), Coal India Limited (CIL), and Adani, among others. Pursuing mineral & coal-based EPC solutions with technology partners
- Construction and installation of fluegas desulfurization (FGD) retrofits and other utilities with major investments being implemented by National Thermal Power Corporation Limited (NTPC)
- New investments amounting to ₹ 1.95 Lakhs Cr planned in oil & gas sector
- Continuing expansion in steel plant capacity of JSW at Vijayanagar, Dolvi, Monnet Ispat and new investments with JSPL and Arcelor Mittal

8,000 *MW*
Country's coal-based power plants in the pipeline, under implementation & planned

₹ 30,000 *Cr*
Material handling in coal & minerals

₹ 1.95 *Lakhs Cr*
Investments planned in oil & gas sectors

Railway MEMU Shed Works, Kanpur, UP

Infrastructure Construction

- Expecting substantial investments in the infrastructure development segment in the next 5 years under the National Infrastructure Pipeline (NIP) plan
- New investments expected in the development of airports and investment of ₹ 300 Cr to ₹ 1,000 Cr for air augmenting connectivity
- Opportunities for EPC work in material handling and civil construction
- Expansion of infrastructure demand for technology parks, warehouses, large factory buildings and others
- More opportunites in drinking water and urban investments

₹ 1.6 *Lakhs Cr*
Ongoing investments in railway works for capacity expansion

8,000 *MW*
Country's civil infrastructure development potential for new power plants, under implementation & planned

727 TKM OHE, CORE Works, Sadulpur, Rajasthan

₹ 2.86 Lakhs Cr

Value of schemes introduced by the Central Government with a plan to reduce electricity losses to less than 12%

220MW/212 MW CCPP, Bhola, Bangladesh

412 GW

Estimated addition planned in the power sector for enhancing capacity by 2025

Electrical Transmission & Distribution

- Privatisation of state-run power distribution companies, having multiple supply, network and distribution franchisees to ensure continuous power supply
- Conversion of all the electricity meters into smart prepaid meters by negating tariff gaps and having prepaid smart metering across the power distribution chain as the plans of the Government of India
- Upgradation of the railway infrastructure in India for operating high-speed trains as part of improving the broad-gauge track network

7,000 KW

Length of track to be electrified as per the Government of India's plans

Overseas Business

- With the GCC accounting more than 40% of the world's water desalination capacity, Power Mech believes in fitting in and fulfilling the installation, testing, commissioning and O&M needs of the desalination plant in these economies
- Additional power generation capacity from 21,000 MW to 31,000 MW in Bangladesh by 2030, would provide further opportunities in the overseas markets
- Western Africa to be new growth centre for investments

4,000 MW

Additional capacity generation expected from end-users and OEM companies

POWER MECH
Growth Unlimited

Hydro Power & Water

- Major R&M work in existing hydro plants has been identified in the next five years Besides, there are about 16 projects with a total installed capacity of 1,877 MW as well
- A huge opportunity has been developed in India due to the sewerage treatment plants (STP) scheme with 65% of the urban needs yet to be fulfilled
- Government of India has restructured and subsumed the ongoing National Rural Drinking Water Programme to provide functional household tap connection to every household

₹ 22.86 Bn
Value of EPC packages of small units

₹ 3.60 Lakhs Cr
Total estimated cost under Jal Jeevan Mission (JJM)

3x660 MW Bara TPS, UP

Industrial Services (O&M)

- Outsourcing of O&M works from State & Central Sector under PSUs & State utilities
- Enhancing presence in the utility sector and expanding in the captive power space
- Project with NTPC, KPCL, SSCL, NMDC would enable to expand presence in the state sector
- Rehabilitation and R&M works of old thermal and gas power plants along with backward integration and manufacturing of spare parts and components
- Expanding the O&M business's presence in the export sector renewable and non-power sectors such as refineries, petrochemicals, and steel, among others

74,000 MW
Of opportunity in the public sector

35,000 MW
Opportunities in IPP Sectors

Manufacturing Facility, Noida

Manufacturing & Heavy Fabrication

- Rehabilitation work for plant upgradation has created the demand for the replacement of major parts in hydro-mechanical projects
- Foray into reverse-engineered spares for the thermal power plants based on the maintenance inputs of plant operation
- Collaboration with large manufacturing and engineering companies to provide components and products as part of the supply chain
- Off-site fabrication input for the manufacture of structural items needed for steel plants, power plants, industrial projects and others

Mine Development and Operation (MDO)

- Massive scope for new mining capacities in iron ore, bauxite and coal and considerable opportunities for future discoveries of sub surface deposits
- Coal India Ltd. (CIL) approved 32 new coal mining projects, of which 24 are expansion of the existing projects and the remaining are greenfield

₹ 47,000 Cr

Estimated cost of new coal mining projects from CIL

1,229

Estimated number of reported mines in India for FY 20-21

Business Strategies. Leveraging Strengths.

Power mech strives to explore newer sectors and penetrate deeper into the ones where the Company is already present. The Company has been expanding its services footprint across sectors and regions and leveraging technical expertise to target higher-margin contracts. Power mech is ready to seize opportunities in its target sectors and continually strengthen the Company's capabilities and asset base to unlock higher potential. The Company's focus strategies encompass:

Becoming a comprehensive service provider...

Backward and forward integration has always been a core of business consolidation for Power Mech's future endeavours. The Company is backward integrating into manufacturing/ heavy fabrication of spares and components, EPC business and forward integration in long-term O&M contracts.

Branched out into rewarding segments...

To build on the Company's capabilities and to achieve this, Power Mech is identifying feasible and rewarding projects and tie-ups. The Company analyses, evaluates and endeavours into EPC infrastructure contracts for railways, roads, urban infra development, energy, transmission and distribution. Also expanding the FGD retrofit space with partnerships with EPC players and technology players.

Continually and optimally utilise assets, human resources and capital employed...

Enhancing project execution capabilities and delivery. In doing so, Power Mech's strategies have enabled the Company to strengthen its asset turnover and overall performance. The Company has also been enhancing its IT infrastructure to improve the real-time execution of projects.

Entering into value-added services...

Leveraging the existing ETC capabilities to increase Power Mech's business growth in metal, steel, minerals and petrochemicals sectors, thereby synergising the Company's existing services.

Leveraging the Company's civil expertise...

Building up capabilities for major push into diversified infrastructure opportunities.

Consolidating business and expanding geographical reach...

Pan India presence and spreading the wings in middle east, Africa, Bangladesh and looking for diversified opportunities in infrastructure, desalination plants , refinery and O&M.

Backward integration into mine development & operation (MDO)...

Foray into the huge opportunities available based on liberalised policies of the Government relating to mining sector of coal & other minerals as well as huge demand of coking coal needs of steel industry. Leveraging in house O&M, material handling & earth work capabilities can drive the value addition in to this new business of mining operation.

Expanding O&M into New Horizons

Power Mech is expanding its O&M service into other sectors and diversifying into new horizons with AMC, R&M and troubleshooting. The Company's O&M profile is growing by integrating the spares business. The Company is also increasing its penetration in the domestic sector for infrastructure development opportunities in the independent power producer (IPP) segments, Central & State utility space and captive thermal power plants, among others.

Corporate Social Responsibility (CSR) Initiatives

Power Mech believes in the inclusive development of society and people. The Company focuses on building a conscious, aware, and compassionate business towards the communities it operates within. Power Mech's CSR activities are carried out under its CSR arm, Power Mech Foundation, formed in 2010 by the Chairman of Power Mech Group of Companies. The Foundation is guided and supported by Mr S Kishore Babu, who oversees all the social initiatives undertaken through the year. Mr Kishore Babu is a natural visionary who emphasises values wherein social responsibility tops the priority!

Our approach to CSR activities

Our corporate social responsibility projects and programmes serve the underprivileged and needy in our communities. Every branch office, site, and work area is designed as a separate foundation unit, focussing on local needs and fitting along with the surrounding environment. The Foundation is currently concentrating more on socio-economic programmes so that people working in the vicinity of the Company's facilities benefit the most. The broad areas covered through these activities are:

- Education
- Community Development
- Health and Social Welfare
- Orphans and Elderly People Care
- Environment Projects
- Disaster Management
- Women Empowerment
- Livelihood and Infrastructure Development

Education

Education is the birthright of every human being, and it is the responsibility of the privileged to contribute to society's literary advancement. The Power Mech Foundation pursues constructive programmes that are permanent in nature and long-lasting in solution. The Foundation is dedicated to giving long-term solutions to the underprivileged and needy. Following are the areas through which the Power Mech Foundation is helping the community prepare and lead a better life:

- Sponsoring students for primary, secondary, and higher education
- Providing essentials to advance education at the rural level
- Constructing and renovating school infrastructure

Community Development

The Company actively supports the communities by providing them with basic infrastructure. The motto surrounds the central idea of creating solutions that live longer:

- Meeting the immediate needs of the poor
- Developing and constructing hospitals, orphanages and other essential community infrastructures
- Conducting training and assisting hospitals and institutions
- Organising medical programmes in various sites and offices

Relief efforts during the pandemic

The Power Mech Foundation aided hundreds of people during the pandemic by:

- Providing food, medicines and other essentials to the communities
- Organising vaccination camps for the communities around us

Sustainable Commitment to Health, Safety and Environment (HSE)

At Power Mech, safety of the employees is prioritised over everything. At all of the Company's functional sites, a distinct and dedicated division is responsible for the safety of people and materials. The apex management, especially the Chairman, places utmost concern in its updates and implementation. In its own interest and for the benefit of all those associated with its operations, the Company implements safety standards and procedures in its on-site and off-site activities. The Company is committed to develop a caring, preventive safety culture across the organisation.

> *Safety drives the actions of every employee at every location, every day. Power Mech's people deserve it, the Company's clients demand it and the Company's performance depends on it. All together, the Company believes, we are safer together.*

Highest Level of Safety Standards

With Power Mech's operations spanning the world, it is important to maintain the highest safety standards to meet the expectations of international clients. While adhering to all international and Indian safety regulations, the Company also develops its demanding standards, ranging from safety equipment purchase to site activities.

HSE GOALS:

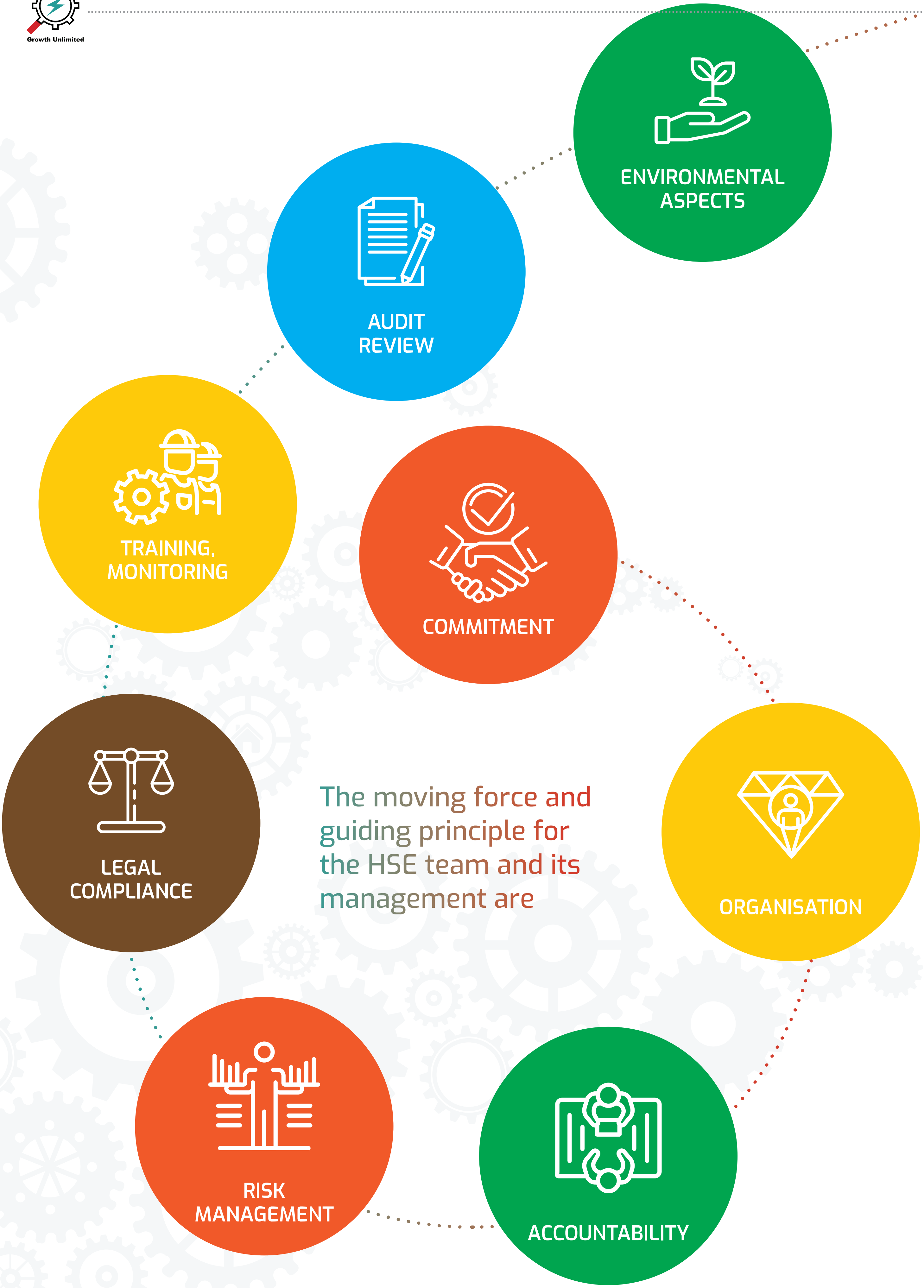
- Zero accidents
- Zero harm to any person
- No harm to property
- No harm to the environment
- No harm to the community
- Compliance to legal framework
- 100% waste management
- Positive & proactive project social responsibility with respect to the neighbouring communities throughout the project duration

The safety aspects are more emphasised in operating power plants across India, where the Company has undertaken comprehensive O&M projects, including control room operations. The working plants are extremely demanding in terms of quality and safety to meet all statutory requirements, and the Company is highly successful in principles and application.

Power Mech's Approach to HSE

When making strategic decisions for its operations, the Company is committed to integrating Safety, Health, and the Environment. The safety team and management have progressed to the point where the Company's functional operation has grown through structural aspects such as risk quantification and control formulation.

The moving force and guiding principle for the HSE team and its management are



Safety Awards & Accolades

Power Mech was appreciated, acknowledged and awarded for its safety measures in 2020-21. Given below are some of the awards and recognition that the Company was accorded with during the year:

Received 'GWEL Shreshtha Suraksha Puraskar' by GMR for Warora AMC

Accredited with '10 million LTI Safe Man Hours' by Doosan Power System India Private Limited for Harduaganj worksite

Accredited as 'HSE Star Performer Sub-Contractor' by BHEL for Yadadri worksite

Accredited with '10 million LTI Safe Man Hours' by Toshiba JSW for Harduaganj worksite

Accredited as 'Star Performer – Sub Agency' by BHEL for Bhusawal worksite

Recognised as the 'Best Safety Contractor' by JSW Steel Limited Bellary Coke Oven #5 project

Awarded the 'Best AMC Safety Excellence Award' by Dhariwal Infrastructure Limited for Tadali Dhariwal worksite

Awarded 'Best Safety Performer' by Toshiba JSW for Harduaganj Project

Received the 'Best AMC Safety Award' at the 50th National Safety Week for Singaraeni AMC

Board of Directors

Mr Sajja Kishore Babu

Chairman and Managing Director

Founder of the Company, holds a Bachelor's degree in Mechanical Engineering. Possesses 36 years of experience in the power and infrastructure sector. Able administrator and dynamic leader. Serves on the Board of subsidiary and joint venture companies.

Mrs Sajja Lakshmi

Non-Executive Director

Science Graduate, holds a place in the HR management of the Company and CSR Committee. Deeply engaged in social service.

Mr Vivek Paranjpe

Independent Director

B.Sc (Honors), Fergusson College, Pune, Post Graduate from XLRI Jamshedpur, Gold medalist. More than 44 years of industry experience in various leadership roles in India and abroad. Some of the key strategic senior positions held by him were Director, HR Operations, Asia Pacific Region, for Hewlett Packard at Singapore. and Group President HR, for Reliance Industries Ltd.

Mr M Rajiv Kumar

Non-Executive Director

Graduate in Electrical Engineering. Worked 38 years in BHEL. Rose to the level of Executive Director, Power Sector, Eastern Region.

Mr G D V Prasada Rao

Independent Director

ME (Chem) Retired as General Manager in Andhra Bank after 30 years of service. Presently, Vice President of Health and Education for All (HEAL), an NGO looking after orphans and underprivileged children.

Ms Lasya Yerramneni

Independent Director

Post Graduate in Management from ISB, MS in Electrical and Computer Engineering from the University of Texas. She has 15 years of experience in IT Project management & delivery, client engagement, IT strategy, business development.

Mr T Sankaralingam

Independent Director

A BE (Elec) with around 40 years of experience in the power sector. Served as Chairman-Managing Director of NTPC and Managing Director of BGR Energy and also worked at BHEL.

Key Management

Sajja Kishore Babu
Chairman & Managing Director

Murugesan Rajendran
Chief Operating Officer

S Kodandaramaiah
Director (Non Board), Business Development

G Srinivasulu
Executive Director (Non Board) Stores, Purchase & Facility Engineering

C V K Prasad
Executive Director (Non Board) Operations

Janardan Kar
Chief Technical Advisor, Industrial Services

KB Anantha Reddy
Sr. Vice President , Electrical, Transmission & Distribution

K Ajay Kumar
Sr. Vice President, Industrial Services, Water & Hydro Power

Rohit Sajja
Vice President, Business Development, Overseas Business, IT, HR & MDO

Satish Jami
Chief Financial Officer

K Satyanarayana
Vice President, Business Development

K Sekhar Babu
Vice President, Industrial Services

Babu Gogineni
Vice President, Infrastructure Construction (Power)

D Srinivasa Rao
Vice President, Industrial Construction (Power)

M Ramesh
Vice President, Infrastructure Construction (Power & Non Power)

T Ramesh
Vice President, Industrial Construction (Power & Non-Power)

Basheer Abdul
Associate Vice President, Project Management

R Murali Krishna
Associate Vice President, Contracts Management

Srikant Marni
Associate Vice President, Human Resources

Dattatreya Prasad G
Associate Vice President, Water & Hydro

Mohith Kumar Khandelwal
Company Secretary

J Bala Murali Krishna
General Manager, Business Development & Operations

Ravi Kumar Kantheti
Dy. General Manager, Industrial Services

P Sreekanth
Dy. General Manager, Legal

Corporate Information

Mr S Kishore Babu
Chairman & Managing Director

Mrs S Lakshmi
Non-Executive Director

Mr M Rajiv Kumar
Non-Executive Director

Mr G D V Prasada Rao
Independent Director

Mr T Sankaralingam
Independent Director

Mr Vivek Paranjpe
Independent Director

Ms Lasya Yerramneni
Independent Director

Mr J Satish
Chief Financial Officer

Mr Mohith Kumar Khandelwal
Company Secretary

AUDIT COMMITTEE

Mr G D V Prasada Rao
Chairman

Mr T Sankaralingam
Member

Mr M Rajiv Kumar
Member

NOMINATION AND REMUNERATION COMMITTEE

Mr Vivek Paranjpe
Chairman

Mr G D V Prasada Rao
Member

Mr T Sankaralingam
Member

STAKEHOLDER'S RELATIONSHIP COMMITTEE

Mr M Rajiv Kumar
Chairman

Mrs S Lakshmi
Member

Mr G D V Prasada Rao
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr S Kishore Babu
Chairman

Mrs S Lakshmi
Member

Mr G D V Prasada Rao
Member

INVESTMENT COMMITTEE

Mr T Sankaralingam
Chairman

Mr G D V Prasada Rao
Member

Mr M Rajiv Kumar
Member

RISK MANAGEMENT COMMITTEE

Mr G D V Prasada Rao
Chairman

Mr S Kishore Babu
Member

Mr M Rajiv Kumar
Member

REGISTERED & CORPORATE OFFICE

Plot no: 77, Jubilee Enclave Road,
Opp: Hitex, Madhapur, Hyderabad,
Telangana - 500081
Tel: 040 30444444
Fax: 040 30444400

STATUTORY AUDITORS

M/s. K.S. Rao & Co,
Chartered Accountants
D.No: 54-19-4B, Ground Floor,
2nd Lane, Jayaprakash Nagar,
Vijayawada,
Andhra Pradesh - 520008

SECRETARIAL AUDITORS

M/s. P.S. Rao & Associates
Company Secretaries
Flat No. 10, 4th Floor, # 6-3-347/22/2,
Ishwarya Nilayam, Opp: Sai Baba
Temple, Dwarakapuri Colony,
Panjagutta, Hyderabad,
Telangana - 500082

INTERNAL AUDITORS

JS Sundaram & Co
Chartered Accountants
2nd Floor, Plot No.55,
VVC Konark, Jubilee Enclave,
Hi tech City, Madhapur,
Hyderabad,
Telangana - 500081.

BANKERS

State Bank of India
Punjab National Bank
Standard Chartered Bank
RBL Bank
IDFC First Bank
Axis Bank
Bank of India
UCO Bank
Bank of Baroda
Union Bank of India
Indus Ind Bank
Central Bank of India
Bank of Bahrain and Kuwait
HDFC Bank

REGISTRAR & SHARE TRANSFER AGENT

Kfin Technologies Private Limited
Karvy Selenium Tower B, 6th Floor, Plot 31-32, Gachibowli,
Financial District,
Nanakramguda,
Hyderabad - 500032

Our Offices

India Offices

Eastern Region
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PS Magnum, VIP Road
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Northern Region
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Power Mech Industri Private Limited
Plot #8, Block-A, Sector 80, Phase–II,
Noida, Uttar Pradesh - 201301.
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E-mail: info@pmindustri.com

Power Mech Environmental Protection Private Limited
Plot No.77, Opp: Hitex, Jubilee enclave,
Madhapur, Hyderabad, Telangana - 500081.
E-mail: cs@powermech.nect

Power Mech BSCPL Consortium Private Limited
Plot No. 77, Jubilee Enclave Road,
Opp: Hitex, Madhapur, Hyderabad - 500081.

Power Mech SSA Structures Private Limited
Plot No. 77, Jubilee Enclave Road Opp: Hitex,
Madhapur, Hyderabad - 500081.

Aashm Avenues Private Limited
Plot No. 77, Jubilee Enclave Road, Opp: Hitex,
Madhapur, Hyderabad - 500081.

International Offices

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Kingdom Of Saudi Arabia

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E-mail: pd@gtapowermech.com

GTA Power Mech NIGERIA Limited
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Email: sankarkolli@powermech.net

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E-mail: uaehr@powermech.net

Power Mech Projects Limited LLC
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Way No: 857 Al Mauj Street,
Seeb North Mawalih Muscat.
Tel: +96824541285
E-mail: oman@powermech.net

POWER MECH

Growth Unlimited

Statutory Reports

Pages 41-117

Financial Statements

Pages 118-223

NOTICE

Notice is hereby given that the 22nd Annual General Meeting (AGM) of the members of Power Mech Projects Limited will be held on Thursday, the 30th day of September, 2021 at 11.30 A.M. through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following items of business:

ORDINARY BUSINESS:

1. Adoption of financial statements.

To consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2021 together with the reports of the Board of Directors and auditors thereon.

2. Appointment of Mrs.Lakshmi Sajja (DIN: 00068991) as Director liable to retire by rotation.

To appoint a Director in place of Mrs.Lakshmi Sajja (DIN: 00068991) who retires by rotation and, being eligible, seeks re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Mr.S.Kishore Babu as the Managing Director

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 196,197,198 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) along with the Schedule V of the Companies Act, 2013 and Regulation 17(6)(e) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and as recommended by the Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr.S.Kishore Babu as Managing Director for a term of 5 years with effect from 01st April, 2021 on a remuneration as detailed below:

1	Basic Salary	₹6,00,000/- Per Month
2	HRA	₹2,40,000/- Per Month
3	Other perquisites and allowances	As per Company's Policy
4	Commission	Commission shall be payable depending upon the availability of Net Profits and that the said commission may be paid to him on monthly/quarterly/ half yearly/ yearly basis provided however that the overall managerial remuneration including commission shall not exceed 5 % of the net profits computed under Section 198 of the Companies Act, 2013.
5	Others	a) Provision of One Car with Chauffer on Company's business use and telephone (s) at residence. b) Apart from the above, Mr.S.Kishore Babu is also entitled to contribution to Provident Fund, Superannuation Fund, Gratuity and Encashment of Leave as per the rules of the Company. These will not be considered as perquisites to the extent not taxable as per the provisions of the Income Tax Act and will not be considered for calculation of overall remuneration.
6	Overall remuneration	The overall remuneration (i.e, Salary, perquisites and commission) in any one financial year shall not exceed 5 % of the net profits computed under Section 198 of the Companies Act, 2013.
7	Minimum Remuneration	In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration (except commission) as minimum remuneration, subject to the ceiling mentioned in Schedule V of the Companies Act, 2013.

Salary, Perquisites, Allowances: In the Scale of ₹18, 00,000/- to ₹22, 50,000/- per month.

Pay Scale: The Board of Directors, subject to the recommendation of the Nomination and Remuneration Committee, have power to increase the remuneration up to the pay scale mentioned above including all perquisites and allowances, during the tenure of his appointment.

NOTICE (Contd.)

4. **Re-appointment of Mr. Vivek Paranjpe (DIN: 03378566) as an Independent Director**
To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 (as amended from time to time) Mr.Vivek Paranjpe (DIN: 03378566), Independent Non-Executive Director of the Company who has submitted a declaration as provided in Section 149 (6) of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended from time to time) and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five consecutive years commencing from 31st August, 2021 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and /or the Company Secretary of the Company be and is hereby authorised to do all such acts, deeds and things including filings and take necessary steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.

5. **To approve the payment of remuneration to Mr.M.Rajiv Kumar (DIN: 07336483), Non-Executive Director by way of consultancy fees.**
To consider and if thought fit, to pass with or without modification, if any, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 197,198 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made there under and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications(s) or re-enactment(s) thereof, for the time being in force, on the basis of the recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of the Company be and is hereby accorded to pay ₹ 3,80,000/- per month excluding GST and reimbursement of out of pocket expenses towards car maintenance, driver etc. as remuneration by way of consultancy fees to Mr.M.Rajiv Kumar (DIN:07336483), Non-Executive Director (apart from sitting fees and other reimbursement of expenses for participation in the Board, committee and other meetings for the FY 21-22.

6. **Re-appointment of Ms. Lasya Yerramneni (DIN: 03150397) as an Independent Director**
To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 149,150,152 and any other applicable provisions, if any, of the Companies Act, 2013, ("Act") read with Schedule IV thereto and the Companies (Appointment and Qualification of Directors)Rules, 2014, Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the listing regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination and remuneration Committee, Ms.Lasya Yerramneni (DIN:03150397) who meets the criteria of independence as provided under Section 149 (6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect, be and is hereby re-appointed as an Independent Director of the Company for a Second term of 5 (five) consecutive years commencing from 27.06.2021 and her office shall not be liable to retire by rotation.

7. **Approval of Material Related Party Transaction (s) with PMPL-BRCCPL JV**
To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section188 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended from time to time and the Company's policy on Related Party Transactions and such other approvals as may be required, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into contract (s)/agreement(s)/transaction(s) with PMPL-BRCCPL JV, a related party, on such term (s) and condition(s) as the Board of Directors may deem fit, to an aggregate value not exceeding ₹900 Crores provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

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

NOTICE (Contd.)

8. **Approval of Material Related Party Transaction(s) with PMPL- SRC Infra JV- Mizoram**

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

   RESOLVED THAT pursuant to the provisions of Section188 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended from time to time and the Company's policy on Related Party Transactions and such other approvals as may be required, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into contract (s)/agreement(s)/ transaction(s) with PMPL-SRC INFRA JV- Mizoram, a related party, on such term (s) and condition(s) as the Board of Directors may deem fit, up to a maximum aggregate value of ₹446.40 Cr provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

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

9. **Approval of Material Related Party Transaction(s) with PMPL- SRC Infra JV- Hassan**

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

   RESOLVED THAT pursuant to the provisions of Section188 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended from time to time and the Company's policy on Related Party Transactions and such other approvals as may be required, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into contract (s)/agreement(s)/ transaction(s) with PMPL-SRC INFRA JV-Hassan, a related party, on such term (s) and condition(s) as the Board of Directors may deem fit, up to a maximum aggregate value of ₹555.13 Cr provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

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

By order of the Board of Directors
For **Power Mech Projects Limited**

Sd/-
Mohith Kumar Khandelwal
Company Secretary

Place: Hyderabad
Date: 07th August, 2021

NOTICE (Contd.)

NOTES FOR MEMBERS:

i. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13th, 2021, May 5, 2020 read with circulars dated 08th April,2020 and 13th April, 2020 (collectively referred to as "MCA Circulars") and SEBI Circular No:SEBI/H/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by Securities and Exchange Board of India ('SEBI Circular') permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM.

ii. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business under Item No's 3 to 9, is annexed hereto.

iii. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote on a Poll instead of himself / herself and such a proxy/ proxies need not be a member of the Company . Since this AGM is being held pursuant to MCA circulars and SEBI Circular through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice.

Institutional/ Corporate Shareholders (i.e other than individividuals/HUF, NRI) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution/Authorisation etc., authorizing its representative to attend the AGM through VC/OAVM, on its behalf and to vote through remote evoting. The said Resolution/Authorisation shall be sent to the Scrutinizer by email through its registered email address to csvanitha19@gmail.com with a copy marked to evoting@nsdl.co.in

iv. The register of members and share transfer books of the Company will remain closed from 24th September, 2021 to 30th September, 2021 (both days inclusive) for annual closing.

v. Members holding shares in physical form are requested to avail the demat facility in order to ensure timely and efficient delivery of corporate actions and announcements. Further the Members holding shares in physical form are also requested to immediately notify change in their address, if any, to the Registrar and Transfer Agents of the Company namely **M/s. Kfin Technologies Private Limited** having its Office at Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032 quoting their folio Numbers.

vi. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank account details. ECS mandates, nominations, power of attorney, change of address/ name etc. to their depository participant only and not to the Company or its Registrar and Transfer Agent. The said nominations will be automatically reflected in the Company's records.

vii. Members holding shares in Physical mode are advised to submit particulars of their Bank account viz. Name and Address of the Branch of the Bank, MICR code, type of account and account number to our Registrar and Share Transfer Agent, **M/.s Kfin Technologies Private Limited.**

viii. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agents of the Company, **M/s. Kfin Technologies Private Limited** having its office at Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032 quoting their folio Numbers.

ix. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialised form may contact their respective depository participant(s) for recording nomination in respect of their shares.

x. Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" and allowed companies to send documents such as Notice of the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc., to the shareholders in electronic form instead of the paper form. Members are requested to send/ update their email address with their Depository or Registrar and Transfer Agents of the Company.

xi. Members desirous of getting any information about the financials and/or operations of the Company are requested to write to the Company at least seven days before the date of the meeting to enable the Company to keep the information ready at the meeting.

NOTICE (Contd.)

xii. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

xiii. Pursuant to Regulation 36(3) of the Listing Regulations, 2015 and Secretarial Standards the information about the Directors proposed to be appointed /re- appointed is given in the **Annexure -1** to the notice.

xiv. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.

xv. Instructions for E-voting and joining the AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS:

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

ii. The remote e-voting period commences on September 27, 2021 (9:00 a.m. IST) and ends on September 29, 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialised form, as on September 23, 2021 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

iii. The Board of Directors has appointed Ms.N.Vanitha, Practicing Company Secretary as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

iv. The Members who have casted their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

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

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

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

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

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under eVoting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Type of Shareholders	Login Method
	2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser bytyping the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of eVoting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period

NOTICE (Contd.)

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

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically
4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password
      i) If your email ID is registered in your demat account or with the Company , your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

NOTICE (Contd.)

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password
   a) Click on "Forgot User Details/ Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
   b)) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle
2. Select "EVEN" of company for which you wish to cast your vote during the remote eVoting period Now you are ready for e-Voting as the Voting page opens.
3. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
4. Upon confirmation, the message "Vote cast successfully" will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to csvanitha19@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no: 1800 1020 990 and 1800 22 44 30 or send a request to evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@powermech.net.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@powermech.net. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

NOTICE (Contd.)

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

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

I. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/ OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

II. Members are encouraged to join the Meeting through Laptops for better experience.

III. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

IV. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

V. Facility of joining the AGM through VC shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

VI. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or 1800-222-990.

VII. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@powermech.net from 25th September, 2021 to 27th September, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same**.**

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.powermechprojects.com and on the website of NSDL simultaneously after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the BSE and NSE Mumbai.

By order of the Board of Directors
For **Power Mech Projects Limited**

Sd/-
Mohith Kumar Khandelwal
Company Secretary

Place: Hyderabad
Date: 07th August, 2021

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.3
As the tenure of Mr. S. Kishore Babu as the Managing Director was to expire on 31.03.2021, the Board of Directors at its meeting held on 12.02.2021, based on the recommendation of the Nomination and Remuneration Committee, re-appointed him as the Managing Director w.e.f 01st April,2021, subject to the approval of the members in the ensuing annual general meeting at the remuneration as stated in resolution no.3.

Mr. S. Kishore Babu, the founder promoter of the Company has been instrumental in spearheading the growth of the Company and playing a key role at every stage and phase of development and decision making. His huge efforts and unblemished decisions have placed the Company on the growth trajectory over the years. His Vision, experience, guidance and dynamism shall take the Company to new high in the coming years.

Considering his rich experience of three and a half decades,increasing responsibility due to increase in business activities of the Company and the relentless efforts and time being dedicated by him in contributing to the success of the organisation, it is proposed that Mr. S. Kishore Babu be re-appointed as Managing Director for another term of 5 Years w.e.f. 0 1.04.2021.

Pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013, Schedule V of the said Act, the terms of appointment and remuneration as set out in item no. 3 are now being placed before the members for their approval by way of a Special Resolution.

None of the other Directors are interested, financially or otherwise, in the resolution set out in item no. 3

The detailed profile of the Directors seeking re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') is furnished as **Annexure-1**

Item no.4
Mr.Vivek Paranjpe (DIN: 03378566) was appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014. His first term of office would be expired on 31.08.2021.

The board, based on the performance evaluation of Mr.Vivek Paranjpe and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his back ground and experience and contributions made by him during his tenure, his continued association would be beneficial to the Company and it is desirable to avail his services as Independent Director.

Accordingly, it is proposed to re-appoint Mr. Vivek Paranjpe as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years or till such date to confirm with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines on the Board of the Company.

Mr.Vivek Paranjpe is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Independent Director.

The Company has also received a declaration from Mr.Vivek Paranjpe that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and the Listing Regulations.

Item No.5.
As per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a listed entity is required to obtain the approval of members of the Company every year by way of Special Resolution for payment of remuneration to a single Non-Executive Director if it exceeds 50 % of the total remuneration payable to Non-Executive Directors of the Company.

Accordingly, the approval of the members was taken in the previous annual general meeting and the resolution was passed. In order to comply with the regulations, this resolution is being put forth before the members for their consent.

In the opinion of the Board of Directors of the Company, Mr. Rajiv Kumar is a person of high repute and has a rich experience of almost 4 decades in Power Sector. His in-depth knowledge of Power and Strategic guidance on business matters has helped the Company in executing and completing many prestigious projects.

The Board of Directors concurs that taking into consideration the contribution and efforts of Mr. M.Rajiv Kumar, it is desirable to remunerate him by way of paying consultancy fees as mentioned in the resolution set out at item no.5 of the notice.

Except Mr. M. Rajiv Kumar and his relatives, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special Resolution set out at item No.5 of the Notice for the approval by the members.

Item No. 6
Pursuant to Regulation 17 of the SEBI (LODR) Regulations, as amended, from time to time, the Board of top 1000 listed entities shall have at least one Independent Women Director.

NOTICE (Contd.)

In view of complying with the said provision, the Board had appointed Ms.Lasya Yerramneni (DIN: 03150397) a women director under independent category for a period of one year w.e.f 27.06.2020.

The board, based on the performance evaluation of Ms. Lasya Yerramneni and as per the recommendation of the Nomination and Remuneration Committee, considers that, her continued association would be beneficial to the Company and it is desirable to avail her services as Independent Director.

Accordingly, it is proposed to re-appoint Ms. Lasya Yerramneni as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years w.e.f.27.06.2021.

Section 149 of the Companies Act, 2013 and provisions of SEBI (LODR) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of Independence as specified therein.

Section 149 (10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a Special Resolution by the Company and disclosure of such appointment is to be given in its Board's Report.

Ms. Lasya Yerramneni is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Independent Director.

The Company has also received a declaration from Ms. Lasya Yerramneni that she meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and the Listing Regulations.

In the opinion of the Board, Ms. Lasya Yerramneni fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations.

Additional Information of Ms. Lasya Yerramneni, whose appointment is proposed at item No.4, is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Except Ms. Lasya Yerramneni none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. This statement may also be regarded as appropriate disclosure under the Listing Regulations. The Board recommends the Special Resolution set out at item No.6 of the Notice for the approval of the members.

Item no.7

The members may kindly note that as per the provisions of Regulation 23 (1) of the Listing Regulations, a transaction with a Related Party shall be considered Material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

The aggregate value of the transaction(s) with PMPL-BRCCPL JV will exceed the said threshold limit and is expected to be around ₹ 900 Cr. Hence, the approval of the shareholders is being sought for the said Material Related Party Transaction(s).

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, particulars of the transactions with PMPL-BRCCPL JV are as follows:

S. No	Particulars	Remarks
1	Name of the Related Party	PMPL-BRCCPL JV
2	Name of the Directors or KMP who are related	None
3	Nature of Relationship	PMPL-BRCCPL JV is an unregistered JV formed by Power Mech Projects Limited and Bhooratnom Construction Company Private Limited. The ratio of shareholding is 70:30 wherein PMPL holds 70 % and BRCCPL holds 30% of the shareholding.
4	Nature, material terms, monetary value and particulars of the contract or arrangement	PMPL-BRCCPL JV was formed to bid for a project for providing water supply pipeline construction under Jal Jeevan Mission, Govt. of Uttar Pradesh. The JV has offloaded the said contract worth ₹898 Cr to PMPL based on its vast experience. The said sub- contract is said to be on arm's length basis. The total contract value including some future transactions can be to the tune of ₹900 Cr.

In view of the above, the Board of Directors recommends passing the resolution as set out in item no.7 of this notice as an Ordinary Resolution. None of the Directors or Key Managerial Personnel including their relatives is concerned or interested in the aforesaid resolution.

NOTICE (Contd.)

Item no.8

The members may kindly note that as per the provisions of Regulation 23 (1) of the Listing Regulations, a transaction with a Related Party shall be considered Material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

The aggregate value of the transaction(s) with PMPL-SRC INFRA JV-MIZORAM will exceed the said threshold limit and is expected to be around ₹446.40 Cr. Hence, the approval of the shareholders is being sought for the said Material Related Party Transaction(s).

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, particulars of the transactions with PMPL-ACPL JV are as follows:

S. No	Particulars	Remarks
1	Name of the Related Party	PMPL-SRC INFRA JV – MIZORAM
2	Name of the Directors or KMP who are related	None
3	Nature of Relationship	PMPL-SRC INFRA JV is an unregistered JV formed by Power Mech Projects Limited and SRC INFRA. The ratio of shareholding is 74:26 wherein PMPL holds 74 % and SRC INFRA holds 26 % of the shareholding.
4	Nature, material terms, monetary value and particulars of the contract or arrangement	The JV has offloaded the contract to PMPL in view of its vast experience and expertise. The total contract value including some future transactions can be to the tune of ₹.446.40 Cr.

In view of the above, the Board of Directors recommends passing the resolution as set out in item no.8 of this notice as an Ordinary Resolution. None of the Directors or Key Managerial Personnel including their relatives is concerned or interested in the aforesaid resolution.

Item no.9

The members may kindly note that as per the provisions of Regulation 23 (1) of the Listing Regulations, a transaction with a Related Party shall be considered Material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

The aggregate value of the transaction(s) with PMPL-SRC INFRA JV-HASSAN will exceed the said threshold limit and is expected to be around ₹555.13 Cr. Hence, the approval of the shareholders is being sought for the said Material Related Party Transaction(s).

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, particulars of the transactions with PMPL- JV are as follows:

S. No	Particulars	Remarks
1	Name of the Related Party	PMPL-SRC INFRA JV- HASSAN
2	Name of the Directors or KMP who are related	None
3	Nature of Relationship	PMPL-SRC INFRA JV is an unregistered JV formed by Power Mech Projects Limited and SRC INFRA. The ratio of shareholding is 60:40 wherein PMPL holds 60 % and SRC INFRA holds 40 % of the shareholding.
4	Nature, material terms, monetary value and particulars of the contract or arrangement	The total contract value including some future transactions can be to the tune of ₹555.13 Cr.

In view of the above, the Board of Directors recommends passing the resolution as set out in item no.9 of this notice as an Ordinary Resolution. None of the Directors or Key Managerial Personnel including their relatives is concerned or interested in the aforesaid resolution.

By order of the Board of Directors
For **Power Mech Projects Limited**

Sd/-
Mohith Kumar Khandelwal
Company Secretary

Place: Hyderabad
Date: 07th August, 2021

NOTICE (Contd.)

Annexure -1

ADDITIONAL INFORMATION

(Details of the Directors proposed to be appointed/ re-appointed pursuant to Regulation 36(3) of SEBI (LODR) Regulation, 2015 and Secretarial Standards on General meetings)

Particulars	**Mr. S. Kishore Babu**	**Mr. Vivek Paranjpe**
Date of Birth	01st July, 1963	20th November, 1953
Date of appointment on the Board	27th July, 1999	31st August, 2016
Qualification, Experience & Expertise	He is a B.tech graduate and has several years of experience in the power sector including construction and O & M. He is a first generation entrepreneur, responsible for the Company's growth and business development since inception. He has been instrumental in completion of major projects including sub-critical units in scheduled time.	He did his B.Sc (Honors) from Fergusson College, Pune and Post-Graduation from XLRI, Jamshedpur and has close to four and a half decades of experience. Served companies like, Hewlett Packard and Reliance Industries Limited. He is a columnist, HR consultant, visiting faculty and lead assessor and experienced in corporate mergers and acquisitions.
Directorship in other Companies	1. Power Mech Infra Limited 2. Power Mech Industri Private Limited 3. Bombay Avenue Developers Private Limited 4. Power Mech Environmental Protection Private Limited 5. True RRAV Marketing Private Limited (filed for strike off)	NIL
Number of Shares held	38,64,942	NIL
Disclosure of Inter-se relationship between Directors and KMP's	Related to S.Lakshmi, Non-Executive Director	NA
Membership / Chairmanships of Committees in other Companies	NIL	NIL
Details of Remuneration sought to be paid and the remuneration last drawn by such person	As mentioned in the resolution to the notice	NA
Number of Board meetings attended during the year	5 of 5	4 of 5

NOTICE (Contd.)

Particulars	Mr. M. Rajiv Kumar	Ms. Lasya Yerramneni
Date of Birth	20th November, 1953	26th March, 1981
Date of appointment on the Board	14th November, 2015	27th June, 2020
Qualification, Experience & Expertise	Shri. M.Rajiv Kumar is a graduate in Electrical Engineering and spent his entire career of 38 years un BHEL and by his sheer hard work and acumen he rose to the level of Executive Director, Power Sector, Eastern Region. During his career, he initiated, planned, executed and commissioned many power projects and today they stand testimony of his leadership quality and feeding power to the nation. He has strong project management skill, is exceptionally good at team building, easily adaptable and flexible towards projects needs and possesses superior inter-personal & time- management skills. Gifted with good foresight, he holds impeccable record for identifying right person for right jobs, mentoring and motivating the entire team under him.	She had done her post graduate program in management from Indian School of Business, did her Masters in Electrical and Computer Engineering from University of North Texas at Austin and also did her B.Tech in Electronic and Communications Engineering from Sri.Venkateswara University. Got 15 years' experience in IT Project Management & delivery, client engagement, IT strategy, business development. Co-founder of heal box, which aims to deliver one Mn first aid kits to schools catering to underprivileged children in India. Also the co-founder of Nuven Foundation, where she coordinated and conducted more than 100 medical camps in tribal areas. She was also a recipient of National Talent Search Scholarship in the year 1997.
Directorship in other Companies	NIL	NIL
Number of Shares held	NIL	NIL
Disclosure of Inter-se relationship between Directors and KMP's	NA	NA
Membership / Chairmanships of Committees in other Companies	NIL	NIL
Details of Remuneration sought to be paid and the remuneration last drawn by such person	As mentioned in the resolution to the notice	NA
Number of Board meetings attended during the year	4 of 5	3 of 5

BOARD'S REPORT

Dear members,

The Board of Directors hereby presents the report of the business and operation of your Company along with the audited financial statements (both standalone and consolidated) for the financial year ended 31st March, 2021.

FINANCIAL RESULTS

The financial performance for the current year in comparison to the previous year is as under:

(₹ in Cr)

Sl. No.	Particulars	Standalone		Consolidated	
		Current Year FY 20-21	Previous Year FY 19-20	Current Year FY 20-21	Previous Year FY 19-20
1	Revenue from Operations	1754	2045	1884	2165
2	Other income	20	9	16	9
3	Total Income	1774	2054	1900	2174
4	Expenditure	1709	1798	1842	1894
5	Profit before interest, depreciation and tax	65	256	58	280
6	Depreciation	33	36	36	39
7	Interest and Finance Charges	78	72	79	74
8	Share of Profit from JV and Associates	-	-	(3)	1
9	Profit before tax	(46)	148	(60)	168
10	Provision for taxes (including DTL)	(11)	37	(11)	37
11	Profit after tax	(35)	111	(49)	131
12	Profit attributable to equity holders of the parent before OCI	(35)	111	(46)	131
13	Other Comprehensive Income	2	1	1	3
14	Total Comprehensive Income	(33)	112	(48)	134
15	Profits attributable to equity holders of parent after OCI	(33)	112	(45)	134
16	Dividend for the year	-	1.47	-	1.47
17	Reserves (Excluding Revaluation Reserve)	837	871	890	936
18	EPS (₹) on face value of ₹ 10/- each	(23.53)	75.23	(31.02)	89.23
19	Book Value (₹) on face value of ₹/- each share	579	603	615	647

OPERATING RESULTS AND BUSINESS

Your Company has achieved operational turnover of ₹ 1,754 Cr and Loss of ₹ 35 Cr during the FY 20-21 as against previous year operational turnover of ₹2,045 Cr and profit after Tax of ₹111 Cr respectively.

Further, your Company has achieved Colsolidated operational turnover of ₹ 1,884 and loss of ₹46 Cr for the FY 20-21 as against previous year operational turnover of ₹2,165 Cr and profit after tax of ₹131 Cr respectively.

DIVIDEND

Your Directors did not recommend any dividend for the FY 20-21.

SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

As on 31st March, 2021 your Company had 8 (Eight) subsidiaries, i.e Hydro Magus Private Limited, Power Mech Industri Private Limited, Power Mech BSCPL Consortium Private Limited, Power Mech SSA Structures Private Limited, Aashm Avenues Private Limited, Power Mech Projects LLC (Oman), Power Mech Projects (BR) FZE Nigeria and Power Mech Environmental Protection Private Limited.

Further there are two Joint Venture Companies i.e GTA Power Mech Nigeria Limited (Nigeria) & GTA Power Mech DMCC (Dubai).

SUBSIDIARIES

- **Hydro Magus Private Limited:** Hydro Magus Private Limited is a subsidiary of Power Mech established with a vision to make positive contribution in surging Hydro Power sector in India and neighboring countries. The Company has executed successfully some of the critical hydro projects and is fully geared and aggressively planning for undertaking comprehensive projects

- **Power Mech Industri Private Limited:** A wholly-owned subsidiary of Power Mech. It undertakes major job works through its state-of-the-art workshop in Noida. The machines of the workshop are working to full steam, undertaking critical jobs, meeting customers' satisfaction and proceeding with further expansion in line with the need in the industry

- **Power Mech BSCPL Consortium Private Limited**: A Subsidiary Company of Power Mech which was mainly incorporated to undertake the infrastructure development works required for development of medical device Manufacturing Park for Andhra Pradesh Medtech Zone Limited at Vishakhapatnam
- **Power Mech SSA Structures Private Limited**: A wholly-owned subsidiary of Power Mech, was established to undertake the project (Package-I) of providing necessary infrastructure viz. furniture and additional class rooms including library rooms & electrical facilities in all Government Schools, KGBVs & Bhavitha buildings under the scheme of Sarva Siksha Abhiyan
- **Aashm Avenues Private Limited:** A wholly-owned subsidiary of Power Mech, was established to undertake the project (Package-III) of providing necessary infrastructure viz. furniture and additional class rooms including library rooms & electrical facilities in all Government Schools, KGBVs & Bhavitha buildings under the scheme of Sarva Siksha Abhiyan
- **Power Mech Projects LLC:** A subsidiary company of Power Mech incorporated in Oman to tap the local market of Oman and neighboring countries
- **Power Mech Projects (BR) FZE:** A wholly owned enterprise of Power Mech, incorporated in the Free Zone of Nigeria
- **Power Mech Environmental Protection Private Limited:** A Wholly-owned subsidiary of Power Mech, was incorporated to carry on the business providing engineering, technical and consultancy services to power plants and other industrial plants

JOINT VENTURES

- **GTA Power Mech Nigeria Limited:** A joint venture of Power Mech is designed to undertake packages in power, infra and process industry sectors including ETC of civil, mechanical and electrical and also O&M of plants. With solid and stable technical backup from the parent Companies, GTA Power Mech is in a position to undertake projects of any magnitude and type in different terrains and weather. The Company has capability to undertake packages in spectrum of activities in projects and plants supported by expert team in respective fields and strategic and technical collaborations from parent companies
- **GTA Power Mech DMCC:** A Joint Venture of Power Mech with 50% shareholding, incorporated in Dubai, UAE

ASSOCIATES

- **Mas Power Mech Arabia:** An associate Company of Power Mech, established in Saudi Arabia to cater the needs in the Saudi Arabia and surrounding regions for providing services in ETC, Civil and O&M. The Company is equipped to provide services in all the verticals keeping high standards in quality, safety and timeline. The Company draws technical guidance and support from the parent company and it will be an extended arm of Power Mech in providing its skills and expertise in this part of the world

TRANSFER TO RESERVES

The Board do not propose to transfer any amount to the reserves for the fiscal 2021.

CONSOLIDATED FINANCIAL STATEMENTS

During the year, the Board of Directors reviewed the affairs of the Subsidiaries/JV's. In accordance with Sub Section (3) of Section 129 of the Companies Act, 2013, your Company has prepared the consolidated financial statements of the Company, which forms part of this annual report.

As per the provisions of Section 136 of the Companies Act, 2013 the Company has placed separate audited financial statements of its Subsidiaries/JV's on its website www.powermechprojects.com The annual accounts of the Subsidiary Companies/JV's and the related detailed information shall be made available to members seeking such information at any point of time.

The Statement containing the salient features of the Subsidiaries & JV's as per sub –sections (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 and under Rule 8 of Companies (Accounts) Rules, 2014 of the Companies Act 2013 in Form AOC -1 is herewith annexed as **Annexure- 2** to this report.

RELATED PARTY TRANSACTIONS

During the year, no transaction with related parties was in conflict with the interests of the Company. All transactions entered into by the Company with related parties during the financial year were in the ordinary course of business and on an arm's length pricing basis.

All Related Party Transactions are placed on a quarterly basis before the Audit Committee and before the Board for the noting and approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseeable and repetitive nature.

The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company www.powermechprojects.com.

BOARD'S REPORT (Contd.)

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 in Form AOC-2 is annexed herewith as **Annexure-3** to this report.

STATUTORY AUDITORS

The Shareholders in their meeting held on 25.09.2019, approved the appointment of M/s.K.S.Rao & Co., Chartered Accountants as the Statutory Auditors of the Company to hold office till the conclusion of 25th Annual General Meeting.

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s.K.S.Rao & Co., Chartered Accountants, Statutory Auditors, in their report for the financial year ended 31st March, 2021.

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

INTERNAL AUDITORS

M/s. Ramesh & Co., Chartered Accountants, resigned as the Internal Auditors of the Company with effect from 13th November, 2020.

The Board of Directors based on the recommendation of the Audit Committee, at the meeting held on 13th November, 2020, appointed M/s. JSS Pro & Co., Chartered Accountants, as the internal auditors for the remaining part of the fiscal 2021.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has reappointed M/s. P.S. Rao & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for fiscal 2021.

The Secretarial Audit Report for the FY 20-21 issued by M/s. P.S. Rao & Associates, Practicing Company Secretaries in the Form MR-3 is annexed herewith as **Annexure-4** to this report.

DIRECTORS RESPONSE ON THE QUALIFICATIONS MADE BY THE SECRETARIAL AUDITORS IN THEIR REPORT

Qualification	Reply
The Company could not appoint Independent Women Director as required under the provisions of Regulation 17(1) of SEBI(LODR) Regulations, 2015 with effect from 1st April 2020 to till 27th June, 2020	The Company was in the process of shortlisting and finalizing the right candidate for the post of Women Director under Independent Category. However, due to the unprecedented pandemic, Covid-19 and other restrictions associated with it, the process couldn't be completed within time and hence got delayed. The Company applied for waiver of fine to both NSE and BSE. BSE has waived off the fine and since NSE did not accept the waiver request, the fine was paid.
One of the Person Acting in Concert (PAC) of Promoter Group has failed to submit disclosure under regulation 7(2) of SEBI(Prohibition of Insider trading) Regulations, 2015	Dealing in the scrip was inadvertently done by the PAC.Upon intimation, the respective PAC had deposited the gain to the Investors Education and Protection Fund of SEBI.

DIRECTORS' & KMP

Reappointments

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in terms of Article 134 of the Articles of Association of the Company Mrs.Lakshmi Sajja, Director, retires by rotation and being eligible, offers herself for reappointment at the ensuing Annual General Meeting. The Board recommends her reappointment.

Based on the recommendation of the Nomination and Remuneration Committee, Mr.S.Kishore Babu, Managing Director was re-appointed by the Board of Directors of the Company at the Board meeting held on 12th February, 2021 for a period of 5 years w.e.f 01st April, 2021, subject to the approval of the shareholders in the annual general meeting.

Mr.Vivek Paranjpe, Independent Director was re-appointed by the Board at its meeting held on 07th August, 2021 for a period of 5 years, subject to the approval of the members in the annual general meeting and Ms. Lasya Yerramneni, Independent Director was also re-appointed by the Board at the meeting held on 17th June, 2021 for a period of five years, subject to the approval of the members in the annual general meeting.

BOARD'S REPORT (Contd.)

Accordingly, resolutions seeking approval of the shareholders for their re-appointment forms part of the notice of the 22nd AGM.

DECLARATION BY INDEPENDENT DIRECTORS

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (7) of Section 149 of the Act and under Regulation 25 of the SEBI (LODR) Regulations, 2015.

In the opinion of the Board, all the Independent Directors of the Company possess integrity, expertise and the proficiency justifying their office and fulfill the conditions of Independent Director provided under SEBI (LODR) Regulations, 2015 and are independent of the management.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

The details of the familiarisation program for the Independent Directors are provided in the Corporate Governance Report and also placed on the website of the Company www.powermechprojects.com

BOARD MEETINGS

The Board of Directors of the Company duly met 5 (five times) during the financial year. The intervening gap between any two consecutive Board Meetings was within the period prescribed under the provisions of the Companies Act, 2013.

The details of Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

COMMITTEES OF BOARD OF DIRECTORS

We have in place all the Committees of the Board which are required to be constituted under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A detailed note on the Board and its Committees is provided under the Corporate Governance Report section in this Board's Report.

The Composition of various Committees of the Board as on the date of this report is hereunder:

Name of the Committees	Composition of the Committees
Audit Committee	1. Mr. G.D.V. Prasada Rao (*Chairman*) 2. Mr. T Sankaralingam; 3. Mr. Rajiv Kumar
Nomination and Remuneration Committee	1. Mr. Vivek Paranjpe (Chairman); 2. Mr. T. Sankaralingam; 3. Mr. G.D.V. Prasada Rao
Corporate Social Responsibility Committee	1. Mr. S. Kishore Babu (*Chairman*); 2. Mrs. S. Lakshmi; 3. Mr. G.D.V. Prasada Rao.
Stakeholders Relationship Committee	1. Mr. M Rajiv Kumar (*Chairman*); 2. Mrs. S. Lakshmi; 3. Mr. G.D.V. PrasadaRao.
Risk Management Committee	1. Mr. GDV Prasada Rao (Chairman) 2. Mr. M.Rajiv Kumar 3. Mr. S.Kishore Babu
Investment Committee	1. Mr. T Sankaralingam (Chairman); 2. Mr. G.D.V. Prasada Rao; 3. Mr. M. Rajiv Kumar

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees and investments covered under section 186 of the Companies Act, 2013 form part of the *Notes to the financial statements* provided in this Annual Report.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance sheet.

CHANGE IN NATURE OF BUSINESS:

There is no change in the nature of business during the period under review.

MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures..

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge

BOARD'S REPORT (Contd.)

and belief and according to the information and explanation obtained by them,

i. in the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 20-21 and of the statement of profit and loss of the Company for that period;

iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the annual accounts for the year 20-21 have been prepared on a going concern basis.

v. that the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

vi. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and effective.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of the provisions of Section 177 (9) & (10) of Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formalised the process and institutionalised 'Whistle Blower Policy' within the Company, whereby employees and other stakeholders can report matters such as generic grievances, corruption, misconduct, illegality and wastage/misappropriation of assets to the Company.

The policy safeguards the whistle blowers to report concerns or grievances and also provides direct access to the Chairman of the Audit Committee.

The details of the whistle blower Policy are posted on the website of the Company www.powermechprojects.com

DIVIDEND DISTRIBUTION POLICY

The Company has framed a dividend distribution policy and the same is annexed herewith as **annexure 5** This policy is also hosted on the Company 's website, www.powermechprojects.com and the link for the same is https://www.powermechprojects.com/investor-relations

RISK MANAGEMENT

The Company has constituted a Risk Management Committee and formulated a policy on risk management in accordance with the Companies Act,2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's report. The risk Management Policy of the Company is posted on the website of the Company and the weblink is

www.powermechprojects.com/investor-relations

ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2021 is available on the Company's website www.powermechprojects.com/investor-relations

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to the provisions of Regulation 34 (2) (e) of the of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Management Discussion & Analysis forms part of the Annual Report and is herewith annexed as **Annexure-6** to this report.

CHANGES IN SHARE CAPITAL:

During the year under review, there was no change in the share capital of the Company. The paid up share capital of the Company is ₹ 14,71,07,640/- divided into 1,47,10,764 equity shares of ₹ 10/- each.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors as required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the information required pursuant to Section 197 (12) of the Act read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company has been appended as **Annexure –7** to this Report.

BOARD EVALUATION

The parameters and the process for evaluation of the performance of the Board and its Committees have been explained in the corporate governance report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure-8** to this report.

BOARD'S REPORT (Contd.)

CORPORATE GOVERNANCE

The Board of Directors of your Company believes that strong corporate governance is an important instrument of investor's protection as it ensures complete transparency in Company's matters.

As required under Regulation 34(3) of the Listing Regulations, a detailed report on Corporate Governance is included in the Annual Report as **Annexure-9.** The Auditors have certified the Company's compliance with the requirements of Corporate Governance in terms of Regulation 34(3) of the Listing Regulations and the same is annexed to the Report on Corporate Governance.

BUSINESS RESPONSIBILITY REPORT (BRR)

Business Responsibility reporting for the year under review, as required to be reported under Regulation 34 (2) (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is shown in separate section forming part of the annual report.

CORPORATE SOCIAL RESPONSIBILITY

The Board in compliance with the provisions of Section 135(1) of the Companies Act, 2013 and rules made there under.

The Company works primarily through its trust, Power Mech Foundation, the CSR arm of the Company.

A detailed report on the CSR activities taken up by your Company is annexed as **Annexure-10** to this report. Further the details of the policy are also posted on the website of the Company www.powermechprojects.com

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year:

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The policy of the Company on Director's appointment and remuneration, including the criteria for determining qualifications, expertise, skills, positive attributes, independence of a director and other matters as required under sub section 3 of section 178 of the Companies Act, 2013 is available on our website at www.powermechprojects.com

ACKNOWLEDGMENTS

We thank our customers, vendors, investors, bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was possible by their hard work, solidarity, cooperation and support.

We thank the Governments of various Countries where we have our operations and more particularly Government of India and various regulators viz a viz RBI, SEBI, Ministry of Corporate Affairs, Income Tax Department, and all the state government and other government agencies for their support, and looking forward to their continued support in future.

For and on behalf of the Board of Directors of

Sd/-
S Kishore Babu
Chairman & Managing Director
DIN: 00971313

Place: Hyderabad
Date: 07th August, 2021

ANNEXURE-2

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 and under Rule 8 of Companies (Accounts) Rules, 2014 for the year ended 31st March, 2021).

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

Part "A": Subsidiaries

(Information in respect of each subsidiary)

(₹ in Cr)

Sl. No	Particulars	Details							
1	Name of the subsidiary	Hydro Magus Private Limited	Power Mech Industri Private Limited	Power Mech Projects Limited LLC	Power Mech BSCPL Consortium Private Limited	Power Mech SSA Structures Private Limited	Aashm Avenues Private Limited	Power Mech projects (BR) FZE	Power Mech Environmental Protection Private Limited
2	The date since when subsidiary was acquired	24th September, 2012	17th October, 2013	20th April, 2016	20th December, 2017	01st October, 2018	16th October, 2018	28th January, 2019	27th December, 2019
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	--	--	--	--	--	--	--	--
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹	₹	Omani Riyal (190.29)	₹	₹	₹	NGN (0.194)	₹
5	Share capital	0.21	0.02	4.31	0.01	0.10	0.10	0.69	0.01
6	Reserves & surplus	8.37	0.37	1.86	1.29	(0.00)	(0.00)	21.75	(0.01)
7	Total assets	20.32	46.10	11.73	86.02	2.31	0.15	32.74	0.00
8	Total Liabilities	11.73	45.72	5.56	84.72	2.21	0.05	10.29	0.00
9	Investments	-	-	-	-	-	-	-	-
10	Turnover	6.23	30.75	6.43	-	-	-	116.44	-
11	Profit before taxation	(0.66)	0.65	(10.09)	0.04	(0.00)	(0.00)	9.07	(0.01)
12	Provision for taxation	(0.16)	(0.12)	-	0.05	-	-	-	-
13	Profit after taxation	(0.51)	0.77	(10.09)	(0.01)	(0.00)	(0.00)	9.07	(0.01)
14	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
15	Extent of shareholding	88.10%	100%	70%	51%	100%	100%	100%	100%

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

ANNEXURE-2 (Contd.)

Part "B": Associates and Joint Ventures

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

(₹ in Cr's)

Sl. No	Name of associates/ Joint Ventures	M/S POWER MECH-M/S ACPL JV	M/s. POWER MECH-KHILARI JV	PMPL-STS-JV	PMPL-SRC INFRA JV (Mizoram)	PMPL-SRC INFRA JV (Hassan)	GTA Power Mech DMCC	GTA Power Mech FZE	Mas Power Mech Arabia	GTA Power Mech Nigeria Limited
1	Latest audited Balance Sheet Date	31st March, 2021	31st March, 2021	31st March, 2021	31st March, 2021	31st March, 2021	31st March, 2021	31st March, 2021	31st March, 2021	31st March, 2021
2	Date on which the Associate or Joint Venture was associated or acquired	23rd April, 2018	31st July, 2018	25th October, 2018	04th January, 2020	15th February, 2020	07th May, 2018	02nd November, 2017	23rd February, 2015	08th March, 2016
3	Shares of Associate/ Joint Ventures held by the Company on the year end	-	-	-	-	-	50	-	332	1,50,00,000
	(i) Total No. of Shares	-	-	-	-	-	100	-	678	3,00,00,000
	(ii) Amount of Investment in Associates/Joint Venture	-	-	-	-		0.09	-	2.25	0.32
	(iii) Extend of Holding%	80%	75%	74%	74%	60%	50%	50%	49%	50%
4	Description of how there is significant influence	The Company owns 80% of the Voting Power in the JV	The Company owns 75% of the Voting Power in the JV	The Company owns 74% of the Voting Power in the JV	The Company owns 74% of the Voting Power in the JV	The Company owns 60% of the Voting Power in the JV	The Company owns 50% of the Voting Power in this Associate Company	The Company owns 50% of the Voting power of the Company	The Company owns 49% of the Voting power of the Company	The Company owns 50 % of the Voting Power of this Associate Company
5	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Net worth Attributable to shareholding as per latest audited Balance Sheet	0.83	0.27	0.67	0.28	0.00	(0.06)	36.29	(11.02)	(0.15)
7	Profit/Loss for the year	0.37	0.14	0.14	0.38	0.00	0.00	9.86	(18.02)	0.04
	(i) Considered in Consolidation	0.30	0.10	0.11	0.28	0.00	0.00	4.93	(8.83)	0.02
	(ii) Not Considered in Consolidation	0.07	0.03	0.04	0.10	0.00	0.00	4.93	(9.19)	0.02

None of associates have been liquidated or sold during the year.

Note: Conversion Rate taken at NGN = ₹ 0.19 as on 31st March, 2021

Note: Conversion Rate taken at SAR = ₹ 19.94 as on 31st March, 2021

For and on behalf of the Board of Directors of

Sd/-
S. Kishore Babu
Chairman & Managing Director
DIN: 00971313

Place: Hyderabad
Date: 07th August, 2021

ANNEXURE-3

FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

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

Sl No.	Particulars	Nature of contract/ Arrangements/ Transactions	Duration of the contracts/ arrangements/transaction	Amount paid during the year FY 20-21 (In ₹ Cr)
1	S. Kishore Babu	Lease Rents paid	on going	0.20
2	S. Lakshmi	Lease Rents paid	on going	0.07
3	S. Kishore Babu (HUF)	Lease Rents paid	01.11.2018 to 31.10.2021	0.08
4	S.Vignata	Lease Rents paid	on going	0.12
5	Power Mech Infra Limited	Lease Rents paid	01.01.2016 to 31.12.2020	1.74
6	S. Kishore Babu	Remuneration Paid	on going	-
7	S.Rohit	Remuneration Paid	on going	0.30
8	Hydro Magus Private Limited	Sub-Contract Expenses & Hire charges Paid	on going	1.82
9	Power Mech Industri Private Limited	Sub-Contract Expenses & Hire charges Paid	on going	0.39
10	Power Mech Industri Private Limited	Stores Material Purchased from	on going	0.24
11	Hydro Magus Private Limited	Stores Material Purchased from	on going	1.00
12	Hydro Magus Private Limited	Assets purchased from	on going	0.13
13	MAS Power Mech Arabia	Assets purchased from	on going	0.24
14	MAS Power Mech Arabia	Contract receipts from sale of services	on going	0.25
15	Power Mech BSCPL Consortium Private Limited	Contract receipts from sale of services	on going	0.15
16	M/s. Power Mech - M/s. ACPL JV	Contract receipts from sale of services	on going	59.07
17	Power Mech-STS-JV	Contract receipts from sale of services	on going	46.32
18	Power Mech-Khilari Consortium JV	Contract receipts from sale of services	on going	22.91
19	PMPLSRC INFRA JV - (Mizoram)	Contract receipts from sale of services	on going	55.63

ANNEXURE-3 (Contd.)

Sl No.	Particulars	Nature of contract/ Arrangements/ Transactions	Duration of the contracts/ arrangements/transaction	Amount paid during the year FY 20-21 (In ₹ Cr)
20	PMPL SRC INFRA JV (Hassan NH -75)	Contract receipts from sale of services	on going	7.31
21	Power Mech Projects (BR) FZE	Contract receipts from sale of services	on going	26.27
22	Power Mech Projects Limited LLC	Dividend received	on going	3.47
23	Power Mech projects (BR) FZE	Dividend received	on going	7.28
24	Power Mech foundation	Donations paid	on going	2.03

1. **The details of the other related party transactions and those entered in earlier years are disclosed in Note no 41 of the Financial Statements**

2. **Related Party Disclosure as per Schedule V of SEBI (LODR) Regulations, 2015**

1	**Loans and advances in the nature of loans to subsidiaries by name and amount**			
S. No	**Name of the Subsidiary**	**Loans / Advances/ Investments**	**Amounts at the year ended 20 -21**	**Maximum amount of Loans / Advances/ Investments Outstanding During the year 20-21**
i	Hydro Magus Private Limited	Loan	-	-
ii	Power Mech Industri Private Limited	Loan	22.65	44.50
iii	MAS Power Mech Arabia	Loan	-	-
iv	Power Mech Projects Limited LLC	Loan	-	-
v	Power Mech SSA Structures Private Limited	Loan	2.21	2.21
vi	GTA Power Mech FZE	Loan	0.55	0.55
vii	Hydro Magus Private Limited	Investment	2.94	2.94
viii	Power Mech Industri Private Limited	Investment	4.31	4.31
ix	Power Mech Projects Limited LLC	Investment	3.02	3.02
x	Power Mech BSCPL Consortium Private Limited	Investment	0.01	0.01
xi	Power Mech SSA Structures Private Limited	Investment	0.10	0.10
xii	Aashm Avenues Private Limited	Investment	0.10	0.10
xiii	Power Mech Environmental Protection Private Limited	Investment	0.01	0.01
xiv	Power Mech Projects (BR) FZE	Investment	0.69	0.69
2	**Loans and advances in the nature of loans to Associates by name and amount**			
S. No	**Name of the Subsidiary**	**Loans / Advances/ Investments**	**Amounts at the year ended 20 -21**	**Maximum amount of Loans / Advances/ Investments Outstanding During the year 20-21**
i	GTA Power Mech Nigeria Limited	Investment	0.32	0.32
ii	GTA Power Mech DMCC	Investment	0.09	0.09
iii	MAS Power Mech Arabia	Investment	2.25	2.25

3	**Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount**

ANNEXURE-3 (Contd.)

S. No	Name of the Subsidiary	Loans / Advances/ Investments	Amounts at the year ended 20 -21	Maximum amount of Loans / Advances/ Investments Outstanding During the year 20-21
	NIL	-	-	-
4	Investments by the loanee in the shares of parent company and subsidiary company, when the Company has made a loan or advance in the nature of loan			
S. No	Name of the Subsidiary	Loans / Advances/ Investments	Amounts at the year ended 20 -21	Maximum amount of Loans / Advances/ Investments Outstanding During the year 20-21
	NIL	-	-	-

For and on behalf of the Board of Directors of

Sd/-
S. Kishore Babu
Chairman & Managing Director
DIN: 00971313

Place: Hyderabad
Date: 07th August, 2021

ANNEXURE-4

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

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

To
The Members
Power Mech Projects Limited
Hyderabad

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Power Mech Projects Limited** (hereinafter referred to as "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/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 the Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended **31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company according to the provisions of:

(i) The Companies Act, 2013 ("the Act") (applicable sections as on date) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed by the Securities and Exchange Board of India ('SEBI') thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investments

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(vi) The provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-

   a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   b. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

   e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(vii) The industry specific laws that are applicable to the Company are as follows:

   a. The Contract Labour (Regulation and Abolition) Act, 1970;

   b. Building and Other Construction Workers (Regulation of Employment and condition of service) Act, 1996;

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

i) Secretarial Standards SS-1 and SS-2 with respect to meetings of the Board of Directors and General meetings, respectively, issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

ANNEXURE-4 (Contd.)

We report that, during the period under review, the Company has duly complied with the provisions of the Companies Act, 2013, Regulations of SEBI and other acts applicable to the industry of the Company, as specified above except the following:

Sr. No.	Details of violation	Observation/ Corrective Measure Action
1	*The Company could not appoint Independent Women Director as required under the provisions of Regulation 17(1) of SEBI(LODR) Regulations, 2015 with effect from 1st April 2020 to till 27th June, 2020.*	*Ms. Lasya Yerramneni was appointed as Independent Director w.e.f. 27th June, 2020. The Company informed that the delay was due to the nationwide lock-down from 23rd March, 2021* *NSE and BSE imposed penalty of ₹ 5.3 Lakhs and ₹ 5.13 Lakhs respectively.* *Upon the reasons/ explanation provided for the said non-compliance by the Company the BSE has not raised any demand for the payment of said penalty. As the NSE has not accepted the explanation/ reasons the penalty has been paid.*
2	*One of the Person Acting in Concert (PAC) of Promoter Group has failed to submit disclosure under regulation 7(2) of SEBI(Prohibition of Insider trading) Regulations, 2015*	*Respective PAC has deposited the gain with IEPF account of SEBI based on the directions of the Compliance Officer.*

We further report that the Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The following changes took place in the composition of the Board during the financial year under review and till the date of this Report:

Sr. No.	Name of the Director	Appointment/Cessation/ Reappointment	Our Comments
1	Ms. Lasya Yerramneni	Appointment	Appointed as Independent Director in the AGM held on 20th October 2020 for a period of 1 year w.e.f. 27th June 2020

Based on our verifications and the declarations received from the respective directors, we further report that, none of the directors are disqualified to act as such under the provisions of the Companies Act, Orders/ Circulars/ Regulations issued by SEBI or such other acts for the time being enforceable.

Adequate notice was given to all the 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. As a general practice of the Board, decisions were taken on unanimous consent.

We further report that no prosecution was initiated against and no fine or penalty were imposed on the Company for the year under review under the Companies Act, FEMA, the SEBI Act, the SCRA or other SEBI Regulations on the Company or its directors and officers during the period under review except as stated-above.

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

For **P.S. Rao & Associates**
Company Secretaries

Sd/-
D.S. Rao
Partner
ACS No.: 12394
C.P. No.: 14487
UDIN: A012394C000753222

Place: Hyderabad
Date: 07th August, 2021

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

'Annexure A'

To,
The Members,
Power Mech Projects Limited
Hyderabad

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed such audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. Compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Owing to the lockdown imposed by the Government of India in wake of the Covid-19 pandemic, for certain verifications and cross checks, we have relied on the information/ documents and assurances received from the respective officials of the Company for forming our opinion and for eventual reporting thereof.

For **P.S. Rao & Associates**
Company Secretaries

Sd/-
D.S. Rao
Partner
ACS No.: 12394
C.P. No.: 14487
UDIN: A012394C000753222

Place: Hyderabad
Date: 07th August, 2021

ANNEXURE-5

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE:

The Securities and Exchange Board of India vide notification dated 06th May, 2021 made it mandatory for top 1000 listed entities (based on market capitalisation of every financial year) to formulate a Dividend Distribution Policy.

Power Mech Projects Limited ("the Company") being one of the top 1000 listed entities as per the criteria mentioned above, in order to comply with the applicable regulation, the Company has approved and adopted this dividend distribution policy at the meeting of its Board held on 17th June, 2021.

OBJECTIVE:

Dividend is the payment made by a Company to its Shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business or used for acquisitions, expansion, modernisation or diversification, or it can be distributed to the Shareholders. The Company may choose to retain a part of its profits and distribute the balance among its Shareholders as dividend. This Policy aims to reconcile between all these needs.

The objective of this policy is to ensure a regular dividend income for the Shareholders and long term capital appreciation for all Stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes.

DEFINITIONS:

The terms referred in the policy will have the same meaning as defined under the Companies Act, 2013 and the Rules made there under and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

APPLICABILITY:

The policy set out herein is related to Equity Shares only. The Board of Directors reserves the right to modify the policy in accordance with the applicable provisions of the Companies Act, 2013 and the rules made there under as and when it deems necessary or as and when it is statutorily required.

PARAMETERS TO BE CONSIDERED BEFORE DECLARING DIVIDEND:

The dividend payout decision of the Board depends upon the following financial parameters and internal and external factors.

1. FINANCIAL PARAMETERS AND INTERNAL FACTORS:

The Financial Parameters and internal factors which would be considered while declaration of dividend by the Board are as follows:

a) Operating cash flow of the Company

b) Profit earned during the year

c) Profit available for distribution

d) Earnings per share (EPS)

e) Working capital requirements

f) Capital expenditure requirements

g) Business expansion and growth

h) Additional investments in subsidiaries and associates of the Company

i) Cost of Borrowing.

2. EXTERNAL FACTORS:

Certain External Factors which could compel the Board to reflect on the dividend payout for any financial year are:

a) Economic Environment

b) Dividend payout ratios across industries

c) Statutory provisions and guidelines

d) Capital markets

e) Inflation rate

f) Industry outlook for future years

ANNEXURE-5 (Contd.)

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY/MAY NOT EXPECT DIVIDEND:

The Shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board:

i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.

ii. In the event of higher working capital requirement for business operations or otherwise.

iii. When Company's liquidity is jeopardised for any reason, impairing its ability to pay the dividend.

iv. In the event of loss or inadequacy of profits.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

The Company will take a decision on the dividend distribution keeping all external and internal factors in view and duly adopting a judicious balance between directly rewarding the Shareholders through dividend declaration on the one hand and increasing Shareholder's wealth in future through appropriate retention of projects and its realisation for sustainable growth, on the other.

HOW THE RETAINED EARNINGS WILL BE UITLISED:

The Company shall endeavour to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its Shareholders.

The retained earnings of the Company may be used in any of the following ways:

1. Capital expenditure for working capital
2. Investment in new business (es) and/or additional investment in existing business (es)
3. Declaration of dividend
4. Capitalisation
5. Buy back of Shares
6. Such other criteria as the Board may deem fit from time to time. Or
7. Any other usage as permitted under applicable laws/regulations.

CONFLICT IN POLICY:

In the event of conflict between this policy and the statutory provisions, the statutory provisions shall prevail.

DISCLOSURES:

The Company shall make appropriate disclosures as required under the Listing Regulations and the Companies Act, 2013.

This policy would be hosted on the website of the Company, www.powermechprojects.com and the link for the same would also be provided in the Annual Report.

AMENDMENTS TO THE POLICY:

Any change(s) in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

In case of any amendment(s), clarification(s), circular(s) etc., issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc., shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

DISCLAIMER:

This policy shall not be construed as a solicitation for investments in the Company's securities and shall neither act as an assurance of guaranteed returns (in any form), on investments in the Company's securities.

ANNEXURE-6

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economic & Industry Overview

The year under analysis had been a fateful year for everyone as Covid-19 caused massive damage to the economy across the world and also across India in the last 18 months, and obviously the economy of the country took a major hit in FY 20-21. As seen and having traversed the various developments in the last one to two years, and this was in continuation to the economic problems as a result of slower growth with Gross Domestic Product (GDP) coming down. The growth rates has been on a downward trend in the preceding years, with GDP rates coming down from FY 17-18 to FY 19-20 from 7.04% for FY 17-18, 6.12% for FY 18-19, and the year ended of FY 19-20 at 4.12%. But in the year of Covid-19 impact, India for the first time witnessed negative growth to the extent of -7.3%. With the economy contracting, there was disruption of all economic activities during the lockdown period. It is a fact that the Indian economy, for the first time, witnessed recession with the GDP turning negative. Various measures to control the Covid-19 pandemic, including lockdowns and movement of men and material, had seriously impacted the supply chain on the economy and drastically reducing production and employment.

Despite the devastating Covid-19 pandemic, the V-shaped recovery of the economic performance of India in FY 20-21 is a silver lining in one of the worst economic conditions faced in recent memory. Covid-19 definitely impacted the Indian economy. The economy was also affected apart from the slower growth of the preceding years with declining exports, rising trends in inflation, and downturn in the manufacturing activities, with the index of industrial production (IIP) declining to -57.3% in April 20, as a result of the nationwide lockdown and the country's GDP nosediving to negativity of -24% in the first quarter.

It is to the credit of the Government of India, which responded promptly to the crisis and extended a special economic package of ₹ 20 Lakhs Cr, which is almost 10% of India's GDP, under the Aatmanirbhar Bharat Abhiyaan. This bold step was essential to combat the menace of the pandemic-inflicted economic damage. With the aim of normalising economic conditions, the Government made huge investments in the infrastructure sector, and also carried out many other reforms related to Agriculture, MSMEs, Labour, Power and Industry. It is important to note that the agricultural sector has remained a bright spot. But on the other hand the huge increases in the commodity prices related to steel, cement and other inputs is expected to add to the cost of inputs.

Despite the global pandemic continuing for the last 18 months in the year 20-21, and also in 2022, the country attracted highest FDI inflows of ~US$ 81.72 Bn. In the case of ease of doing business, India stood at the 63rd position in the World Bank's report on 'Ease of Doing Business' that captured the performance of 190 countries. The major factors related to India's FDI boom are related to the GDP of the country, gross capital formation, capital infrastructure, external debt, export and import volume. There had been increases in inflation, including food and energy prices and on an annual basis were higher at 5.1% than the previous year's medium-term target of Reserve Bank of India. Also, Rupee appreciated in the year under consideration with an average exchange rate of ₹ 73.59 and at the end of the year it was ₹ 72.44. This could be a cause for worry and also an opportunity. During the fiscal year under review, the major investments continued to be from the Government, and it continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building, railways, road sector and urban improvement schemes and more importantly in rural sector related to electricity water and connectivity.

Covid-19 Impact

As far as the Covid-19 impact is concerned, it was the most serious pandemic in the last 100 years in sheer magnitude of health emergencies faced throughout the country, and huge loss of life across the world. Economically also it had left its devastating impact on the entire world economy, including that of India, since the Great Depression of 1929, and everybody is a witness to the hardships of the common man, the economy in general, the massive pressure brought on the health sector. The initial lockdown of 68 days spanning in the first quarter of 20-21, and the continued major restrictions even after the lifting of the lockdown beyond May 20, seriously affected the economy and the normal life of the people and also widely impaired economic activities, including industrial output. Though the first wave was quite effectively tackled, the second Covid-19 wave, which occurred in the first and second quarter of the current year took a heavy toll on human life and all the arms of Government, and the society were truly stretched owing to the massive health hazard posed and also thousands of deaths across the country. But the spirit of resilience of the people, society, including the health institutions supported by the Government at all the levels, did their best to mitigate the sufferings of the common man. The massive vaccination drive since March 2021 is underway with the aim of achieving 100% vaccination of all adult population by end of the year. That should be the silver lining in an otherwise one of the worst health epidemics known to modern times. The pandemic eradication needs massive financial support, medical infra improvements, and providing succour to common man.

The economic costs have been quite heavy with the GDP growth coming down by -24% in the first quarter of 20-21, and -7.3% in the second quarter and with later recoveries happening in the third and fourth quarters, it is now clearly estimated that the GDP of the country shrunk by -7.3% for the entire year. Looking forward, it is the continued effort on economic revival, fighting the pandemic at all levels, and full normalisation of all economic activities, including industrial production to bring back the economy to normal levels and also revive the growth path. Based on the economic recovery taking place in the first and second quarters of 22, it is now estimated that the GDP growth in the current year would be between 9.5% and 12%.

Key Government Initiatives, Reforms and Recovery

To overcome the slowdown started in the first quarter of 2020, which seriously affected the economy, various reforms were initiated by the Government related to reduction in corporate tax rates, partial credit guarantee to public sector banks.

But the market behaviour was bullish after the initial meltdown which happened in the first and second quarters, and the country ranked 8th amongst the top stock markets in the world with a market capitalisation of $ 2.5 Trn.

The Government initiated major structural reforms related to labour, agriculture, and the related benefits to the MSME segment as a result of labour reforms. Also, the Government push lowering the limits of bank guarantees for public sector and Government tenders and the waiver of EMD were a great boon for companies and entities across various sectors to pursue business growth and also new investments.

There was also relaxation of Foreign Direct Investment (FDI) norms for various sectors such as defence, coal mining, contract manufacturing and single brand retail trading.

However, the second surge of Covid-19 pandemic can impact the revival of the economy, and the fear of the third wave also needs to be factored in for any firm growth initiatives in the current year. The impending third wave needs to be watched with all the care of mitigating the same to avoid the recurrences of the health emergencies faced during the second wave.

The continued improvement in the GST collections bodes well for the economy with increased economic activity and the ability of the Government to provide more support to the health and other sectors as a part of the revival process.

Industrial investment in private sector has come down drastically, however, public spending by Government has remained very strong in the segments of infrastructure, driven by Government's initiative to improve investment across multiple infrastructure sectors. The Government also continued to act and move forward on the National Infra Pipeline (NIP) worth ₹ 111 Lakhs Cr from year 2019 to 2025, with specific focus on energy, railways, urban infrastructure, roads, and irrigation projects to boost economy and with the goal of achieving a US$ 5 Trn GDP. As part of the NIP investments, the ₹ 100 Lakhs Cr Gatishaki programme will provide the framework for timely implementation of the National Infrastructure Pipeline (NIP) initiative with emphasis on minimal cost overruns, and this programme will also focus on employment opportunities and productivity of industries. This was a new initiative announced by India's Prime Minister on the Independence Day.

There was accelerated Government spending with the total public tenders estimated at ₹ 7.8 Lakhs Cr in the year 20-21, which was higher by 50%, and the total contracts awarded was about ₹ 3.5 Lakhs Cr The Government continued its drive on investments in the road sector, with the national infrastructure pipeline expanding to 7,400 projects.

The Aatmanirbhar Bharat initiative continues to drive positive sentiment for the economic uplift. It is a matter of interest to support the Government on the new initiative of 'Aatmanirbharta' drive for maximising the manufacture and services sector based on self-reliance and also drive the export market for the country. The Company would like to be part of this initiative to contribute to the country's growth story based on 'Aatmanirbharta', and would like to play its role in this Government initiative. The Company is significantly catering to the export market in its area of operations and competing with the leading agencies in the Middle East and other areas penetrating the export market.

Power Mech's Business Overview

The diversification of various service segments of the business, including export initiatives in the last seven years, has been the hallmark of the Company's effort to move away from the earlier core business interests in power sector, and these efforts are being continued to be pushed with greater vigour, and the aim of the Company is to be less dependent on the traditional business related to coal-fired power business. The Company has seen the fruits of these efforts to move away into various other sectors of business and the era of stagnation and low growth is a thing of the past, and the Company's efforts have obviously led to major new business initiatives, including the stabilisation of earlier diversifications done in the last few years.

The total installed base in the power sector stands at 3,82,151MW with fossil-based plants capacity of 2,34,700MW, including coal, lignite and gas-based plants. But a major and significant development has been leap-frogging of the investments in the renewable sector with the capacity reaching 94,433 MW. With the modest increase in capacity addition of the coal-based plants, the Company continues to play its role and market leadership. This had enabled the Company to accumulate 67 units of boiler installation and 104 units of turbo generator units and the total contribution for the installed capacity stands at 66,640 MW at the end of the year 20-21. The Company continues to be a market leader in the installation business of super-critical units with total installed base contribution of 18,840 MW out of the total installed base of 61,330 MW in these high-performance thermal units. With the new energy policy of undertaking up to 175 GW of renewable by 2022-23, the investment in the coal-based thermal units has drastically come down.

The concerted efforts, which have been made in the last seven years, is now clearly bearing fruits leading to the consolidation of new initiatives in the non-power sector, which in the current reckoning had almost reached 31% of the Company's business. It should also be noted that even in the power sector O&M of power plants, which was only contributing about ₹ 42 Cr of business about 10 years back, has now reached ₹ 661 Cr It has further potential of doubling in the next three to four years of yearly revenue, taking into account the various initiatives both in the O&M sector of the power sector business, including the export initiatives in the last five years, coupled with the major foray into the non-power sectors related to cross-country pipelines, steel plant works, electrical works, railway electrification, railway infra works, roads, drinking water schemes etc. It is obvious, but for these actions, the Company's revenue which was in the range of ₹ 1,300 Cr to ₹ 1,600 Cr with mostly orders from the ETC business, would have dipped owing to huge reduction taking place in the investments of coal based power plants from the peak of 20,000 MW to about 5,000 MW in the last five to six years. This really translates to the fact that nearly 80% to 90% of the Company's conventional business model established over the first 12 to 15 years, has undergone transformation in maintaining growth and profitability in the last five years. It is a matter of satisfaction that today the Company is the leading player in providing single-point construction solution on a range of services for diversified and complex project needs across geographical spread in India and abroad with diversified customer base and also enter in a major way into the non-power sector business portfolios.

The approach was constantly to enhance value addition, better deliverables to the customer, and optimal utilisation of the resources based in terms of construction equipment and manpower redeployment, and keeping the growth track on top and bottom lines. In fact, this also needed innovative approach to seek valuable partners with expertise, in terms getting the references to the Company and also in the case of composite EPC contracts to seek the partnership with the renowned engineering companies. This is actually to synergise the strengths of the Company with the partnership company in terms of engineering, manufacturing, supply, installation and commissioning. This model has been followed either through the joint venture route or the consortium route to cement a strong and workable delivery model for total project execution and together providing collective and joint project solutions. This business model is getting successfully implemented across spectrum of services adding growth to the Company.

It is also observed that there had been winds of change in the investment climate across various sectors of the economy, with emphasis on renewable sector of electricity generation as part of the Paris accord 2015. This change in the energy mix is taking the logical course in altering the energy mix for electricity generation giving prime importance to renewable generation, and this has led to the fact that this sector has reached a critical mass of nearly 100 GW out of the installed base of 386 GW at present. At the same time, massive investments are taking place in sectors such as gas transmission and distribution, electricity transmission and distribution, rural electrification, updating the railway infrastructure leading to doubling gauge conversion, railway electrification, building back-up maintenance facilities for the railway networks, investments taking place on a massive scale in the road sector, and planned expansions happening particularly in the private sector for steel, mining and coal segments. The latest in the long list of new Government-funded projects are related to drinking water schemes for the rural sector, broadband connectivity to rural villages. The integrated approach of development across diversified sectors of economy linking the remotest of villages with the mainstream economics had been the hallmark of the new development model being implemented. This model had thrown up huge opportunities for companies like us.

The above developments are being channelised through huge investments in the form of national infrastructure pipeline up to 2025 with investments of ₹ 111 Lakhs Cr the Company is closely following these investments and seeking opportunities which have been expanded.

We have seen the great economic havoc Covid-19 had inflicted on the economy but on certain aspects related to the massive Government funding of new projects and the various mitigation measures, which have been undertaken in the last 12 months has created the right business environment in many new areas of investments opening up huge opportunities. It is a matter of satisfaction that the Company had kept its focus on these new developments and followed the right policies in market expansion. In spite of one of the worst economic downturns in known economic history, the Company has grabbed the opportunities and has done exceptionally well to lay a very strong framework for diversified business and sustainable growth path for the next couple of years.

The power sector in India is getting more diversified, apart from conventional sources of power generation like coal, natural gas, oil, hydro and nuclear power to renewable sources such as wind, solar, agricultural and domestic waste. The current energy buzz for electricity generation revolves around renewables. India is the third largest producer of electricity globally and possesses the third largest electricity production capacity in the world. Total installed capacity of power stations in India is now pegged at 386 GW as of July 2021, with third largest installed capacity in the world. The present share of renewables is 26% of installed base and it is expected to go up to 50% by 2030 with 817 GW (As per the latest study on optimal generation mix by CEA).

The increased ratio of renewables in the electricity system as the years pass by, can pose serious challenges of grid stability with the present installed base of 26% going up to nearly 50%, and can be an operational challenge particularly the operation and maintenance of the coal-based power plants, which basically work as base load stations. This will have a bearing on the plant load factors regarding the capacity utilisation of the coal-based units to work as base load stations. From the peak of 77.5% in 2009-10 to a low of 53.37% in the year 20-21 has shown that capacity utilisation of coal-based units are coming down and more recently this was on account of the increased scope for renewable power generation.

These downward trends in PLF would obviously lead to major changes in the O&M philosophy of thermal power plants with much lower operating loads and resort to multi-start and shutdown conditions. The downward trend in the PLF is due to slower economic growth also and the ongoing Covid -19 pandemic has further led to lower PLF across the country. This trend in the generation mix, and change in the operation and maintenance philosophy of thermal plants, requires element of retrofitting in control systems and the costs related to operation and maintenance can also increase, thus, offering more business opportunities in terms of O&M business.

The emphasis on emission reduction has been propelling the investments in new technologies for emission control of Flue Gas Desulphurization (FGD) and Selective Catalytic Reduction (SCR) for coal-based plants of 166 GW as of now (*Source CEA*). The electricity demand in India has been rapidly rising and the growth has been catalysed by Government schemes such as Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) an Integrated Power Development Scheme (IPDS), along with the implementation of 'Saubhagya Scheme', aimed at providing electricity for all households. The ever-increasing population and per capita usage are projected to drive the growth of power consumption to 2,325 Bn units in 2030 from the present generation in FY 20-21 of 1,252 Bn units. These schemes will have a cascading and positive impact on the growth of the transmission and distribution business. (*Source CEA*).

One of the developments in the export markets is due to the Covid-19 impact, and the GDP of MENA regions shrunk by 4.5%, and it may take some time for the recovery process to take shape.

In the short term, the Company is focusing on the O&M side of business in the export sector particularly in the Middle East and the aim is to scale up the business to ₹ 300 Cr during next 3 years.

The Company having integrated with major diversification into export sector, the developments and investments taking place in the international market is of great interest, as export business has become a steady business opportunity in the last seven years with focus on the Middle East, West Africa and Bangladesh. The Company has been quite successful in penetrating the export market in a big way with large captive and power projects under implementation in Bangladesh and Nigeria. It is a matter of satisfaction that in a short span after making major thrust into the export market in the Middle East and Bangladesh, the Company has made a very strong presence in these markets, and particularly in the MENA region mostly related to gas-based power plants and also oil-fired units and completed nearly 6,792 MW of installation related to mostly combined cycle power plants. Having established a strong presence, efforts would continue to look for new opportunities to bank on the experience gained so far in this region.

The MENA region had ambitious plans to reach power generation capacity of 499 GW by 2035, but the onset of Covid-19 and its impact for the last 18 months have impacted new investments. A slow recovery in the region is expected in the current year, and it is expected that the construction sector could recover with a growth of 4.1% in the year 2022.

The Company has already established its presence in Western Africa, and the construction market is expected to grow, and there is going to be impact of rise in commodity prices affecting the pricing issues and weakening of the local currencies against the US Dollar can act as a bottleneck for the overall growth in the construction sector.

Bangladesh also is focusing its development agenda with major investments in the power sector. The present capacity of about 21,000 MW and its augmentation plans for the decade up to 2030 is to increase the capacity to 31,000 MW with long-term plan of 57,000 MW by 2041 with 17% share of the renewables and the rest of the power capacity will be the mix of coal, oil & gas, hydro and nuclear (*Source BPDB Report*).

As far as India is concerned, the installed generation capacity is estimated to reach 476 GW by 2025 vis a vis 383 GW as of March 2021. There can be some slowdown in achieving these targets owing to nearly two years of Covid-19 impact. Of the total installed capacity, 51% will be based on coal, 38% on renewables, 9% on hydro, and 2% on nuclear. The per capita electricity consumption is projected to increase from 1,208 kwh in FY 20-21 to 1,616 kwh in FY 2024-25.

The NIP, which is being implemented for the last two years, has now been expanded in its scope to cover more projects from 6,835 projects to 7,400 projects. The Government initiatives in this composite infra-investment initiative can transform many facets of public needs related to roads, connectivity, energy, urban development, rural connectivity and rural drinking water schemes, modernisation of the railways with modernisation of the stations and also introduction of high-speed travel. Almost every aspect of common utility and need is being addressed for improving the quality of life for the common man.

It is interesting to note that the Company is already deriving the benefits of these infrastructure investments from the Government side, and headway has been made in the jobs related to railways, rural drinking water schemes, rural electrification schemes and others. Notwithstanding the difficulties being faced due to the Covid-19 conditions, it is heartening to note that investment climate has improved a lot in the recent years with all-round development and as a result more opportunities are being pursued to achieve the Company's growth objectives.

It is also important to understand as per the NIP document under the Economic Affairs Ministry, the task force for the same which has laid down the road map for investments in the coming years with the total investment planned at ₹ 111 Lakhs Cr up to 2025. Based on this task force recommendations, all workable projects, which can be successfully implemented and investments gainfully made in various segments of economic growth have been identified and this NIP shall be the basis for yearly investments. The major focus of investments are on energy sector related to power and petroleum and gas at ₹ 27 Lakhs Cr, road sector at ₹ 20 Lakhs Cr, railways at ₹ 13.67 Lakhs Cr, AMRUT schemes, smart cities and various urban schemes at ₹ 19.19 Lakhs Cr, ports at ₹ 1.21 Lakhs Cr, irrigation at ₹ 8.93 Lakhs Cr and the rest of the investments at ₹ 10.4 Lakhs Cr (*Source NIP from Ministry of Economic Affairs*). It is important to note that under the present Covid-19 pandemic conditions, how this NIP plan would be implemented needs to be seen.

Also, in the domestic market, the Company's focus in the non-power sector related to railways, steel and industrial projects, coal mining, coal and metal-related processing and material handling, the huge opportunities related to drinking water schemes are going to be new sunrise sectors of growth consolidation and greater penetration of market.

The goal of the Company is to remain focussed on the new initiatives and various diversification measures, which have been taken in the last five to seven years to move away from the over dependence of the power sector business as brought above. However, the role of the power sector cannot be diminished with the lead role being played for the business growth and stability of the Company with major strides made in the O&M side of power plant operation and maintenance jobs.

Impact of Covid-19 on Power Mech Business

Covid-19 had its impact on the operations of the Company across many segments of the business. However, the operations on the O&M side continued with considerable support from the customers who were keen to operate and maintain the plant in spite of Covid-19 conditions in operating the plants at much lower loads. However, on the various construction works across the country, there was greater impact in disrupting the operations mainly due to the nature of labour being of migrant in nature. This impact was quite severe in Q1 with the strength of the labourers coming down from 16,000 to about 8,000. Bringing down the revenue by more than 50%, and this disruption continued in the Q2 with very modest improvement in labour availability and full redeployment of the labourers could only be achieved to some extent at the end of Q3. However, to mitigate the impact on the work front, the Company initiated many measures in undertaking Covid-19 testing at various sites and headquarters, providing Personal Protection Equipment and also enforcing social-distancing norms with lower attendance in offices and work sites. The Company also undertook measures to reduce the hardships of the workers by shouldering the idle payments during the peak of Covid-19 lockdown, and also bearing the transportation costs related to fresh mobilisation of the migrant labourers from Bihar, Jharkhand, UP, West Bengal and other states.

In the case of overseas business, the Company undertook measures to repatriate nearly 3,000 labourers and staff to ensure protection from the pandemic, and the redeployment of such labourers and staff was progressively achieved from Q3 onwards. The normalisation achieved at the end of Q3 and Q4 enabled the Company to achieve the revenue in Q4 of 2021 exceeding the corresponding revenue achieved in 2020.

Even during the pandemic period of 20-21, the Company has done exceptionally well on expanding business opportunities and undertaking more diversification measures. This was mainly due to the huge investments taking place from the Government side, due to the fact that the bid-security waiver was implemented, and also because of reduction in the performance bank guarantees needed for the Government contracts from 10% to 3%.

The Company has rightly aligned its business and business development initiatives to avail the benefits of opportunities with the huge investments taking place as per NIP. There had been considerable success in its approach and efforts in all areas of business and this has also resulted in the increase in the order booking by 138% from ₹ 1,952 Cr to ₹ 4,638 Cr for the year 20-21 and also increase in the backlog of the orders to ₹ 7,333 Cr from ₹ 4,575 Cr an increase of 60% in an otherwise gloomy year. From this, it is obvious the fear of recession has receded and a bullish sentiment prevails in pursuing new opportunities in a wide spectrum of business segments related to the Company's operations.

SECTORIAL BUSINESS OUTLOOK AND OPPORTUNITIES

A) OPERATION & MAINTENANCE (O&M)

1) O&M in Power Sector

The O&M sector in the recent times has provided many new areas of business penetration, and has assumed a significant role in the growth of the Company. Over the years, the Company is focusing on segments of the O&M business, and the business in the entire O&M sector has taken many ways of expanding not only related to the established presence in the power sector particularly related to coal-based units, but also in areas of shutdown and maintenance jobs, long-term operation maintenance contracts, capital overhauls on annual basis, rehab works, reverse engineered spare parts and servicing of spare parts. Also, efforts have been made to enhance the capabilities of the long-term contracts for operation and maintenance in taking full control of operation of the plant, including the central control room, and this to be considered as a quantum jump in the operation capabilities. The low capital investment and also the substantial human resources developed, along with the best of O&M practices in the last five to six years, have now positioned the Company as a leading service provider, and the growth in this sector is also fuelled by further diversification into non-power sector in the areas of metals and minerals.

This segment of the business has substantially contributed to the topline and higher returns with very low capital investment. This segment also has substantially undergone consolidation. Both the sub-segments are rewarding and have become the backbone of the Company's growth plan for top and also bottomline, and have been the bedrock of the Company's operations in the last three to four years.

The Company is undertaking O&M jobs for 65,275 MW (Utility and Captive), while operating about 40 such plants across the country in the utility and captive sectors, process and industrial plants. These O&M contracts are being executed both for the main plants and balance of plants areas based on the customer requirements. It is also important to note that the Company is providing services in about 3,300 MW installed base related to captive power plants catering to the metal sector. The present installed base of utility segment is about 2,34,000 MW in coal & gas-based plants in the domestic sector out of total installed base of 3,83,000 MW. The IPP sector continues to play a major role in the business opportunities for long-term contracts as this sector has taken the lead in outsourcing the long-term O&M contracts in a big way. The Company has established its strong presence with >50% market share of 90,000 MW installed base in IPP sector in thermal power plants.

The Company has also taken strides in undertaking long-term O&M contracts in the captive segment also, which can offer great opportunities and has an installed base of >65,000 MW. Following the footsteps of the IPP sector in the outsourcing of the long-term O&M contracts, the utility sector owned by the state and the central Governments have now taken the lead, and with an obvious eye on bringing down the plant operation costs. This initiative in the Government sector of the plants is a positive development. In the last two to three years, many such PSUs and state utilities have taken the lead, and this interest in the Government sector opens new opportunities in further expanding the long-term O&M business.

For the first time, the Company has been successful in taking up the complete comprehensive O&M contract for five years with Singreni Collieries Limited for operating the newly commissioned 2x600 MW plant in Telangana. This entry in undertaking both the control room operation and field operation provides a quantum jump in the O&M capacity and capability building for the Company's business.

The experience of entering the long-term O&M contracts with the state sector has been quite encouraging with award of contracts by NTPC, KPCL, SCCL, NMDC and others. This breakthrough has enabled the Company to foray into the state sector. In the case of NTPC, they have taken a major decision to outsource the long-term O&M contracts for the newly installed plants and the potential of the same is in the range of 4,000-5,000 MW based on the capacity addition planned by the NTPC. NTPC has come out with the new O&M outsourcing philosophy of sub-packaging the plant operations outsourcing in to four to five contracts mainly to cater the new units getting commissioned and this is part of the strategy not to increase the huge manpower induction needed to maintain these newly commissioned plants. This has resulted in undertaking AMC jobs of some packages at Solapur (2x660 MW), Gadarwara (2x800 MW), Lara (2x660 MW), Khargone (2x660 MW), Meja (2x660 MW) with about 6,880 MW generating plants of the NTPC.

With the opening of the O&M operations for outsourcing in the Public sector, the success achieved at 2x800 MW KPCL Project of Kudgi, having a foothold in the four major NTPC power plants of about 6,880 MW and the latest entry of the long-term contract with Singreni Collieries Limited of 2x600 MW. The Company has taken measures in working in 8,080 MW of Public sector thermal plants, and recent entry into Public sector plants should open up the opportunities for about 74,000 for the public sector.

The impact of the low PLF due to the gradual increase in the share of renewable energy, and also more capacities having been created, the PLF of thermal power plants is steadily coming down since the last 10 years from the peak of 77.5% to the low of 53% in the last year. Once the renewables and the hydro segment of the generation reaches about 60% of the installed base by 2030, the base load stability of the coal-based power plants will have to undergo major operational changes for day, night operation, and multiple start and stop steps. The expected load of the plant is expected to come down to 25% to 40% of installed base during day time operations, when the energy mix has to be given weightage to the renewable power during day time, and this will obviously impact the performance of the machines leading to higher costs in O&M mainly due to more wear and tear of the equipment. The changed generation mix with renewable playing increased role can also bring in huge changes in the O&M practices of thermal power plants for reconfiguring to day/night operations for load management, frequency control, with shutdowns/starts and more importantly ramping up and ramping down operations to raise or lower the thermal mix of generation on daily basis. Therefore these changes in the generation mix in the coming years with renewable portion going up to more than 50% would need major changes in the coal-based plants O&M structure and procedures which can entail more O&M costs to the owner and leading to more opportunities for the O&M operators.

There is also balance scope of about 35,000 MW in the IPP sector, out of installed base of 90,000 MW, and also further expanding the area of operations in the balance of plant areas. In the case of state utility sector of thermal power plants of about 74,000 MW, efforts are underway for the penetration of long-term O&M contracts.

The focus in the coming years is to further diversify the O&M business into state sector, non-power sector and captive power sector as this segment adds to the strengths of business growth by expanding into balance opportunities in the IPP sector, Hydro segment, Manufacture of spares and also increasing the footprint of O&M business in the export sector.

The advantage of long-term O&M contracts is it opens up opportunities for renewal options at the end of the contract period, thus, consolidating to secure recurring business.

2) O&M in Non-Power Sector

The focus of undertaking O&M jobs has also given importance to non-power sector, and the recent entry to undertake the long-term O&M contract of material handling work in Bhushan Steel at Angul. This has clearly established that there can be more opportunities in the non-power sector. As part of diversification in the ETC and Civil business in the non-power sector, similar efforts have been initiated to expand the O&M profile in this sector. Significant achievements in the recent times are related to long-term O&M works in Jamnagar Refinery. Also, at Lanjigarh Aluminium Refinery plant of Vedanta Group long-term mechanical and electrical maintenance works are being carried out. The Company has undertaken major installation jobs for JSW at Dolvi and Vijayanagar and also presently many material handling contracts and mineral side of process plants construction works are on the anvil. These initiatives in the installation business should also pave the way for undertaking the O&M jobs once the plants come up for commercial operation stage. With the above initiative it is possible that the O&M business can lead to the overall growth related to Refineries, Steel plants, Aluminium plants, Iron ore handling plants and others, and as a part of sub group in O&M. The area of particular interest can be in the metal and process industry, where the opportunities can be both on the power plant side and also process side of the plants. With the O&M jobs being done at Hindalco, Vedanta, Balco, RIL, Bhushan steel. The Company has already made the presence felt both in the metal and non-metal sector. Particularly in the case of Vedanta Limited, which is operating the largest 2,400 MW captive plant in the country, the Company has recently grabbed the order for the second phase of O&M contract up to 2025 in association with Steag. This can enable the infra and organisation created for the earlier contract to be continued during the next five years.

3) Overseas O & M Business

The Company has strongly established its presence in the Middle East, Africa for undertaking the ETC business in the export sector, and in the last two years the Company is also establishing its presence in the O&M space in the Middle East and North Africa. The beginning was made in the previous year in view of the huge installed base of about 300 GW and the initial major opportunities were mainly related manpower supply for some of the shutdown jobs followed by over hauls, repair, capital overhauls, and others and the focus is to expand the country-wise profile in the Middle East as first stage for similar works and then look for major opportunities for long-term contracts. It is important to note that in the year 20-21, the Company has made major breakthroughs in the O&M segment and new orders achieved in the previous year amounted to ₹ 50 Cr and down the line the focus is also to work on long-term contracts of O&M over a period of three to five years. In a significant move, two long-term O&M contracts of two to three years have been secured in the GCC area. Significant growth is expected in the O&M business in the Middle East and in the current year the order booking is expected to go up to ₹ 100 Cr, which includes, capital overhauls, and long-term O&M contracts, which has an installed base of 157 GW in the GCC area alone.

B) INDUSTRIAL CONSTRUCTION

1) Erection, Testing and Commissioning (ETC) Business

3x660 MW Stage-I STPP Boiler, Barh

With more emphasis on the priority for the renewables in the energy mix of power generation, the downward trend in the investments and new capacity additions of coal and fossil-based plants are coming down. With the peak of investments happening with the commissioning of 20,537 MW in 2016, and the launching of the 13th plan from 2017 onwards has seen continuous downward trends in capacity additions of 8,710 MW in 17-18, 6,765 MW in 19-20 and further dropping to only about 4,926 MW in 20-21. The investments have dried up in the IPP sector and only in the state sector there are very subdued additions with NTPC in the lead executing on going works to the extent of 11,800 MW of thermal power. Presently, the Company is carrying on with old orders for its completion at Barh 3x660 MW, Uppur 2x660 MW, Suratgarh 2x660 MW, 5x800 MW of Yadadri and the recently obtained order of 2x660 MW of Buxar. The Company continues to play the lead role as a lead service provider in ETC business of thermal power plants.

The steep fall in this segment had its impact on the new unit installation business of the Company during the last five years. However, the advent into various diversification measures into O&M business, and non-power sector, and infra segment works, helped the Company to tide over the business downturn in the ETC business of coal-based power plants.

The investment plans by NTPC at Lara and Singrauli for installation of 1,600 MW plants each of 800 MW units, and NLC has plans for large capacity lignite-fired units of 2x660 MW units at Neyveli as part of expansion which are yet to be firmed up. NLC is also planning investment in Odisha for a 3x800 MW coal-based plant as part of its expansion plans. Adani Power has new plans for the coal-based plants in Godda, Chindwara, Dahej, Udupi expansion, and Kawai expansion totalling about 7,760 MW consisting of 10 coal-based plants in Gujarat, Madhya Pradesh, Jharkhand, Karnataka and Rajasthan. In the light of all-round emphasis on the capacity additions planned and being done on the renewable sector, one has to wait and watch how all these new plants could really take shape planned by both the state and private sector players.

2) Flue Gas Desulphurization (FGD) and Selective Catalytic Reagent (SCR)

The present trend is the continued emphasis on the retrofitting of emission control packages such as FGD and SCR for speedy implementation, with the CEA identified plants of 1,66,000 MW of capacity across 440 units and taking into account many factors the original plan of implementation of these huge retrofits with a total investment of nearly ₹ 1 Lakhs Cr, is getting delayed and it is now expected the entire programme can be extended up to 2025.

NTPC, as the largest utility, has taken the lead role in the implementation of FGD and NOX retrofits, and in the case of FGD it has already awarded contracts for 54,000 MW and only 4,000 MW contracts are yet to be awarded. With the Government setting deadlines for the FGD implementation, the IPP sector also has now initiated plans for FGD implementation with leading players Adani Power, JP Ventures, Tata Power and many other private players initiating actions for its implementation. The lead EPC players in the fray for these works are BHEL, GE, L&T, MHPS, ISJEC & TPL.

It may kindly be noted that the Company was involved in the first 500 MW FGD retrofit work undertaken at Vindhaychal Project for GE.

Though lot of opportunities are available in view of high competition and also the value of the packages being less, it has been decided that the Company will pursue on a selective basis, and also looking for joint venture approach with the EPC players whether we can take a lead position to bid and take the jobs instead working as a sub-contractor to the EPC players. For the time being, the Company is watching the situation and will take the steps keeping the feasibility of undertaking the FGD jobs.

3) Nuclear Power:

At present, the implementing agency under Atomic Energy Commission and its subsidiaries, the ongoing plants under implementation are the Kudankulam stage 2 and stage 3 plants of total of 4 units of 1,000 MW each. The other projects under implementation are the 4x700 MW at Gorakpur and 2x700 MW at Kaiga. The largest of the investments in the Jaithapur in Maharashtra involving 6x1,600 MW is being actively pursued with French investments, but this project is also mired with the local problems of land acquisition and concerns of the local population who are against establishing the largest nuclear power plant in the country.

The Company remains focused on pursuing the opportunities related to its expertise in the areas of ETC of turbo generator package, piping works and structural works in the turbine building of the nuclear power house. Recently, no headway has been made into this business. Owing to limited opportunities, the Company has not been able to make a major foray, and moreover most of the nuclear power plant construction takes lot of time and we need to find the right EPC partner to work on the limited scope of the Company's strength in conventional expertise in TG and TG building works.

4) Oil and Gas:

As part of NIP forecast and plans, the total investments planned in the oil and gas segment in the next four to five years is planned at around ₹ 1,95,000 Cr in all segments of oil and gas sector and these new investments should bring new opportunities for various industries, including construction business, which is the focus of the Company. Gas pipeline infrastructure in the country stood at 18,788 km in 2021 and 14,200 kms of pipeline works are under implementation. The Government has allowed 100 per cent Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products and refineries among others.

The major investments are in undertaking about 17 gas pipelines and 35 oil pipelines, and also storage facilities for Oil, Gas and LNG stations of about 42 in number to come up across the country. The major expansion of the gas grid involves in establishing the Eastern Gas grid and the North Eastern Gas grid involving about 3,384kms of pipeline works linking the states of UP, Bihar, Jharkhand, Odisha, West Bengal and the North Eastern states. The major portion of the investments are related to oil and gas pipelines of ₹ 1,04,000 Cr and various storage facilities of ₹ 30,000 Cr

New LNG terminals are expected to come up at Dhamra Odisha and Jaigarh Maharashtra each of 5 MMTPA capacity. A total of 96 Gas (Geographical Areas) are now covered by City Gas Distribution (CGD). With the expansion of CGD network, the total GAs to be covered will go up to 180 Gas and the CGD network augmentation is also propelling the capacity increase in cross country pipeline networks for LNG transportation (*Source: Ministry of Petroleum and Natural Gas Government of India*)

India is yet to reach the peak of oil refining capacity in view of the continued demand side pressures even though there is lot of emphasis on renewable energy investments. The installed base of refining capacity is expected to expand from 250 Mn MT to 320 Mn MT by 2030-31 by way of brown field and green field refineries and further expand up to 450 MT by 2040. The construction scope of the business is expected to be in the range of ₹ 30-40 Bn per year. India is the second largest refiner in Asia and 65% refining capacity is with oil PSUs and 35% in private sector with RIL and Essar. It is to be noted that the Company was involved in the J3 stage expansion works of RIL and forayed into the petrochemical business.

At present many brown field refinery expansions are taking place at Vizag, Mumbai and a green field refinery project of 9 MTPA capacity is coming up at Barmer under HPCL.

The Company has been successful in taking up the cross-country pipeline jobs in the last three years involving about 540 kms of cross country pipe laying for four major projects. Work of Ennore Manali of 22.5 kms and of Ramanathapuram-Tuticorin pipeline is also completed, and the other two major works are under execution of Koyali Ahmednagar Pipeline and Mundra Kandla pipeline projects. So far, about 400 kms of physical construction of pipelines has been done by the Company after the advent and diversification into this segment in the last four years. The Mudra- Kandla pipeline is meant for LNG transportation and is being executed for Adani Group and rest of the pipeline projects are from IOCL. Both these projects are expected to be completed in the current year, and the valuable experience gained in all these four projects should enable the Company to tap the huge expansions taking place in the national gas grid investments, and also in the various storage facilities being undertaken to enable energy security for the country.

The total contract value of all these projects is ₹ 347 Cr and this has substantially enhanced the Company's ability in its diversification efforts for the high-end pipeline business and also enables the Company to acquire new skills and workmanship in cross-country pipe laying work.

5) Steel

The Covid-19 pandemic is a temporary setback for the demand of steel, and it is noted that steel prices, which were low prior 2021, have reached unprecedented increases in the last nine months with increase in steel prices by 30% to 40%, and this also reflects the huge demand for the finished steel in the country owing to economic revival taking place. This can also spur more investments in the expansion of steel plant capacities. The GDP growth, which was down by -7.3% in 2021, is expected to pick up fast to reach 9.5% to 12.5% in 2022, and this has already impacted on the huge demand for the steel sector. This is also due to the huge investments taking place across all segments of infra investments as part of NIP plan. The demand for steel increase is mainly dependent in the investments in Urban Infra, Rural development, Road and Highway construction, and Railways.

The successful acquisition of the Essar Steel by Arecelor Mittal and Nippon Steel JV has paved the way for more consolidation of steel business in the private sector and private sector would certainly play a major role with installed base of up to 80%.

India continues to be a dominant player in the world steel market having the second largest installed base and production capacity with an installed capacity of 149 MTPA. The Government of India plans to expand this capacity to 300 Mn MT by the year 2030. The demand side increases and price appreciation should enable more investments into the steel sector in the coming years, and steel consumption is directly linked to the GDP growth. The ongoing expansion schemes with different companies both in private and public sector should take the capacity to nearly 170 MT in the next three years. Also, many of the major players have lined up major investments like Arcelor Mittal to expand the capacity of Hazira, from 7 MT to 18 MT with an investment of ₹ 50,000 Cr, and in the case of JSPL Angul, the capacity expansion is planned to be doubled in the next five years to 12 MT with an investment of ₹ 40,000 Cr Arcelor Mittal is in talks with the Odisha Government to establish a 12 MTPA steel with an investment of ₹ 50,000 Cr JSW has been in the forefront of new investments in expanding their capacity from 18 MTPA to 23 MTPA immediately with expansion of capacity in progress at Vijayanagar and Dolvi plants.

The Company is quite successful in its pursuit of diversification into steel plant construction opportunities as a policy followed in other segments in the last five to six years, and the first success was in entering into the erection works of equipment and structural steel at JSPL Angul for its 3 MTPA expansion, and in this plant, the Company gained experience by undertaking ₹ 30 Cr job. This had enabled the Company to foray into other opportunities coming up. At present, it is executing major works for the expansion of JSW Dolvi and JSW Vijayanagar plant involving about ₹ 400 Cr for about eight structural and piping packages and about 50,000 MT of structural works and these works are under various stages of implementation. The works at Dolvi is under completion as part of JSW 5 MTPA expansion and the other major works taken up at Vijayanagar plant is in progress and is expected to be completed in the next 12 to 15 months.

The Covid-19 impact has affected the expansion plans of JSW at Vijayanagar. In the case of Vijayanagar plant, the further expansion from 13 MTPA to 18 MTPA has been revived now, which was under hold earlier. The focus is to undertake new capacity additions for pellet plants and coke over plants and the Company is pursuing these opportunities vigorously.

The aim is to complete the ongoing jobs both at Dolvi and Vijayanagar so that the Company is well placed for the opportunities that can be thrown up when the present conditions improve and planned investments are back on track for various expansion plans both in the public and private sector investments planned earlier.

C) INFRASTRUCTURE CONSTRUCTION

Now the Company is an established player in undertaking various types of civil works across different sectors. In fact in the case of power sector, the presence is fully established with many projects under implementation, and with the experience gained and further diversifying into other sectors has been successful with the completion of railway project civil works of gauge doubling of Gudiwada to Machilipattinam work spanning about 38 kms, and the experience of undertaking this work spanning many bridges, stations has been a good experience. The other area has been the successful completion of the Medical Technology Zone park in Vizag on a turnkey basis, and this facility is now catering to the vast new needs of facilitating the establishing the manufacturing ecosystem in the country for medical devices. The same can be said on the ongoing works related to the Ramayanpet irrigation canal of 54 kms of main canal and 89 kms of distribution canals, and the completion of this work would enable the Company to play a leading role in many new irrigation projects to be taken up.

The experience gained in the power sector and being further diversified into non-power sector of the civil business has boosted the civil share of the business to 36% of the total revenue in a hugely diversified service profile with various segments encompassing Power, Irrigation, Technology parks, Railways and others. The recent success in the drinking water schemes with three major contracts awarded in UP for Meerut, Bulandshahr and Etah divisions can be big game changer in entering the lucrative market of undertaking the infra works related to drinking water schemes which are priority for the Government to provide 100% drinking water to the rural areas.

A strong presence has been established across various business segments. This experience has been quite useful for industrial civil construction both in the power and non-power sectors and this has also enabled the Company in the qualification requirements needed for non-power projects and in some of the infra projects.

The recent success in undertaking the EPC work related to Kurmitar iron ore handling in consortium with ThyssenKrupp is a major breakthrough for integrating the civil construction works with engineering and the Company is now establishing the necessary engineering capabilities to undertake civil works with engineering as part of the scope, and this value-added engineering services can bring lot more opportunities in various segments related to material handling packages across power, coal, metals, minerals and others.

This policy will be continued as per the opportunities made available. Similar approach will also be adopted in the case of other non-power sector opportunities related to Refineries, Steel Plants, Fertilizer Plants, Roads, Cross Country pipeline works, Material handling contracts and others.

The segment-wise analysis of the business opportunities are as under:

1) Civil works in Power Segment

Having successfully completed many projects from Vizag, Raichur, Suratgarh, Unchahar Kothagudam, Namprup and the Company's credentials to deliver in undertaking power sector civil works is fully established in undertaking the entire spectrum of the civil works related to boiler, turbine area, chimney and many of the balance of plant packages related to coal handling, ash handling and others. It is also important to stress that the Company is one of the few in the country who can provide composite expertise for site construction both on Civil and Mechanical side related to main plant equipment and also balance of plant equipment. The combination of civil works with ETC can also optimise the site operations costs both for competition and also deriving better margins.

Two major initiatives in undertaking such composite works are now under execution at Maitree in Bangladesh of 2x660 MW involving about ₹ 550 Cr of work and these works are in full swing and the works, which were started in the year 20-21 related to the 5x800 MW mega power project coming up at Yadadri in Telangana and the civil portion of the works is now estimated at ₹ 427 Cr In fact both the projects would significantly contribute to the civil portion of work and bring in growth in the coming two years. The ongoing power projects are now limited. The Company is presently executing the main plant civil works of 2x660 MW at Khurja, Bhusawal 2x660 MW, North Chennai 2x660 MW, North Karampura 3x660 MW, Managuru 500 MW and there are other opportunities in the area of balance of plant works on CHP and other areas. The Company is keeping the option open for undertaking FGD works, which also has civil area of works.

2) Railway Works

Railway MEMU Shed Woks, Kanpur, U.P

The massive investments taking place in the railways can be a game changer for the transportation sector in the country. Every aspect of the railways related to gauge conversions, electrification, investment in high-speed corridors, station redevelopment programmes and also establishing facilities for various maintenance workshops across different railway zones are offering huge opportunities. And at the right time, the Company has entered this area of diversification. It is expected that these investments exceeding more than ₹ 1 Lakhs Cr per year is fuelling massive opportunities in undertaking civil works.

As stated earlier, the investments in railways is part of ₹ 111 Lakhs Cr NIP plan with the share of railways is around ₹ 13.62 Lakhs Cr The major thrust related to civil works is station redevelopment works involving about 450 stations across the country, gauge conversion, and doubling of railway lines, and also invest in the maintenance facilities related to maintenance workshops, station works, bridge works, maintenance sheds, railway earth works, high-speed corridors for bullet trains. At present, the Company is implementing about six projects for the Railways amounting to ₹ 455 Cr of work for various Railway works at Vijayanwada, Challapalli station works, yard development at Secunderabad, earth works near Kota, maintenance shed at Kanpur.

The future of rail traffic is on high-speed travel with travel speeds varying from 135kmph to 180kms and also introduction of bullet trains. The various corridors of such high-speed railway projects, and also various bullet train projects can offer opportunities to scale up the presence in the railway civil work with the experience gained for the last four years.

The intercity segment is the new area of business opportunity in railway investments apart from the Dedicated Freight Corridors, and such intercity segment developments are coming up in Delhi-Alwar, Delhi-Panipet. Railways has announced the development of high-speed corridors to develop seven more such projects, and studies have been undertaken to work on the feasibility of Semi-High-Speed Corridor with investments of about ₹ 19,000 Cr The early completion of Eastern and Western Freight corridors will lead to development of three freight corridors across East Coast, East-West, and North-South and the expected investments in these projects would be around ₹ 60,000 Cr

3) Irrigation

Ramayampet Canal Works, Siddipet, Telangana

The ongoing works of irrigation canal worth ₹ 374 Cr in Telangana involving 54kms of main canal work and 89kms of distribution canals paves the way for future qualification of similar jobs in the irrigation sector. As per the NIP plan, the total investments planned in this sector is ₹ 8.94 Lakhs Cr and the opportunities will be pursued on a selective basis in various states.

4) Roads & Airports:

The landscape of the country for highway travel is undergoing major changes with new network of national highways taking shape on fast-track basis across all the states. As part of the NIP plan the total investment planned is around ₹ 20.33 Lakhs Cr forming 18% of the NIP plan. There had been tremendous strides made in the last seven years since 2014 in increasing the footprint of national highways. It has gone up from 9,1287kms to 1,37,625kms up to March 21 with almost 50% increase.

It is heartening to state that the Company has made entry into the Road sector after lot of deliberations and careful thinking looking at the huge opportunities made available. In the year 20-21, the Company bagged two Road project orders for Hassan Channarayapattna project being implemented by NHAI in Karnataka, involving bypass road and connected roads of about 77.20 kms of NH-75 at a bid value of ₹ 555.13 Cr and widening and upgradation to two-lane from Aizawl-Tuipang Section about 39km of NH-54 in Mizoram implemented by NHIDCL at a bid value of ₹ 446.40 Cr These projects have been considered under the new EPC contracting mode of NHAI, and this type of contracting is more beneficial and huge funding needs can be avoided such as HAM projects awarded earlier. Both the works are now under progress and this new diversification measure will positively impact the growth of the Company, and also contribute to the synergy of the entire range of civil work spread across various segments.

Road network expansion is taking place at breakneck speed and there are opportunities available for choosing and such foray will be done on selective basis based on feasibility of execution and managing all the risks. As per the NIP document, the investment planned for the current year is about ₹ 5.54 Lakhs Cr in the road sector and also envisaging award of contracts for about 8,500kms to be awarded in the current year.

In the case of airports, the policy of the Government is to improve air connectivity with the development of new airports, expansion of existing airports and ultimately having airports and air connectivity to each of the district centres under categories A, B, C, D. The area of interest to the Company is in the category C and D with investments in the range of ₹ 300 Cr to ₹ 1,000 Cr and some opportunities have been identified. The Company is making assessments of entering into this segment and there is a need to have JV partner to make an entry.

The investments in this sector are based on the planned investments as per the NIP with an estimated investment of ₹ 1.43 Lakhs Cr shared between the Centre and States with the Centre concentrating on major airports of which about eight airports have been identified and the most of the tier 3 airports to be developed by the states for district and regional connectivity.

On EPC contracts awarded to major contractors, for major airports, an effort can be made to take up a portion of the jobs and climb the qualification ladder step by step.

5) Drinking Water Supply & Waste Water Treatment Projects

The Government of India (GOI) has restructured and subsumed the ongoing National Rural Drinking Water Programme (NRDWP) into Jal Jeevan Mission (JJM) to provide Functional Household Tap Connection (FHTC) to every rural household i.e., Har Ghar Nal Se Jal (HGNSJ) by 2024, involving source development, Water Treatment Plants (WTP), Storage Reservoirs and distribution pipelines.

The total estimated cost of JJM is a mammoth ₹ 3.60 Lakhs Cr With such financial outlay in the coming three years, there is assured business opportunities in this field for the Company, which has already bagged and is executing JJM projects valued at ₹ 898 Cr in Uttar Pradesh. Various projects are targeted in the Water Supply Sector in Rajasthan, Karnataka and Odisha.

The Government has also launched the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) with the aim of providing basic civic amenities like water supply, waste water management projects, covering 500 cities that includes all cities and towns with a population of over one Lakhs with notified municipalities worth at ₹ 15,000 Cr The Company is already executing Sewage Treatment Plants and Sewage Networks under AMRUT in states of Haryana and Andhra Pradesh, and planning to bag more Waste Water Treatment Projects.

India has the largest arable land. To optimise use of water resources in agriculture, many piped water supply schemes with sprinkler irrigation methods with automated solar controls are also being planned by the GOI under Pradhan Mantri Krishi Sinchai Yojna (PMKSY) - Har Khet Ko Pani – in Gujarat, Madhya Pradesh, Odisha and many other states. The Company is also aiming to bag such projects to grow substantially in the water sector.

The GOI is also implementing Smart City Projects in several cities of late. With its inherent expertise in Control and Automation Systems imbibed over the years and prospective Joint Ventures, the Company is aiming to bag State of Technology works in Smart City Projects.

With such considerable business opportunities in Water Supply, Waste Water Projects and Smart City Projects, the

Company is poised to expand substantially by participating in several projects of national importance with value addition to its financial growth.

D) OVERSEAS BUSINESS

Export initiatives had been commendable with the undertaking of projects in the Middle East, Africa and Bangladesh and the export growth had been consistent with timely implementation of projects undertaken in the last five years. The success of timely completion of major projects in Shuqaiq 2x660 MW in Saudi Arabia, Bheramara 360 MW in Bangladesh, IBRI Project 758 MW in Oman, Alba Project of 1,800 MW in Bahrain, Fadhilli Project of 1,519 MW in Saudi Arabia have given the Company a strong foothold in the international market with a very strong organisational set up for marketing and also for its operations. Earlier, the Company had completed 2x160 MW gas-based project in Libya, and in all so far the Company has completed about 6,792 MW of installed base in North Africa, Middle East and Bangladesh establishing a strong base for undertaking future jobs.

Presently, the Company is executing projects of 3,020 MW in about four projects across the Middle East, Nigeria, Bangladesh, Bhutan and these projects are expected to be completed in the next one to two years working for renowned Developers & EPC contractors such as Dangote General Electric, Abener, Alghanim, Gama, Doosan, BHEL, Elsewedy Power, Fisia Abeima, Bisho Infra and others.

Export initiatives in the last four years had resulted in major gains and had helped the Company to balance the reduced opportunities, which were available in the domestic power sector of ETC business during this period. The presence has been well established in the Middle East and Bangladesh. There has been further geographical expansion into West Africa in Nigeria. The undertaking of a major captive power plant for a refinery project has been a major recent initiative with footprint established in West Africa for Dangote Refinery Project. The Company is carrying out a major job for BHEL in Bangladesh for the 1,320 MW thermal power plant involving about ₹ 855 Cr of work.

Regarding the various business opportunities and investments expected, the same areas under:

1) Middle East and Africa:

In case of the Middle East and MENA regions because of the Covid-19 pandemic the economy has shrunk by -4.5%, and this regions had plans to augment the capacity of the installed generation capacity by 90 GW in the next five years to augment the same to 412 GW. The investments are going to be affected due to economic conditions and lower demand of power expected due to economic downturn. There is also more focus on the renewable energy sources now with less focus on fossil-based power plants of gas, oil and coal.

In view of the present situation, investments can be affected because of the Covid-19 pandemic and negative growth affecting new investments. Moreover the present focus is getting shifted to renewable energy resources of power generation with less focus on hydro carbon-based power plants. In the preceding year of 20-21, there were no major opportunities coming up and the Company was in the process of completing the ongoing works in about seven projects.

The present major focus in the Middle East is to expand the O&M profile of the Company, and concerted efforts have paved the way for market penetration in undertaking manpower supply for maintenance works, undertaking capital and shutdown overhauls, and has made major diversification entering into the O&M segment of the business to undertake jobs of about ₹ 50 Cr There is also scope for increased O&M footprint across various countries of GCC. In West Africa, the Company at present is executing a major captive power plant installation job for the Dangote Refinery and the value of work is $76 Mn involving eight Gas turbines, four STGS, four utility boilers and eight HRSGs to meet the power and steam requirements of the Dangote refinery. Nigeria has abundance of energy sources through Gas, with nearly 80% of power generation being catered by Gas based power plants, and the new investments in improving the refining capacity. Nigeria is an emerging economy with a strong energy base of gas availability, and that should offer lot of opportunities to follow.

In the GCC area, comprising Saudi Arabia, UAE, Kuwait, Oman, Qatar, Bahrain, GCC represents 43% of 157 GW of generating capacity and about $50 Bn of projects are under various stages of implementation and to be implemented mainly for augmenting the generation capacity.

2) Bangladesh

Bangladesh is a growing economy in South Asia and the demand for power is expected to increase from the present capacity of 21,000 MW to 57,000 MW (revised) by 2041 as per the perspective plan. The capacity augmentation expected is 31,000 MW by 2030 and 57,000 MW by 2041 (As per BPDB report). Bangladesh is planning a mix of both Gas-based on Coal-based plants for augmenting its capacity apart from looking up for tie ups with generation companies for importing power. The generation mix can be 35% of Coal and Gas each, with 12% on Nuclear power, 2% on renewables and balance to be imported.

The Company has gained a very strong foothold in Bangladesh having successfully completed the 380 MW Combined Cycle plant at Beramera working for L&T who was the EPC contractor, another combined cycle plant of 220 MW is under completion at Bhola, and the execution of the coal-based Maitree project at Ramphal of 2x660 MW is in full swing where in the Company is a key player to work with BHEL for a total value of ₹ 855 Cr with a combination of Civil, Structural and ETC works. The successful completion of the earlier project and the present execution at Maitree should enable the Company to keep its focus on the expanding power scenario in Bangladesh in this decade wherein nearly 15,000 MW of capacity of plants are under various stages of construction. There is a lot of scope to work in the expansion plan of BPDB and other utilities in areas of coal-based and gas-based plants. There is also scope to bid for the transmission and distribution projects, which are coming up in a big way for expansion of the networks to cater to the increased generation capacities.

There is also scope in entering the O&M segment of the business with increased capacity generation happening in Bangladesh both in the coal-based units and also gas-based power plants.

2X660mw - Maitree STPP, Bangladesh

E) ELECTRICAL

The activities in this area consists of undertaking EPC projects on turnkey basis related to various segments of work related to Power Transmission and Distribution (T&D), consisting of construction of Substations, Power Transmission & Distribution Lines, Rural Electrification, dedicated feeders for agricultural and residential connections and Railway Electrification works.

Power transmission and distribution is perhaps as important as power generation, India's T&D network is the 3rd largest network in the world. The current power transmission network system needs to be strengthened further to match up with the generation capacity of 383 GW. The total network length of this network is 4,43,000 kms consisting of 765 KV HVDC, 500 KV HVDC, 765 KV, 400 KV and 220 KV systems. With increased capacity addition on the renewable side there is going to be continuous need to augment the T&D capacity. The power transmission and distribution sector are now receiving its due attention with investments from the Government in the form of higher share of allocated expenditure through some of its schemes such as Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS). The new SAUBHAGYA scheme of 100% household electrification obviously needs augmenting T&D capacity. There is a plan for multiple supply, distribution networks and franchise and this scheme involves privatising the DISCOMS, and the Government has planned an investment of around ₹ 2,86,000 Cr under the scheme named as ADITYA. Also plans are in place for strengthening of power transmission network in the next five years with an investment of ₹ 1,80,000 Cr Railway electrification is a major investment destination for the Indian Railways for the electrification of the entire railway system by 2023-24. As on date 45,881 kms have already been electrified and the balance to be done is 18,800 kms. The total investment planned for this scheme is around ₹ 60, 000 Cr

Since diversification into this electrical business segment in 2016, the Company made an entry into the Power Transmission & Distribution, grid substations and Railway electrification, including Signalling & Telecommunication, Traction Substations, Switching Stations and Civil Engineering works. The Company has bagged orders worth of ₹ 584 Cr involving substation works, T&D works and overhead electrical works for Railway electrification.

The Company has successfully completed the electrical projects i.e. distribution project works of 33 KV lines, 33/11 KV Substations, 11 KV & LT lines under DDUGJVY scheme before schedule in Madhya Pradesh DISCOM and Power Transmission line work of 132 KV line in Assam under Power Grid Corporation of India.

Further, successfully executing some major projects such as Railway electrification works for 727 TKM under Central Railways, 220 KV Transmission line work in Assam & 132 KV Substation works in Nagaland under Power Grid Corporation of India and construction of 11 KV & LT dedicated feeder lines for agriculture connections under Bihar state.

However, we are very selective in our approach for bidding the projects to suit our requirements in terms of cash flows, profitability and client financial conditions. We are capable of undertaking complete EPC project for construction of Transmission & Distribution Lines, Sub-Stations up to 765 KV and Railway electrification works.

The ₹ 350 Cr Railway electrification work of Haryana-Rajasthan involving about 727 RKM of railway electrification works, including S&T works has been a major breakthrough in its business profile and the success of implementation of this project will open more opportunities on the burgeoning capacity augmentation plans of the Railways for 100% electrification of its network.

F) EPC BUSINESS IN MATERIAL HANDLING

The continued efforts of the Company in forging a new business initiative were related to EPC business. The handling of the business needed a more clearer understanding of the entire dynamics of Engineering, Procurement and Construction, and there was a need for the Company to integrate the engineering inputs needed for such types of EPC contracts. With the continued efforts since the last two years and the entry into this business also needed the pre-qualification requirements. With the increasing opportunities coming up in the various material handling packages related to metals, minerals, coal and others, and the interest shown by some of the leading players like ThyssenKrupp of Pune and FL Smidth of Chennai who are the leaders in the field, opportunities were made available in forging the relationships with both these companies.

Since in the case of material handling contracts, the engineering and supply of key equipment is part of this scope and it is also essential that a joint bid approach through joint venture route or consortium approach with reputable equipment suppliers are arrived at. In this regard, the Company has firmed up such relationships with ThyssenKrupp Industries India Limited (TKII); the Pune-based engineering company, and recently with FL Smidth India Private Limited.

It is important to note that the Company has established excellent construction skills and management of execution of large contracts, and the idea is to integrate the engineering and procurement functions for an integrated approach. This is mainly due to the fact for any EPC type of works, project and site execution skills are essential in the areas of civil, structural, equipment erection and electrical installation works to provide a turnkey solution. This capability brings in value addition and scales up the turnover of the Company to reach next levels of growth. The consistent efforts in this direction for the last two years had resulted in the breakthrough of undertaking first engineering based EPC contract from Howe India Limited/ Adani Enterprises Limited for the iron ore material handling work of 6 MTPA in consortium with TKII valued at ₹ 200 Cr for the portion of the Company and the total value for the consortium with TKLL is around ₹ 450 Cr In this package, the entire work related to engineering of civil and structural portion of work, along with the installation works is in the scope of the Company.

With the recent opening of the mining sector for private investments a lot of opportunities have opened and the entire range of minerals related to coal mining, iron ore mining, bauxite and others offer huge opportunities for enhancing the business potential. The estimated opportunities is around ₹ 30,000 Cr both with the state sector companies and also private developers and mining owners. Apart from the mining side of the business, the entire material handling systems available in the power plants, iron ore beneficiation plants, mine side coal handling plants and also in metal and steel industry offers huge opportunities. In the case of CIL, only 25% of the mines are under mechanised handling, and as such there is a need to fully mechanise the coal handling requirements. The Company has joined hands with TKLL and FL Smidth and provided offers for EPC tenders of NMDC 12 MT Kirandul iron ore handling package and Bacheli 2 MT iron ore beneficiation plant works respectively in Chhattisgarh. Chhattisgarh, Odisha, Bihar, Jharkhand, UP, West Bengal have huge mineral reserves for coal, iron ore, bauxite and others.

G) MANUFACTURING AND HEAVY FABRICATION

This is part of the new initiative for backward integration for the service business of the Company related to manufacture of spares, components for power and industry segments. The Company has invested in advanced manufacturing and machining facilities at Noida for catering to the range of components of spares, repair and reconditioning of parts and components for the entire range of services needed for thermal and hydro sector needs with scope of enhancing the opportunity in other industry sectors.

The Noida facility is functioning for the last four years and this facility has been created to cater to the O&M market of power sector spares business and also use the facility for undertaking many job works from other segments of the industry. This facility can undertake major works related to manufacture, supply of rebuilding of spares, major repairs of steam turbines, rotor balancing and reverse engineered parts manufacturing for various rotating parts of power plant both in thermal and hydro sectors. Job works also have been done for railway electrification needed parts. With the new requirements of many customers for the structural packages, with away from site fabrication, the need arose for establishing a proper facility for heavy fabrication catering to the needs of steel, power and other segments.

Major action has been taken to establish a heavy fabrication facility at Gachibowli in Hyderabad in FY 18-19 and the capacity of this facility is about 1,500 MT/month mainly related to structural needs of steel sector based on the new opportunities made available for JSW structural woks. For JSW, we are presently executing about ₹ 400 Cr of structural works involving about 50,000 MT of site work with manufactured structural items of 27,000 MT. The same is being manufactured at the Gachibowli facility for the works at JSW Dolvi and Vijayanagar. This facility can also be used for catering to similar needs in other sectors of factory-made structural items. This is also the beginning of entering into heavy fabrication works with material and also undertaking residual engineering work. This facility has capacity for supply and fabrication of about 1,500 MT per month, which can generate more than ₹ 100 Cr of business per year.

The total manufacturing work done from Hyderabad amounts to ₹ 115 Cr in the years 19-20 and 20-21. From Adani Enterprises Limited another order has been obtained for the supply of about 9,000 MT of structures valued at ₹ 84 Cr

There can be huge opportunity for factory-made structural items for various sectors in steel, power, coal, oil and gas and there is a need to create more opportunities for this facility fabricated structural business and is possible to scale up this business to nearly ₹ 200 Cr per year. The intent is to make the above facility fully exploit the market needs in different segments and utilising the capacities created for sustained business growth.

H) MINE DEVELOPMENT & OPERATION

As part of backward integration, and in view of the liberalised policies of the Government related to mining sector of coal and other minerals and the huge demand for the coking coal needs of the steel industry, it was felt that there could be good business opportunity to explore the possibility of diversifying into mine development mainly related to coking coal requirements. Coal India Limited (CIL) as the lead coal supplier in the country has now gone for extensive outsourcing of mining operations through appointment of an agency for undertaking mine development and operation both for the commercial coal and also for coking coal requirements.

It was evaluated that from business perspective and also assured demand of coal supply for the coking coal needs, it would be better to try the mine development opportunities related to the coking coal, as there will be assured demand for the coking coal mainly from the steel plants. It is to be noted that the Company had established good expertise in the installation of material handling facilities as part of the installation business and also in O&M operations of such material handling plants, which are needed for the mechanised working of the mines once developed. However, looking into the nature of mining, which also involves huge amount of overburden work related to removal of earth during mining, it was essential to forge a strong partnership with companies having such expertise. Accordingly, a joint venture approach was adopted to rope in AMR India Limited, who has established substantial expertise in the overburden removal operations related to coal mining. Based on the competitive bidding invitation from Central Coal Fields Limited (CCL) a subsidiary of Coal India Limited (CIL) for the Kotre Basantpur Pachmo Ramgarh and Bokaro open cast mining project in Jharkhand.

The project has been awarded to the consortium of Power Mech and AMR India Limited wherein the Company is the consortium leader with 74% equity stake and AMR India will hold 26% stake. A special purpose vehicle (SPV) – M/s. KBP Mining Private Limited has been formed to undertake the project. AMR India Limited, a three decades old Company, has also been engaged in contract mining involving operations such as removal of overburden, mining of coal/ lignite, logistics and others. The SPV will have material handling expertise of the Company in project development and the technical expertise of AMR India in the field of greenfield mining project development.

The contract value is ₹ 9,294 Cr and contracted volume of mining and coal handling is of 104.95 MT over a period of 25 years with annual capacity of 5 MTPA. This mine has a total mine life of about 35 years with total reserves estimated at 153.63 MT. As per the contract entered with CCL, there is assured off take over a period of 25 years of coal as input for coal beneficiation plant to produce coking coal, and this is near this mine site located at about 6 kms. There is an option of further extending the contract period of 10 years.

The mining operation also envisages investment towards development of the project to be shared between the JV partners in the ratio of 74:26 with the share of the Company being 74%. The development of the mine to be completed within three years to envisage the mining work to start from 2024.

The MDO contract will primarily comprise mine infrastructure development, removal of overburden and extraction of coking coal, processing, crushing and transportation of coal up to washery of CCL, carrying out R&R activities and any other activities incidental to mining as per the project document.

The foray into this mine development works brings in the synergy of the Company with its expertise in project execution and the mining overburden removal expertise by the consortium partner of M/s AMR India Limited.

The revenue model envisages assured off take of the coal supplied by this mine to the coke over plant owned by CCL.

Also, being a subsidiary of CIL, which is a highly profitable subsidiary of Coal India Limited. Moreover, with the huge demand for steel in the country and the continued higher demand for coking coal, which is in short supply, the feasibility and viability, along with profitability of the mining work in this mine, is well assured during the contracted period of 25 years ensuring yearly assured revenue of about ₹ 400 Cr plus after reaching the rated capacity of 5 MTPA.

With the revenue coming from the existing O&M business and MDO project, the Company expects sustainable revenue with higher margins in the future for a longer period.

FINANCIAL REVIEW:

Analysis of Profit and Loss Statement:

Revenue: The Company has reported a total income of ₹ 1,900.41 Cr during the FY 20-21, whereas during FY 19-20 the reported total income was ₹ 2,174.03 Cr Contract revenue from O&M business has gone up to ₹ 660.75 Cr from ₹ 647.46 Cr with an increase of 2%. This has been possible with the support of the clients who were keen to operate and maintain the plants in spite of the Covid-19 pandemic and with the relaxation given by the Government to continue operations since it is covered under essential services. Revenue from Erection, Testing and Commissioning (ETC) has dipped to ₹ 446.27 Cr from ₹ 749.21 Cr with a decrease of 40% since operations were disrupted due to migration of workers to their native places owing to uncertainties in the prevailing conditions because of the pandemic. Electrical business has gone down to ₹ 86 Cr from ₹ 147.05 Cr a decrease of 42% of the total contract revenue due to disruptions in the availability of logistics for transportation of material and migration of workers to their native places. However, the contract revenue from Civil & others has gone up to ₹ 687.24 Cr from ₹ 616.69 Cr an increase of 11% due to increase in civil & other order book. The reported hire and other income is ₹ 20.17 Cr during the years as against ₹ 13.60 Cr during the preceding financial year.

The Operation & Maintenance revenue pie has gone up to 35% of the overall contract revenue. Similarly, ETC has contributed 23%, Electrical Business has contributed 5% and Civil & others, including Railway business contributed 37% of the total contract revenue. Whereas during the preceding FY 19-20, the revenue contribution from Operation & Maintenance Business was 30%, ETC business was 34%, Electrical Business contribution was 7% and from Civil & others, including Railway business contribution was 29% of the total contract revenue.

With the change of order book mix, the revenue profile has undergone change. The revenue from operations decreased by 12.96% from ₹ 2,164.68 Cr to ₹ 1,884.08 Cr The lockdown due to Covid-19 impacted the revenue badly and this was quite severe in Q1 and this disruption eclipsed Q2 with modest improvement in the workers availability and full redeployment of workers was seen at the end of Q3.

Other Income: The Company has reported other income of ₹ 16.33 Cr in FY 20-21 and ₹ 9.35 Cr in FY 19-20. This mainly consists of interest on fixed deposits with various banks, foreign exchange fluctuations and others. The increase in other income during FY 20-21 is mainly on account of foreign exchange fluctuations.

EXPENSES:

Raw Material Cost: The cost for FY 20-21 is at ₹ 264.05 Cr reduced by 18.48% over the previous year. This represents for 13.89% of total income in FY 20-21 against 14.90% of total income in FY 19-20. This marginal variance is due to change in revenue mix.

Contract Execution Expenses: Expenses for FY 20-21 is at ₹ 1,223.70 Cr and ₹ 1,230.17 Cr in FY 19-20, the same is reduced by 0.53% over the previous year cost. This represents for 64.39% of the total income in FY 20-21 as against 56.58% of total income in FY 19-20. Power Mech being a service-oriented Company with large man power base, it undertook measures to reduce the hardships of the workers by shouldering idle payments during the peak Covid-19 lockdown conditions. Apart from this, one-time cost incurred towards demobilisation and remobilisation of workers from our domestic and international sites because of the restrictions imposed by the respective local authorities during the pandemic.

Employee Cost: Cost for the FY 20-21 is ₹ 322.23 Cr as against ₹ 324.80 Cr during FY 19-20. This represents for 16.96% share of the Company's total income in FY 20-21 against 14.94% of the total income in FY 19-20. The increase in cost in terms of total income is mainly due to non-absorption of manpower cost on account of decrease in revenue and also change in revenue mix.

Depreciation: Depreciation on fixed assets for the year stands at ₹ 35.76 Cr and the same is reduced by 9.31% over the previous year cost. This is largely due to decrease in additions to fixed assets during the year.

Finance Cost: Cost for the year is ₹ 79.27 Cr, increased by 7.04% over the previous year. This represents for 4.17% share of the Company's total income in FY 20-21 against 3.41% the total income in FY 19-20. The increased utilisation of bank limits to support working capital gap up to third quarter arising out of idle payments made to the workers and cost incurred towards demobilisation and remobilisation of workers across all sites, including international sites resulted in increase in finance cost.

Corporate Tax: Tax reduction is mainly due to the Company exercising its option to adopt lower corporate Income Tax rates under Section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

ANALYSIS OF THE BALANCE SHEET

Source of Funds

Total Capital Employed: The total capital employed excluding minority interest reduced by 3.64% to ₹ 1, 414.17 Cr as on 31st March, , 2021, from ₹ 1,467.66 Cr as on 31st March, , 2020. This is mainly due to decrease in net worth on account of loss incurred during the year and borrowings of the Company reduced to ₹ 509.31 Cr as on 31st March, 2021 from ₹ 516.51 Cr as on 31st March, 2020.

Net Worth: The net worth of the Company, excluding minority interest, decreased by 4.87% from ₹ 951.15 Cr as on 31st March, 2020 to ₹ 904.86 Cr as on 31st March, 2021 due to loss incurred during the year. The Company's equity share capital comprising 1,47,10,764 equity shares of ₹ 10 each, remained unchanged during the year.

Debt: Borrowings of the Company decreased by 1.39% from ₹ 516.51 Cr as on 31st March, 2020 to ₹ 509.31 Cr as on 31st March, 2021. The debt-equity ratio of the Company stood at 0.56 in FY 20-21 compared to 0.53 in FY 19-20.

Application of Funds

Fixed Assets: Fixed assets of the Company increased by 3.39% from ₹ 355.24 Cr as on 31st March, 2020 to ₹ 367.27 Cr as on 31st March, 2021 on account of additions to the fixed assets during the year under the head Cranes, Plant and Machinery and Motor vehicles to support execution of various new projects.

Investments: Investments of the Company reduced from ₹ 32.89 Cr as on 31st March, 2020 to ₹ 32.17 Cr as on 31st March, 2021 due to share of loss incurred during the year from associates and joint ventures.

Working Capital Management

Current Assets: Current assets of the Company decreased by 2.81% from ₹ 1,821.01 Cr as on 31st March, 2020 to ₹1,769.91 Cr as on 31st March, 2021 due to better realisation of receivable and retention money. The current and quick ratios of the Company stood at 1.43 and 1.34 respectively in FY 20-21 compared to 1.43 and 1.33 respectively in FY 19-20.

Inventories: Inventories, including raw materials, work-in-progress and finished goods, decreased by 9.23% from ₹ 126.33 Cr as on 31st March, 2020 to ₹ 114.67 Cr as on 31st March, 2021. This is mainly on account of change in revenue mix of the Company. The inventory cycle stood at 22 days of turnover equivalent in FY 20-21 from 21 days of turnover in FY 19-20. Accordingly, the inventory turnover ratio changed with the change of revenue mix.

Receivables: Trade receivables decreased from ₹ 541.72 Cr as on 31st March, 2020 to ₹ 533.51 Cr as on 31st March, 2021. The decrease is mainly due to the better realisation bills. The Company debtor turnover cycle within 103 days of turnover equivalent in FY 20-21 compared to 91 days in FY 19-20 due to the pandemic.

Margins: The EBITDA margin of the Company reduced to 3.05% from 12.88% and PAT margin of the Company decreased from 6.04% during FY 19-20 to (2.56)% during FY 20-21.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios

Particulars	FY 20-21	FY 19-20	Change
Debtors' Turnover (Days)	102	91	13%
Inventory Turnover (Days)	22	21	4%
Interest Coverage Ratio	0.24	3.25	(93%)*
Current Ratio	1.43	1.43	0%
EBITDA/Turnover (%)	3.05%	12.88%	76%*
Debt Equity Ratio	0.56	0.53	4%
Return on Equity (%)	(5.24)%	14.83%	(135)%*
Return on Capital Employed (%)	1.56%	18.19%	91%*
Book Value per Share (₹)	615	647	5%
Earnings Per Share (₹)	(31.02)	89.23	(135%)*

* The lockdown due to Covid-19 impacted the revenue badly and this was quite severe in Q1 and this disruption eclipsed Q2 with modest improvement in the workers' availability and full redeployment of workers was seen at the end of Q3. Power Mech being a service-oriented Company with large manpower base, undertook measures to reduce the hardships of the workers by shouldering idle payments during the peak of Covid-19 lockdown. Apart from this, one-time cost incurred towards demobilisation and remobilisation of workers from our domestic and international sites because of the restrictions imposed by the respective local authorities during the pandemic. All profitability and turnover-related ratios may not be comparable on a year-on-year basis, as these numbers were adversely affected owing to the pandemic and may not be representative of a normal business scenario.

ANNEXURE-7

REPORT ON MANAGERIAL REMUNERATION

As per Section 197 of the Companies Act 2013 Read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A) Statement of Particulars as per Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

i. The ratio of the remuneration of the each Director to the median remuneration of the employees of the Company for the financial year :

S No.	Name of Director	Designation	Ratio of the remuneration of each Director to the median remuneration of employees
1	Mr. S Kishore Babu	Chairman and Managing Director	-
2	Mrs. S Lakshmi	Non Executive Director	-
3	Mr. T Sankarlingam	Independent Director	-
4	Mr. GDV PrasadaRao	Independent Director	-
5	Mr. M Rajiv Kumar	Non Executive Director	-
6	Mr. Vivek Paranjpe	Independent Director	-
7	Mrs.Lasya Yerramneni	Independent Director	-

*** In view of the unprecedented year faced by the Company due to Covid-19, Mr.S.Kishore Babu, Chairman and Managing Director, volunteered not to take salary and commission for the FY 20-21**

ii. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 20-21:

S. No.	Name of Director/KMP and Designation	Designation	% increase in Remuneration in the FY 20-21
1	Mr. S Kishore Babu	Chairman and Managing Director	-
2	Mr. J Satish	CFO	-
3	Mr. Mohith Kumar K	Company Secretary	-

**The remuneration of Mr. Mohith Kumar K is not comparable as he was appointed during the FY 2020-21*

iii. The median remuneration of employees of the Company during FY 20-21 was ₹ 2,48,400/-p.a.

iv. The percentage increase in the median remuneration of employees in the financial year:
The percentage increase in the median remuneration of employees for the financial year ending 31st March, 2021 was -3.72 %.

v. The number of permanent employees on the rolls of Company as at 31st March, 2021:
There were 7823 permanent employees on the rolls of Company as on 31st March, 2021.

vi. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increase in the salaries of the employees other than, the managerial persons in the last financial year is NIL % and there has been no increase in the managerial remuneration (excluding commission to CMD) during the last financial year.

The Company affirms that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

ANNEXURE-7 (Contd.)

B) Top 10 Employees in terms of remuneration

Name	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years)	Nature of employment	Remuneration in (₹ In Lacs) Per Month	Previous Employment	Relative of Director If any
Subba Reddy Basireddy	49	M.Tech-TE	Vice President	18.12.2020	25+	Full Time	4.92	Welspun Enterprise Ltd	No
Bhupesh Bansal	57	BE	Associate Vice President	04.03.2021	34+	Full Time	3.37	Sterling & Wilson	No
Satish Jami	46	CA & MBA	CFO	20.10.2014	18	Full Time	3.22	Indu Projects	No
C.V.K.Prasad	56	BE – Industrial Engineering	Executive Director-Operations Non Board	28.12.2017	28+	Full Time	3.21	KSK Mahanadi Power Company Ltd.	No
Rajan Elumalai Duria	57	B.Tech-EEE	Vice President-O&M	01.01.2021	33	Full Time	3.21	AES India Pvt Ltd	No
Biswajit Das	56	B.Sc-Electrical	Vice President	05.12.2017	31+	Full Time	2.95	Lanco	No
Ajay Kumar Kantheti	47	B.Tech	Sr. Vice President	20.11.1999	23	Full Time	2.60	Indwell Projects	No
Prakash Chandra Joshi	48	B.Tech	Associate Vice President	10.11.2014	26	Full Time	2.45	-	No
Prakash Kamble	51	B.E-Mech	General Manager	24.01.2021	26+	Full Time	2.08	VIPL Infra.	No
Sasidhar Kopanathi	43	B.Tech-Civil & MBA	Associate Vice President	01.04.2018	22+	Full Time	2.04	Power Mech Infra Ltd.	No

C) Details of Employee's drawing remuneration of ₹ 8.50 Lacs per month or ₹ 102.00 Lacs per annum:

Name	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years) Remuneration	Nature of employment	*Remuneration in ₹ Cr per Annum	Previous Employment	Relative of Director If any
-	-	-	-	-	-	-	-	-	-

The are no other employees drawing ₹ 8.50 Lacs per month or ₹ 102.00 Lacs per annum, whether employed throughout the year or part of the Financial year.

D) There are no employees in the service of the Company covered under Rule 5 (2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

For and on behalf of the Board of Directors of

Sd/-
S Kishore Babu
Chairman & Managing Director
DIN: 00971313

Place: Hyderabad
Date: 07th August, 2021

ANNEXURE-8

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 organisation. 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: NA

(iii) Capital investment on energy conservation equipment's: NA

B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption: NA

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: NA

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NA

(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: NA

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

S. No	Particulars	₹ in Cr	
		20-21	19-20
1	Earnings	233.43	380.25
2	Outgo	196.25	276.90

For and on behalf of the Board of Directors of

Sd/-
S Kishore Babu
Chairman & Managing Director
DIN: 00971313

Place: Hyderabad
Date: 07th August, 2021

ANNEXURE-9

REPORT ON CORPORATE GOVERNANCE

A. Company's Philosophy on Corporate Governance

Corporate Governance shows a set of systems and practices to ensure that the affairs of the Company are being carried out in a manner which ensure accountability, transparency, and fairness in all transactions in the widest sense. Good Governance practices generate from the dynamic culture and positive mindset of the organisation.

At Power Mech, Corporate Governance is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility.

B. Board of Directors

i. The Board has an optimum combination of Executive, Non-Executive, Independent and Woman Directors. The composition of the Board of Directors is in accordance with Regulation 17 of the SEBI (Listing Regulations) 2015.

As on 31st March, 2021, our Board comprised of 7 members, consisting of one Executive Chairman & Managing Director who is also a Promoter, two Non-Executive Directors out of which one is Promoter and Four Non-Executive Independent Directors. Independent Directors constitute 50% of the Board's strength as per the requirements of the SEBI Regulations and the Companies Act, 2013.

ii. There are no pecuniary relationships or transactions with Non-Executive Independent Directors that could materially influence their judgment except sitting fees paid towards attending Board and Committee Meetings.

iii. Five (5) Board meetings were held during the financial year 20-21 and the gap between two meetings did not exceed 120 days. The said Board meetings were held on the following dates:

Board Meeting Number	Date of Board Meeting
01	16th May, 2020
02	27th June, 2020
03	15th September, 2020
04	13th November, 2020
05	11th February, 2021

iv. Attendance of the Directors at the Board meeting and Annual General Meeting during fiscal 2020 and number of shares held by them in the Company.

Name of the Director	Number of Board meetings held during the FY 20-21	Number of Board meetings attended	% of attendance	Attended the last AGM	Number of shares held
S. Kishore Babu DIN - 00971313	5	5	100	Yes	38,64,942
S. Lakshmi DIN – 00068991	5	5	100	Yes	37,28,626
Thiagarajan Sankaralingam DIN – 00015954	5	4	80	Yes	Nil
G D V Prasada Rao DIN – 02754904	5	5	100	Yes	1320
M Rajiv Kumar DIN – 07336483	5	4	80	Yes	Nil
Vivek Paranjpe DIN – 03378566	5	4	80	Yes	Nil
Lasya Yerramneni* DIN- 03150397	5	3	60	Yes	Nil

*Appointed w.e.f 27th June, 2020

v. Key Board qualifications, skills, expertise and attributes of the Board of Directors of the Company:

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company:

- In-depth knowledge of the sector in which the Company is presently operating.
- Expertise in HR and Legal related matters.

ANNEXURE-9 (Contd.)

- Sound knowledge of accounting, finance, banking etc.
- Experience in developing and implementing good corporate governance practices.
- Quality of leadership, planning, management, risk assessment etc.

The table below summarizes the key qualifications, skills, expertise and attributes of the Board of Directors of the Company.

Name of the Directors	Qualifications	Area of expertise and skills
S. Kishore Babu	Graduate in Mechanical Engineering	In-depth knowledge of the sector in which the Company is presently operating. Quality of leadership, planning, management, risk assessment etc.
S Lakshmi	B.Sc. Graduate	Experience in developing and implementing good corporate governance practices.
GDV Prasada Rao	M. Tech. in Chemical Engineering	Sound knowledge of accounting, finance, banking etc.
M Rajiv Kumar	Graduate in Electrical Engineering	In-depth knowledge of the sector in which the Company is presently operating.
T Sankarlingam	B.E (Electricals)	In-depth knowledge of the sector in which the Company is presently operating.
Vivek Paranjpe	B. Sc. (Honors) and Post Graduate from XLRI	Expertise in HR and Legal related matters. Experience in developing and implementing good corporate governance practices.
Lasya Yerramneni	PG in Management from ISB,MS (Electrical engineering) university of texas	Expertise in IT Project Management and Delivery, IT Strategy and Business development. Her expertise helps the Company in improving IT related aspects.

vi. The names and categories of Directors on the Board of the listed entities and also the number of Directorship and Committee Membership held by them in all the Companies are given below:

Name of the Director	Directorships in Listed Companies (including Power Mech)	Category of Directorship	No. of Directorships held in all the Companies (including Power Mech)	*Memberships/ Chairmanships held in Committees (including Power Mech)	
				Member	Chairman
S. Kishore Babu DIN - 00971313	Power Mech Projects Limited	Chairman & Managing Director	5	-	-
S. Lakshmi DIN - 00068991	Power Mech Projects Limited	Non Executive Director	4	1	-
Thiagarajan Sankaralingam DIN - 00015954	Power Mech Projects Limited	Independent Non Executive Director	1	1	-
G D V Prasada Rao DIN - 02754904	Power Mech Projects Limited	Independent Non Executive Director	1	1	1
M Rajiv Kumar DIN - 07336483	Power Mech Projects Limited	Non-Executive Director	1	1	1
Vivek Paranjpe DIN – 03378566	Power Mech Projects Limited	Independent Non-Executive Director	1	-	
Lasya Yerramneni DIN- 03150397	Power Mech Projects Limited	Independent Non-Executive Director	1	-	-

Notes:

i) The membership of the Director in committees does not include the committees in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

ii) The memberships/chairmanships of Audit Committees and Stakeholders Relationship Committees in all Public Limited companies has been considered.

ANNEXURE-9 (Contd.)

iii) No Director holds directorships in more than ten public companies and no Independent Director holds Independent directorship in more than seven listed entities.

iv) No Independent Director is member of more than ten committees or chairman of more than five committees across all public companies in which they are Directors.

v) None of the Directors hold directorship in more than eight listed entities.

vi) The Directorship held in foreign Companies are also included.

C. Board Committees:

The Board, as on March 31, 2021, had five Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Investment Committee.

1. Audit Committee

The Audit Committee comprised of two Independent Directors and one Non-Executive Director as on March, 31st, 2021. The members possess sound knowledge of accounts, finance, audit and legal matters.

The Company Secretary acts as a Secretary to the Committee.

The primary responsibility of the Audit Committee is to oversee accounting and auditing matters, recommending to the Board the appointment of statutory auditors, internal auditors and reviews their reports and discusses on their findings, observations, suggestions and other related matters, review related party transactions and grant omnibus approval for certain transactions with related parties.

The Audit Committee is empowered with functions according to the powers, scope and role as defined and prescribed under the said Regulation 18 of the SEBI (LODR) Regulations 2015 and Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and acts in terms of reference as amended from time to time and the Committee also discharges such other functions as may be specifically delegated to it by the Board from time to time. The Audit Committee charter containing exhaustive terms of reference is available on our website www.powermechprojects.com

During the year under review, 4 (four) meetings of the Committee were held on 27th June, 2020, 15th September, 2020, 13th November, 2020 and 12th February, 2021

The composition of the Committee during the year as well as the particulars of the attendance at the meeting is given below:

Name	Designation in Committee	Category of Directorship	No. of Meetings held	No. of Meetings Attended
G D V Prasada Rao	Chairman	Independent, Non- Executive Director	4	4
T. Sankarlingam	Member	Independent Non- Executive Director	4	4
M Rajiv Kumar	Member	Non-Executive Director	4	4

All the recommendations made by the Committee during the year were accepted by the Board.

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of three Independent Directors.

The Committee functions as per the Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Section 178 of the Companies Act, 2013. The primary responsibilities of the Committee is to determine/review the Company's policy on specific remuneration packages for the Executive Directors including pension rights and any compensation payment, oversee the framing, review and implementation of compensation policy of the Company on behalf of the Board, form a policy, procedures and schemes and to undertake overall supervision and administration of Employee Stock Option Schemes (ESOSs) of the Company if any and to review the Board structure, size and composition and make recommendation to the Board for any change. The Committee also formulates evaluation criteria for the Directors and the Board.

The charter of the Committee as amended with detailed terms of reference and the policy for determining the remuneration of the Directors, KMP's and other employees is available on our website www.powermechprojects.com

During the year under review, 4 (four) meetings of the Committee were held on 27th June, 2020,15th September, 2020, 13th November, 2020 and 12th February, 2021.

ANNEXURE-9 (Contd.)

The composition of the committee during the year as well as the particulars of the attendance at the committee meeting during the year is given below:

Name	Category of Directorship	Designation	No. of meeting held	No. of Meetings Attended
Vivek Paranjpe	Independent Non-Executive Director	Chairman	4	4
Thiagarajan Sankaralingam	Independent, Non-Executive Director	Member	4	4
G D V Prasada Rao	Independent, Non- Executive Director	Member	4	4

Risk Management Committee:

Board has constituted Risk Management Committee in compliance with Regulation 17(9)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013 for risk assessment and risk minimisation.

The Risk Management Committee was constituted w.e.f. 17th June, 2021 and the constitution of the same is as mentioned below:

Name	Designation
GDV Prasada Rao	Chairman
S Kishore Babu	Member
M Rajiv Kumar	Member

The Risk Management Committee shall provide oversight and will report to the Board of Directors who have the sole responsibility for overseeing all risks. The Company recognizes that Enterprise Risk Management is an integral part of good management practice. The purpose of this policy is a system and mechanism to identify the risks, manage the risk and to set clear guidelines on approach of the Company in handling risks associated at each level of the organisation. All employees are responsible for managing risks in so far as is reasonably predictable within their area of activity. a detailed risk management policy is posted on the website of the Company at www.powermechprojects.com/investor-relations

Meetings and attendance during the year

There was no meeting held during the financial year 20-21, as the Risk Management Committee was constituted w.e.f. 17th June, 2021.

Remunerations paid to the Directors

I. Details of remunerations paid/payable to Non-executive & Independent Non-Executive Directors for the year ended 31st March, 2021 is as under:

Name of the Director	Sitting Fees (₹ in Cr)
Mr. G D V PrasadaRao	0.03
Mr. T. Sankaralingam	0.03
Mr. Vivek Paranjpe	0.02
Ms. Lasya Y	0.02

Mr. M Rajiv Kumar, Non-Executive Director was paid consultancy fees of ₹30, 38,000/- including travelling and conveyance charges and out of pocket expenses during the financial year 20-21.

There are no other non-executive directors having pecuniary relationship or transactions with the Company .

Note: Mr.M.Rajiv Kumar has volunteered for a 50% reduction in his consultancy fee for the period from May-March 20-21, due to the unprecedented pandemic situation.

Apart from the sitting fees, there were no other pecuniary relationships or transactions of the Non-Executive Independent Directors vis-à-vis the Company.

ANNEXURE 9 (Contd.)

II. Disclosures with respect to remuneration paid to Managing Director and Executive Directors

(in ₹ Cr)

Name of the Director	Salary	Bonus	Benefits	Commission (₹)	Sitting Fees (₹)	Loans from the Company (₹)	Total (₹)
S Kishore Babu*	-	-	-	-	-	-	-

The Chairman & Managing Director is also entitled to Company's Contribution to Provident Fund, Superannuation fund, to the extent not taxable and gratuity and encashment of leave at the end of tenure as per the rules of the Company to the extent not taxable.

Details of fixed component and performance linked incentives, along with the performance criteria; NA

Service contracts, notice period, severance fees: NA

Company has not granted any Stock options during the year.

Note:*In view of the unprecedented year faced by the Company due to Covid-19, Mr.S.Kishore Babu, Chairman and Managing Director, volunteered not to take salary and commission for the FY 20-21.

3. Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been formed in compliance of Regulations under SEBI (Listing Regulations) 2015 and pursuant to Section 178(5) of the Companies Act 2013. The Committee comprises of two Non Executive Directors and one Non Executive Independent Director.

The roles and responsibilities of the Committee is to considering and resolving the grievances of the shareholders of the Company related to transfer of shares, transmission of shares, non-receipt of annual reports etc.

The charter of the Committee as amended is available on the website of the Company www.powermechprojects.com

During the year under review, 4 meetings of the committee were held on 27th June, 2020, 15th September, 2020, 13th November, 2020 and 12th February, 2021.

The composition of the committee during the year as well as the particulars of the attendance at the committee meeting during the year is given below:

Name	Designation	Status	No. of meetings held	No of meetings attended
M. Rajiv kumar	Chairman	Non- Executive Director	4	4
GDV Prasada Rao	Member	Non-executive Independent Director	4	4
S Lakshmi	Member	Non-Executive Director	4	4

Details of status of the references / complaints received and replied / resolved during the year are given in the following statements.

Sl. No	Description	No. of Complaints received	No. of Complaints resolved	Pending Complaints
1.	Non receipt of refund order	0	0	0
2	Non receipt of annual reports	0	0	0
3	Non receipt of Electronic Credits	0	0	0
	Total	**0**	**0**	**0**

There were no pending transfers as on 31st March 2021.

4. Corporate Social Responsibility Committee

The Committee has been formed to monitor and formulate the CSR Policy of the Company. The Committee suggests and recommend to the Board various areas and activities wherein the Company should spend the CSR amount aiming at fulfillment of the social, economic and environmental responsibilities of the Company.

The Committee in every meeting reviews and approves the budget and disbursement for Power Mech Foundation, CSR arm of the Company.

The CSR Policy and the charter of the Committee are available on the website of the Company www.powermechprojects.com

ANNEXURE 9 (Contd.)

During the year under review, 1 meeting of the Committee was held on 30th March, 2021

The composition of the committee during the year as well as the particulars of the attendance at the committee meeting during the year is given below:

Name	Designation	Category	No of meetings held	No of meetings attended
Mr. S Kishore Babu	Chairman	Chairman & Managing Director	1	1
Mrs.S Lakshmi	Member	Non-Executive Director	1	1
Mr. G D V Prasada Rao	Member	Non-Executive Independent Director	1	1

5. Investment Committee

The Committee has been formed to review and approve the overall acquisition and investment strategy of the Company in terms of broad business objectives to be met, overall fund allocation and areas of focus for investments and acquisitions.

The charter of the Committee is available on the website of the Company www.powermechprojects.com

D. Meeting of Independent Directors

During the year under review, there was a separate meeting of Independent Directors of the Company held on 30th March, 2021, without the presence of the non-independent directors and members of the Management inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

All the Independent Directors were present at the Meeting.

In the opinion of the Board, all the Independent Directors of the Company possess integrity, expertise and the proficiency justifying their office and fulfill the conditions of Independent Director provided under SEBI (LODR) Regulations, 2015 and are independent of the management.

E. Performance Evaluation

An annual performance evaluation was conducted for all the Board members, for the Board and its Committees. The Board evaluation framework was designed after taking into consideration the requirements of the Companies Act, 2013 and the SEBI (Listing Regulations), 2015 and guidance notes issued by the SEBI. The Board also considered the inputs and suggestions of the Independent Directors for determining the criteria for carrying out the entire evaluation process.

A structured questionnaire for evaluating the performance of the Chairman and Managing Directors, Non-Executive Directors and Independent Directors was prepared after taking into considerations the parameters as per the SEBI Regulations and also views and suggestions of the Board of Directors.

Evaluation of the Board was based on the criteria such as role and composition of the Board, Board communication, strategy and stakeholders value etc.

Evaluation of the Committees of the Board was based on the criteria such as independence of each committee, functioning of the committees, frequency of the meetings, effectiveness of its advice/recommendations to the Board etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

As an outcome of the above exercise, the Board expressed its satisfaction with the evaluation process.

F. Familiarisation Programme

As a general practice of the Company, in every Board meeting, comprehensive presentations are made by each head of the strategic business units/department on the various aspects such as business model, strategies and policies, long term and short term plans, competition, risks identification and mitigation strategies, fund requirements, regulatory changes etc.

This activity helps the Independent Directors as well the Board to have an in-depth understanding and keep them updated on regular basis about the every aspect of the Company.

ANNEXURE 9 (Contd.)

The details of the familiarisation programme are also available on the website of the Company www.powermechprojects.com

G. General Body Meeting

Venue and time of the preceding of last three Annual General Meetings (AGM).

Year	AGM	Venue	Day & Date	Time	Special Resolutions Passed
19-20	21st AGM	Meeting was held through Video Conference/OtherAudio Visual Means	Tuesday, 20th October, 2020	11.30 AM	1. Approval of payment of remuneration to Mr. M. Rajiv Kumar, Non-Executive Director by way of Consultancy Fees.
18-19	20th AGM	Hotel Novotel, Hitex, Madhapur, Hyderabad-500081	Wednesday, 25th September, 2019	11.00 A.M	1. Revision in remuneration of Mr.S.Kishore Babu, Chairman & Managing Director. 2. Re-appointment of Mr.T.Sankara Lingam as an Independent Non-Executive Director. 3. Re-appintment of Mr.GDV Prasada Rao as the Independent Non-Executive Director. 4. Approval of payment of remuneration to Mr. M. Rajiv Kumar, Non-Executive Director by way of Consultancy Fees.
17-18	19th AGM	The Westin Hotel, Raheja IT Park, Hitec City, Madhapur, Hyderabad - 500 081	Thursday 27th September, 2018.	11.00 A.M.	i) Revision in overall borrowing powers of the Company ii) Creation of Mortgage / Charge on the assets of the Company iii) To approve transactions under Section 185 of the Companies Act, 2013

Postal Ballot:

During the year, there were no resolutions passed through postal ballot.

No Special Resolution at present is proposed to be passed through postal ballot. Therefore, the procedure for postal ballot is not applicable.

H. DISCLOSURES

a) Related Party Transaction (Shown in Notes to Accounts): There are no materially significant related party transactions i.e., transactions material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc., having potential conflict with the interests of the Company at large.

b) There were no pecuniary transactions with any of the Non-Executive Directors, except payment of consultancy fees.

c) The Company had paid a fine of ₹5.02 Lakhs to NSE for delay in compliance of Regulation 17 (1) of SEBI (LODR), Regulations, 2015 for a period from 01.04.2020- 27.06.2020.

d) The Company has formulated and adopted formal whistle blower / vigil mechanism and the same is hosted on the Company 's website and no concerned person has been denied access to Audit Committee.

e) The Company is compliant with the provisions of applicable laws and the SEBI (LODR) Regulations, 2015 and amendments thereof.

Material subsidiary policy is hosted in our website www.powermechprojects.com.

Related party transaction policy is hosted in our website www.powermechprojects.com.

f) CMD / CFO Certification: Mr. S Kishore Babu, Chairman & Managing Director and Mr. J Satish CFO, certified to the Board on the prescribed matters as per Regulation 17(8) the Securities Exchange Board of India(Listing Obligations and Disclosure Regulations) 2015, annexed and forms part of this report.

ANNEXURE 9 (Contd.)

I. MEANS OF COMMUNICATIONS

a) The quarterly/half-yearly and annual results are published in Business Standard / Financial Express (in English) and Nava Telangana (in regional language) dailies.

The quarterly/half-yearly and annual results are furnished within the time frame to all the concerned Stock Exchanges as per Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015 and the same are displayed on the Company's website www.powermechprojects.com

b) For the FY 2020-21, 4 (four) conference calls with analysts/investors & presentations were made for as follows:

FY 20-21	Date
01st Quarter	18th September, 2020
02nd Quarter	20th November, 2020
03rd Quarter	17th February, 2021
04th Quarter	22nd June, 2021

The investor's presentations for each quarter are also available on the Company's website www.powermechprojects.com

c) All material information about the Company is promptly uploaded on the online platforms of the Stock Exchanges where the Company's shares are listed and the same are displayed on the Company's website www.powermechprojects.com

The Company's website www.powermechprojects.com contains separate dedicated section investor relations where in full Annual Report is also available in a user- friendly and downloadable format.

J. GENERAL SHAREHOLDER INFORMATION

i. 22nd Annual General Meeting

The 22nd Annual General Meeting of the Company will be held on Thursday, the 30th day of September, 2021 at 11.30 AM through OAVM/VC pursuant to MCA circular dated 05th May, 2020 and as such there is no requirement to have venue for the AGM.

ii. Financial year : 01st April - 31st March

iii. Date of Book Closure

The register of members shall be closed from 24th September, 2021 to 30th September, 2021 (both days inclusive)

iv. Dividend

Your Directors did not recommend any dividend for the FY 20-21.

v. Listing on Stock Exchange

Name of the Stock Exchange	Security Code
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra, Kurla Complex, Bandra (E), Mumbai, Maharashtra - 400051	POWERMECH
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	539302

The Company has paid the annual listing fees for the year to both the above Stock Exchanges.

vi. Market Price Data

The closing market price of the equity shares as on 31st March, 2021, being the last trading day for the FY 20-21 on NSE was ₹ 583.90/- and on BSE was ₹ 582.90/-.

The monthly movement of the equity share price during the year 20-21 on BSE and NSE are summarised herein below.

ANNEXURE 9 (Contd.)

BSE

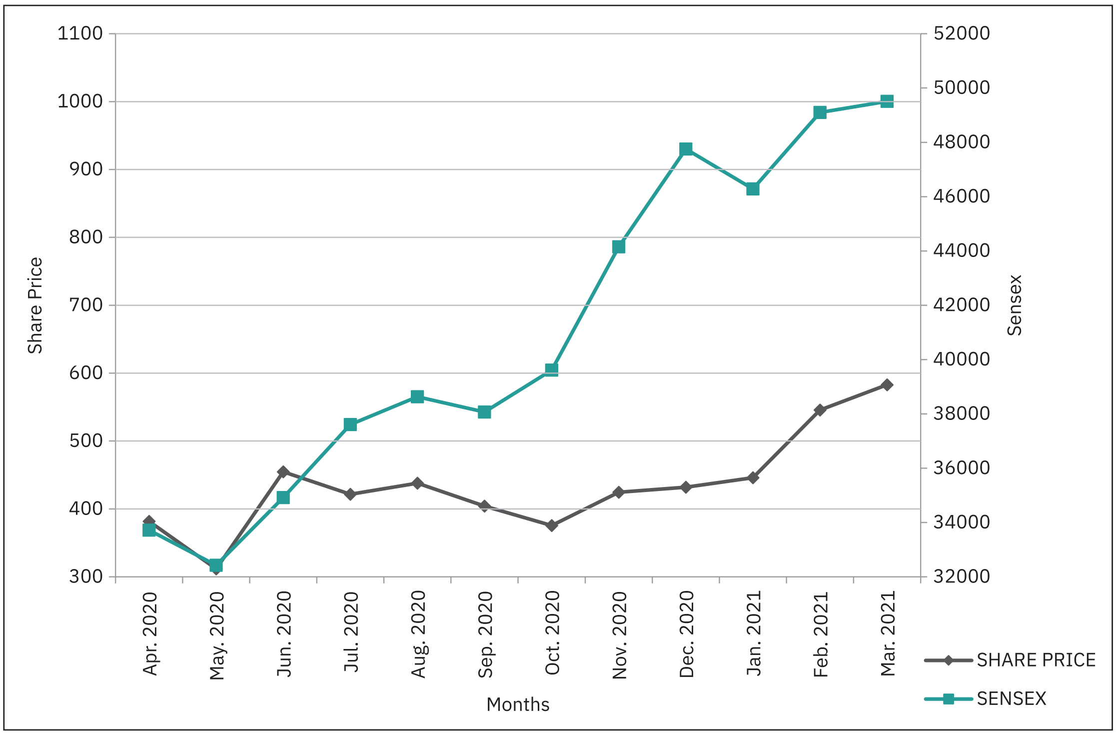
Month	Open	High	Low	Close
April 20	395.00	397.05	378.95	381.65
May 20	322.15	328.35	311.50	311.75
June 20	478.00	478.00	451.00	454.65
July 20	425.00	427.25	419.60	421.50
Aug 20	471.60	472.00	430.00	437.90
Sep 20	402.80	413.00	399.10	404.20
Oct 20	382.00	384.15	371.30	375.50
Nov 20	426.60	428.55	421.60	424.60
Dec 20	432.80	435.10	428.15	432.10
Jan 21	464.40	464.40	444.70	445.95
Feb 21	537.95	554.20	537.00	545.70
Mar 21	579.00	585.00	571.35	582.90

NSE

Month	Open	High	Low	Close
Apr 20	399.00	399.00	378.10	383.30
May 20	322.00	327.30	310.30	312.05
June 20	474.00	478.00	450.10	454.15
July 20	428.30	435.00	420.00	421.60
Aug 20	469.10	475.00	430.00	437.15
Sep 20	409.95	412.15	399.50	403.45
Oct 20	378.30	384.90	371.00	376.55
Nov 20	425.50	428.85	420.00	425.40
Dec 20	432.15	435.10	428.05	432.95
Jan 21	448.00	454.00	444.05	446.05
Feb 21	530.05	554.95	530.05	545.00
Mar 21	576.45	587.70	570.35	583.90

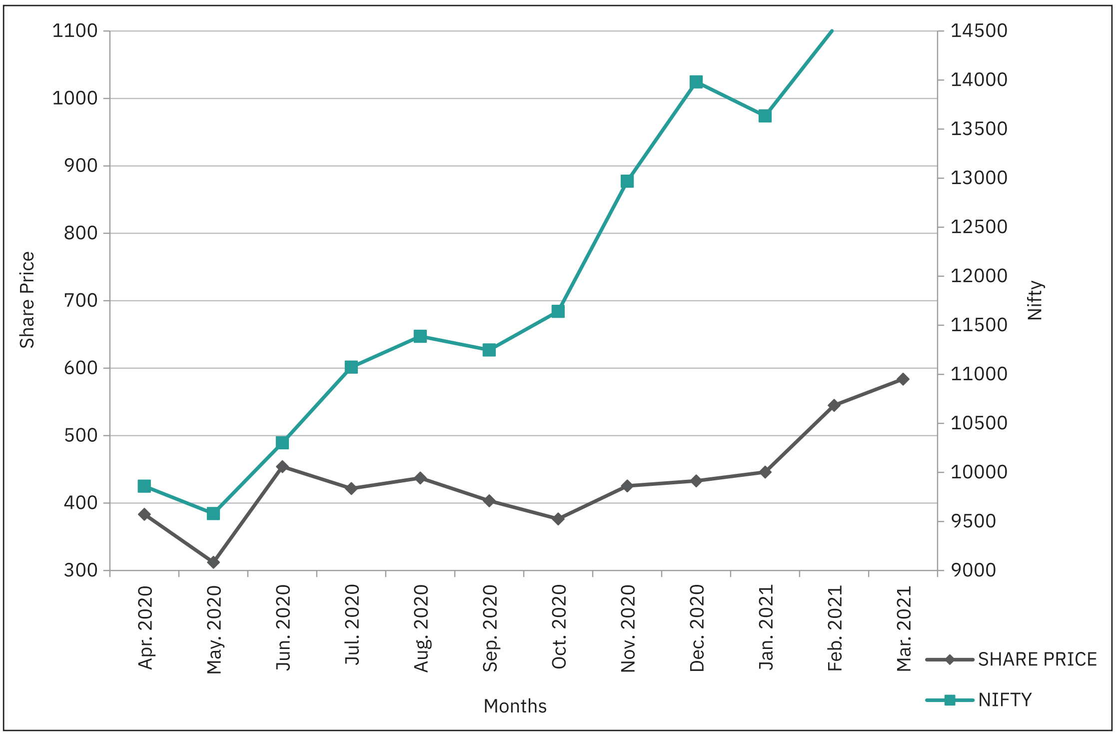
vii. Performance in comparison to broad based indices such as SENSEX and NIFTY

Performance of the scrip of the Company in comparison to BSE SENSEX is as follows:



ANNEXURE 9 (Contd.)

Performance of the scrip of the Company in comparison to NSE NIFTY is as follows:



viii. There is no suspension of trading of securities in any Stock Exchanges during the year.

ix. Registrar and Share Transfer Agents:

Kfin Technologies Private Limited
Karvy Selenium Tower B, 6TH Floor, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032
Ph: 040 - 3321 1500.

x. Share Transfer System

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from 01st April, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialised form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialised so as to be able to freely transfer.

However the shareholders are not barred from the holding the shares in physical form.

xi. Distribution of Shareholding as on 31st March, 2021

POWER MECH PROJECTS LIMITED

Distribution of Shareholding as on 31st March, 2021

Sl. No.	Category (No. of Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 500	14585	94.89	701338	4.77
2	501 - 1000	322	2.09	247472	1.68
3	1001 - 2000	204	1.33	303143	2.06
4	2001 - 3000	70	0.46	179510	1.22
5	3001 - 4000	45	0.29	160431	1.09
6	4001 - 5000	31	0.20	143887	0.98
7	5001 - 10000	48	0.31	335514	2.28
8	10001 and above	65	0.42	12639469	85.92
	TOTAL	**15370**	**100.00**	**14710764**	**100.00**

ANNEXURE 9 (Contd.)

xii. Dematerialisation

99.93% of the Company's paid-up equity share capital has been dematerialised as on 31st March, 2021. Shares of the Company are traded compulsorily in dematerialised form and are available for trading through both the depositories i.e. CDSL and NSDL. The demat security code (ISIN) of the equity shares is INE211R01019.

Category	Number of shares	Percentage (%)
NSDL	4169930	28.35
CDSL	10529828	71.58
PHYSICAL	11006	0.07
TOTAL	**1,47,10,764**	**100.00**

xiii. Outstanding GDR's / ADR's / Warrant or any convertible instruments, conversion date and likely impact on Equity

The Company does not have any outstanding instruments of the captioned type.

xiv. Commodity Price Risk or Foreign Exchange Risk and hedging activities

The Company is engaged in providing services in Power & Infrastructure Sector and not exposed to any commodity price risk. The Foreign Exchange exposure of the Company is minimal compared to the total domestic operations of the Company , further the operations of the Company in International Geographies act as natural exchange hedge.

xv. Plant Location

The Company is engaged in providing Construction and O&M services at Customer sites. Hence, there are no plant locations owned by the Company. The operations of the Company however are spread across India and Internationally.

xvi. Address for Correspondence of Compliance Officer

Mohith Kumar Khandelwal
Company Secretary & Compliance Officer
Power Mech Projects Limited
Plot No: 77, Jubilee Enclave
Opp: Hitex, Madhapur
Hyderabad-500081
Ph: 040-30444418, Fax: 040-30444400
Email: cs@powermech.net

xvii. Compliance Certificate from Auditors

Certificate from M/s P S Rao & Associates, Company Secretaries, Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under Chapter IV of SEBI (Listing Regulations) 2015, forms part of this report.

xviii. Certificate from Company Secretary in Practice in respect of Non Disqualification of Directors

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the SEBI (Listing Regulations) 2015, your Company has obtained certificate from Company Secretary in Practice pertaining to non-disqualification of Directors and forms part of this report.

xix. Secretarial Standards:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

xx. Code of Conduct for the Board & Senior Management Personnel

The Company has laid down a Code of Conduct which has been effectively adopted by the Board Members and Senior Management Personnel of the Company and is also posted on the website of the Company www.powermechprojects.com

All the Board members and senior management personnel have affirmed compliance to the code as on 31st March, 2021.

A declaration to this effect signed by the Chairman and Managing Director is annexed and forms part of this report.

ANNEXURE 9 (Contd.)

xxi. Details of the total fees paid to the Statutory Auditors

The details of the total fees for all the services paid by the Company and its Subsidiaries on a consolidated basis to the statutory auditors and all the entities in the network firm/network entity of which the statutory auditor is apart, are as follows:

(₹ in Cr)

Type of Service	FY 20-21	FY 19-20
Audit Fees	0.12	0.12
Tax Fees	--	--
Others	--	--

xxii. Code for Prevention of Insider Trading

On 31st December, 2018, Securities and Exchange Board of India amended the Prohibition of Insider Trading Regulations, 2015, prescribing various new requirements with effect from 01st April, 2019. In line with the amendments, your Company has adopted an amended Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on the Company's website at www.powermechprojects.com

xxiii. Credit Ratings

During the FY 20-21, the Company has obtained revised credit rating from Care Ratings as CARE A- (Single A Minus); Stable for Long-term Bank Facilities (Fund based Limits) and CARE A -; Stable/CARE A2+ (Single A minus, Outlook:Stable/ A Two Plus) for Long-term/Short-term Bank Facilities (Non Fund based Limits).

xxv. Disclosures with respect to demat suspense account/ unclaimed suspense account

The Company has followed the due procedure as provided in regulation 39(4) read with schedule V & VI of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in dealing with the unclaimed shares in public issue. The movement of unclaimed shares in the "Power Mech Projects Limited-Unclaimed Shares Demat Account" as follows:-

Particulars	No of shareholders	No of Equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year- 01st April, 2020.	Nil	Nil
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year.	Nil	Nil
Number of shareholders to whom share were transferred from suspense account during the year.	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year – 31st March, 2021.	Nil	Nil
The voting rights on these shares shall remain frozen till rightful owners of such shares claim the shares.		

xxvi. Disclosure of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of Corporate Governance as per SEBI (LODR) Regulations, 2015 and is in the process of implementing the non-mandatory requirements.

ANNEXURE 9 (Contd.)

xxvii. The Disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance status Yes / No
17	Board of Directors	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	Yes*
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance Requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

*Provision of Risk Management committee is applicable from the FY 2021-22. The committee was constituted w.e.f. 17th June, 2021

For and on behalf of the Board of Directors of

Sd/-
S Kishore Babu
Chairman & Managing Director
DIN: 00971313

Place: Hyderabad
Date: 07th August, 2021

ANNEXURE 10

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy

   Our Company always believes that Corporate Social Responsibility requires the Company to pursue social goals, especially those relating to sustainable development, environmental protection, social justice and economic development. Corporate Social Responsibilities strengthen the relationship between the Company and the Society. The policy is hosted on the Company's website at www.powermechprojects.com/investorrelations

2. Composition of the CSR Committee

Sl No.	Name of the Director	Designation/Nature of Directorship	Number of Meeting of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	S.Kishore Babu	Chairman and Managing Director-Chairman of the Committee	**1**	**1**
2	S.Lakshmi	Non – Executive, Non-Independent Director-Member of the Committee	**1**	**1**
3	GDV Prasada Rao	Non- Executive Independent Director-Member of the Committee	**1**	**1**

3. Web link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:http://www.powermechprojects.com/investorrelations

4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable, attach the report: **Not applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl No.	Financial Year	Amount available for set off from preceding financial years (in ₹)	Amount required to be set off for the financial year, if any (in ₹)
NIL			

6. Average net profit of the Company as calculated as per Section 135 (5): 117.88 Crores

7. a) Two percent of Average net profit of the Company as per Section 135(5): ₹2.36 Crores

   b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year: NIL

   c) Amount required to be set off for the financial year : NIL

   d) Total CSR Obligation for the Financial Year (7a+7b-7c): ₹2.36 Crores

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

Total amount spent for the financial year (in ₹)	Amount unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)		
	Amount	Date of transfer	Name of Fund	Amount	Date of Transfer
0.50 Crores	1.86 Crores	31st Match, 2021	NA	NA	NA

ANNEXURE 10 (Contd.)

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

Sl No	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of the Project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred toUnspent CSR Account for the project as per Section 135 (6) (in ₹)	Mode of Implementation Direct (Yes/NO)	Mode of Implementation-Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	Vocational Training centre	Promoting education including special education and employment enhancing vocational skills	Yes	Telangana	Vikarabad	11 months	1.86	0	1.86	No	Power Mech Foundation	CSR00009836

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

Sl no	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount Spent for the project (in ₹)	Mode of Implementation-Direct (Yes/No)	Mode of implementation through implementing agency	
				State	District			Name	CSR Registration Number
1	Eradicating hunger	Eradicating hunger, poverty and malnutrition	No	Andhra Pradesh	Krishna	17.30 Lakhs	No	Power Mech Foundation	CSR00009836
2	Environmental Sustainability	Protection of Flora and Fauna	No	Madhya Pradesh	Bhopal	3.00 Lakhs	Yes	-	-
3	Eradicating hunger	Eradicating hunger, poverty and malnutrition	No	Maharashtra	Bhusawal	16.50 Lakhs	No	Power Mech Foundation	CSR00009836
4	Eradicating hunger	Eradicating hunger, poverty and malnutrition	No	North Chennai	Tamilnadu	3.2 Lakhs	No	Power Mech Foundation	CSR00009836
5	Eradicating hunger	Eradicating hunger, poverty and malnutrition	Yes	Telangana	Hyderabad	10 Lakhs	Yes	-	-

d) Amount spent on administrative overheads: Nil

e) Amount Spent on Impact Assessment, if applicable: Not Applicable

f) Total Amount Spent for the Financial Year (8b+8c+8d+8e) = 0.50 Crores

g) Excess amount for set off, if any: Nil

ANNEXURE 10 (Contd.)

9 (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

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

10. in case of creation or acquisition of capital asset, furnish details relating to the asset so created or acquired through CSR spent in the financial year: Not applicable

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135 (5):

During the year under review, the Company was under an obligation to Spend ₹2.36 Cr towards CSR. Accordingly, an amount of ₹0.50 Cr was spent for various CSR activities above mentioned.

₹ 1.86 Cr was earmarked for construction of a vocational training center and the said amount was transferred to the account of implementing agency.

Sd/-
S. Kishore Babu
Chairman and Managing Director
DIN: 00971313

Place: Hyderabad
Date: 07th August, 2021

BUSINESS RESPONSIBILITY REPORT

The Company has in Compliance with regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, prepared the business Responsibility Report as under:

1	Corporate Identity number (CIN) of the Company	L74140TG1999PLC032156
2	Name of the Company	POWER MECH PROJECTS LIMITED
3	Registered address	PLOT No.77, JUBILEE ENCLAVE, OPPOSITE: HITEX, MADHAPUR, HYDERABAD, TELANGANA-81
4	Website	www.powermechprojects.com
5	E-mail Id	info@powermech.net
6	Financial Year Reported	20-21
7	Sector(s)that the Company is engaged in (Industrial activity code-wise)	Construction, Engineering & Infrastructure Development
8	List three key products/services that the Company manufactures/provides	Construction, Engineering & Infrastructure Development
9	Total Number of locations where business activity is undertaken by the Company Number of International Locations (Provide details of major 5) Number of national locations	The Company 's operations are spread across countries in Asia and Africa
10	Markets served by the Company - Local/State/National/ International	Countries in Asia and Africa

SECTION B: FINANCIAL DETAILS OF THE COMPANY

₹ in Cr

1	Paid up capital (₹)	14.71
2	Total Turnover (₹)	1754.40
3	Total Profit after taxes (₹)	(34.61)
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the FY 20-21, the Company has incurred/ set aside the amount equivalent to 2% of average profits of last three preceding financial years as calculated in terms of the provisions of section 135 of the Companies Act, 2013 towards the CSR activities.
5	List of activities in which expenditure in 4 above has been incurred:	Education, Health and Social Service

SECTION C: OTHER DETAILS:

1	Does the Company have any Subsidiary Company/ Companies?	Yes. The subsidiaries are Hydro Magus Private Limited, Power Mech Industri Private Limited, Power Mech BSCPL Consortium Private Limited, Power Mech SSA Structures Private Limited, Aashm avenues Private Limited, Power Mech Projects Limited LLC, Power Mech Projects (BR) FZE and Power Mech Environmental Protection Private Limited
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Business Responsibility initiatives of the Company are applicable to the subsidiary Company to the extent that is material in relation to the business activities of the Company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No entity participates in the BR initiatives of the Company. However, the Company encourages its suppliers, distributors, contractors etc to adopt BR initiatives and follow good business practices.

BUSINESS RESPONSIBILITY REPORT (Contd.)

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

    (a) Details of the Director/Director responsible for implementation of the BR policy/policies

    1. DIN Number: 00971313
    2. Name: S. Kishore Babu
    3. Designation: Chairman & Managing Director

    (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00971313
2	Name	S. Kishore Babu
3	Designation	Chairman & Managing Director
4	Telephone number	040-30444418
5	e-mail id	info@powermech.net

2. Principle-wise (as per NVGs) BR Policy/policies

Principle1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability (P1)

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (P2)

Principle 3: Businesses should promote the wellbeing of all employees (P3)

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

Principle 5: Businesses should respect and promote human rights

Principle 6: Business should respect, protect, and make efforts to restore the environment

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8: Businesses should support inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of Compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for Principles stated above	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Company believes in benchmarking practices and global standards- to the best possible extent								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.powermechprojects.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

BUSINESS RESPONSIBILITY REPORT (Contd.)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes

1. All the policies are formulated with detailed analysis and benchmarking across industry. The policies are in compliance with all applicable laws.
2. As per the Company's practice, all the mandatory policies under the Indian laws and regulations have been approved by the Board. Other policies are approved by the concerned Functional Head or Managing Director / Joint Managing Director of the Company depending upon the nature of policy.
3. All the policies have a policy owner and the respective policy owners are responsible for implementation of the policy.
4. Implementation of policies is evaluated as a part of internal governance by policy owners.

b) if answer to the question at serial number against any principle is 'No', please explain why:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8
1	The company has not understood the Principles	NOT APPLICABLE							
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles								
3	The company does not have financial or manpower resources available for the task								
4	It is planned to be done within next 6 months								
5	It is planned to be done within the next 1 year								
6	Any other reason (please specify)								

3. **Governance Related to BR**

1	**Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**	The Management assesses the BR performance of the Company on quarterly basis
2	**Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**	The Business Responsibility Report will be published annually by the Company as a part its Annual Report. The link for Business Responsibility Report is www.powermechprojects.com

BUSINESS RESPONSIBILITY REPORT (Contd.)

SECTION E: Principle –wise performance:

Principle 1: Ethics, Transparency and Accountability.

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	Your Company has been following fair, transparent and ethical governance practices and believes it to be essential for enhancing long-term shareholder value and retaining investor trust. The Company believes that the policies and practices should be ethical and sustainable while being competitive. The Board has adopted two detailed sets of code of conduct, one for Board of Directors and other for Senior Management and Employees. The Code of Conduct for Senior Management and Employees forms an integral part of the induction of new employees. The policy does not extend to the Group/Joint Venture/Suppliers, etc. However, the Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy. An effective vigil mechanism/whistle blower policy is in place to report to the management, instances on unethical behavior and any violation of the Company's Code ofConduct. No complaint was received during the year 2020-21.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Please refer corporate governance section.

Principle 2: Product life cycle sustainability

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (P2)

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Construction, Engineering and Infrastructure development activities
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.)	The company is not engaged in the business of manufacturing goods and consumer products. The Company however takes necessary steps to ensure efficient use of raw materials and goods required for execution of projects including in relation to energy, water , raw material etc.
3	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes. The company to the extent possible/permitted under the contracts being awarded to it, procures raw materials from local & small producers.
5	Does the company have a mechanism to recycle products and waste?	Recycling of products is not applicable as the Company is not engaged in manufacturing activities. The Hazardous wastes are disposed in compliance with the Statutory Provisions.

BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle 3: Employee Wellbeing

Businesses should promote the wellbeing of all employees

1	Total number of employees as on 31.03.2021	7823
2	Total number of employees hired on temporary/ contractual/casual basis	The Company engages employees on contractual basis depending upon the requirements of the projects being awarded to it
3	Number of permanent women employees	23
4	Number of permanent employees with disabilities	NIL
5	Employee association	NIL
6	What percentage of your permanent employees is members of this recognized employee association?	NIL
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	NIL
8	Brief details of training programme held for employees with respect to safety & skill up gradation training in the last year	The Company conducts training programmes in respect of environment, health and safety from time to time.

Principle 4: Stakeholder Engagement:

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1	Has the Company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stake holders?	Yes, the Company has been identifying the disadvantaged, vulnerable and marginalized stakeholders
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.	The Company endeavors to understand their concerns, defines purpose and scope of engagement, commits toengaging with them and resolves differences with stakeholders in a just, fair and equitable manner.

Principle 5: Human rights

Businesses should respect and promote human rights

1	Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?	The Company values and respects the human rights and always remains committed for its protection. The Company's Code of Business Conduct, policy on sexual harassment at workplace and the human resource practices cover most of these aspects. The Company encourages all its suppliers, Subsidiary, vendors and contractors to adopt good practices in this regard
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	NIL

BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle 6: Environmental Management

Business should respect, protect, and make efforts to restore the environment

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others	The Company's health, safety and environment (HSE) culture is driven by a high commitment. The Company's HSE commitment reconciles principles and knowledge distilled across the decades. The Company is recognized as one of the safest contractors in the country's engineering and construction sectors.
2	Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming and others? If yes, please give hyperlink for webpage etc	Yes. Issues such as climate change and global warming are addressed by the company by conservation of natural resources. To protect the environment, hazardous wastes are disposed off in compliance with the statutory provisions.
3	Does the company identify and assess potential environment risks? Y/N	Yes
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Wherever the projects awarded to the Company permit adoption of Clean Development Mechanism, the company adheres to them.
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	As part of the execution of projects, the company undertook initiatives relating to clean technology, energy efficiency, renewable energy, etc.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, complied to the extent applicable.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	NIL

Principle 7 Policy Advocacy:

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	FTAPCCI
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas	The Company is associated with above institution with an intention of mutual learning and contribution in the development process

BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development

1	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof	Yes, the Company considers social development as an important aspect of its operations. It has aligned its thrust areas in line with the requirements of Schedule VII of the Companies Act,2013. To oversee implementation of various initiatives, the Company has formed Corporate Social Responsibility Committee The Company has adopted a policy on Corporate Social Responsibility to streamline its efforts towards Corporate Social Responsibility and support inclusive growth and equitable development of the region it is located in specified area and society in general.
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?	The projects are mostly undertaken through Company's NGO, Power Mech Foundation
3	Has the Company done any impact assessment for its initiative?	Impact Assessment is conducted on a regular basis and is reviewed from time to time and collective action being taken to mitigate the perceived risk
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	The Company has spent an amount of ₹ 0.50 Cr in various CSR activities during the financial year 20-21. Please refer Corporate Social Responsibility Report annexed to and forming part of this annual report
5	Has the Company taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes

Principle 9 Value for customers

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year	NIL
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A.	NA
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Not applicable

CMD /CFO CERTIFICATION TO THE BOARD

(Pursuant to Regulation 17(8) under Chapter IV of
Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015

We, S Kishore Babu, Chairman & Managing Director and J Satish, CFO of the Company responsible for the finance function hereby certify that:

(a) We have reviewed the financial statements and the cash flow statement for the year 20-21 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company 's affairs and are in compliance with existing accounting standards, applicable laws and regulation, including Adoption of accounts in the revised Schedule VI format for the current and previous year.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 20-21, which are fraudulent, illegal or violative of the Company 's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

(i) Significant changes in internal control over financial reporting during the year 20-21

(ii) Significant changes in accounting policies during the year 20-21 and that the same have been disclosed in the notes to the financial statements;

(iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company 's internal control system over financial reporting.

Sd/-
S Kishore Babu
Chairman & Managing Director
DIN: 00971313

Sd/-
J Satish
Chief Financial Officer

Place: Hyderabad
Date: 07th August, 2021

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the code of conduct of the Company for the financial year ended on 31st March, 2021 as envisaged in the Chapter IV of the Securities Exchange board of India (Listing Obligations and Disclosures Regulations) 2015.

Sd/-
S Kishore Babu
Chairman & Managing Director
DIN: 00971313

Place: Hyderabad
Date: 07th August, 2021

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Power Mech Projects Limited
Hyderabad

We have examined the compliance of the conditions of Corporate Governance by **Power Mech Projects Limited** (hereinafter referred to as "the Company") for the year ended 31st March, 2021, as stipulated in Chapter IV of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination of the Corporate Governance Report in accordance with the established systems and procedures selected by us depending on our judgment, including assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but are not limited to, verification of secretarial records and other information of the Company, as we deem necessary to arrive at an opinion.

Based on the procedures performed by us as mentioned above and according to the information and explanations provided to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended 31st March, 2021.

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

For **P.S. Rao & Associates**
Company Secretaries

Sd/-
D.S. Rao
Company Secretary
ACS No.: 12394
C.P. No.: 14487
UDIN: A012394C000753189

Place: Hyderabad
Date: 07th August, 2021

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To
The Members,
Power Mech Projects Limited
Plot No.77, Jubilee Enclave,
Opp: Hitex, Madhapur,
Hyderabad- 500 081.

We have examined the relevant records, forms, returns and disclosures received from the Directors of **POWER MECH PROJECTS LIMITED** having CIN: L74140TG1999PLC032156 and having registered office at plot no. 77, Jubilee Enclave, Opp: Hitex, Madhapur, Hyderabad, TG- 500081 (hereinafter referred to as "the Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read sub-clause 10(i) of Para C of Schedule V to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and the explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ended 31st March, 2021 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority.

S. No.	Name of Director	Nature/ Category of Directorship	DIN
1	S. Kishore Babu	Chairman, Managing Director	00971313
2	Thiagarajan Sankaralingam	Independent Director	00015954
3	Lakshmi Sajja	Non- Executive Director	00068991
4	Durgavaraprasada Rao Gorijala	Independent Director	02754904
5	Vivek Paranjpe	Independent Director	03378566
6	Rajiv KumarMotihari	Non- Executive Director	07336483
7	Lasya Yerramneni	Independent Director	03150397

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

For **P.S. Rao & Associates**
Company Secretaries

Sd/-
D.S. Rao
Company Secretary
ACS No.: 12394
C.P. No.: 14487
UDIN: A012394C000753189

Place: Hyderabad
Date: 07th August, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of

POWER MECH PROJECTS LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone financial statements of **POWER MECH PROJECTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of affairs of the Company as at 31st March, 2021, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No	Key Audit matter	How the matter was addressed in our audit
1	Revenue recognition of long term contracts The Company has revenue from construction contracts and long term operating and maintenance agreements. Revenue related to these construction contracts is recognised using the percentage completion method, where progress is determined with reference to completion of physical proportion of the work to the extent of work certified by the customer and revenue is also recognised in case of works pending certification as on date of balance sheet. The Company raised invoices on monthly basis based on the physical proportion of the work completed. We focussed this area because of significant management judgement required in: Estimation of the physical proportion of the contract work completed for the contracts and particularly in case of those works which were pending for certification by the customer as on date of balance sheet which may lead to over or understatement of revenues and profit.	As part of our audit, we obtained an understanding of the methodology applied, the internal process and controls used for determination of the physical proportion of work completed. We evaluated the process and systems used to record the quantum of work completed against which invoices were raised. In respect of construction projects, we obtained work completion certificates, measurement work sheets from project engineers and also obtained certificate of confirmations of work completed from customers to assess the appropriateness of management estimates of the physical proportion of work completed. Further we also examined the payment advices received subsequent to the balance sheet date which confirms the extent of work completed and certified for which revenue was recognised. In case of those works which were pending certification as on date of balance sheet, we obtained payment advices from the customers related to the said works, post balance sheet date.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sl. No	Key Audit matter	How the matter was addressed in our audit
2	Trade receivables The Company has significant amount of trade receivables (Including retention and security deposits) and their recoverability requires management judgement due to the specific risks associated with these receivables. There is an element of management judgement in assessment of extent of the recoverability of long outstanding trade receivables after the end of the contractual credit period. Management assessed the recoverability of trade receivables by reviewing customers ageing profile, credit history, nature and ownership of organisation and status of subsequent settlements and determined whether an impairment provision is required. We considered this matter to be significant to our audit due to the quantum of the receivables and their period of outstanding.	Our audit procedures in relation to the recoverability of trade receivables included • Understood and tested the Company's credit control procedures and tested key controls over granting credit to customers • Tested ageing of trade receivables at the year ended on a sample basis • Obtained list of long outstanding receivables and identified any debtors with financial difficulty through discussion with management • Assessed the recoverability of these outstanding receivables through our discussion with management and with reference to detailed receivables listings for the subsequent period • Also examined the arrangements/ correspondences with customers to assess the payment arrangement agreed with the customers and assessed the recoverability of the significant outstanding receivables • Assessed the recoverability of the balances by comparing the outstanding amounts as at year end against subsequent recoveries • The status and their organisational structure was also examined with reference to the credit risk and their creditability in making payments since most of the customers are public sector organisations Considering all these, we found that the judgment made by the management in assessment of recoverability of receivables are found to be appropriate.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon which are expected to be made available to us at a later date.

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information, which is not available to us as on the date of this report. In the absence of the said other information, we are unable to comment upon whether the other information is materially misstated or not.

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 Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income/(loss), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of

INDEPENDENT AUDITOR'S REPORT (Contd.)

the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design,

implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

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

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

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **K.S. Rao & Co**
Chartered Accountants
(Firm Registration No. 003109S)

Gopikrishna Chowdary Manchinella
Partner
Membership No. 235528
UDIN: 21235528AAAABT9054

Place: Vijayawada
Date: 17th June 2021

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 2 under "Report on other legal and regulatory requirements" section of our report to the members of POWER MECH PROJECTS LIMITED ("Company") for the year ended 31st March, 2021.

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. However, the fixed assets register has not been updated with the location of assets when there was a change in movement of asset from one location to other. However, the said movement of assets has been noted in the registers maintained by the concerned departments.

   b) The Company has a programme of physical verification to cover all items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the programme, some of the fixed assets were physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies have been noticed on such verification.

   c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. In respect of its inventories:

   a) According to the information and explanations furnished to us, the Company has physically verified its inventories in some of the domestic and overseas project sites covered nearly 77% value of the stores and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification to the extent carried out during the year is reasonable.

3. According to the information and explanations given to us, the Company has granted unsecured loans to the companies covered in the register maintained under Section 189 of the Companies Act, 2013. In respect of such loans, considering the business expediency and utilisation of such loans by borrower companies, we report that:

   a) The loans given by the Company are prima-facie, not prejudicial to the interests of the Company considering the relationship and business expedience of the companies.

   b) In the absence of terms of schedule of repayment, our report on regularity in repayment of loans does not arise.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the grant of loans, investments made and providing guarantees as applicable.

5. The Company has not accepted any deposits from the public within the meaning of section 73-76 of the Act and therefore the provisions of clause 3(V) of the Order are not applicable to the Company.

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 its statutory dues such as TDS, GST and is regular in depositing the other statutory dues.

   b) There were no undisputed statutory dues in arrears in respect of PF, ESI, Customs duty, GST, Income-tax and other material statutory dues as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.

   c) According to the information and explanations furnished to us, the following amounts of Value added 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 ₹ (net of amounts paid under protest)	Period to which it relates	Forum where dispute is pending
Bihar VAT Act	VAT	1.26 Cr (net of payment of ₹ 0.54 Cr)	2014-15	Joint Commissioner of Commercial taxes, Patna

8. In our opinion and according to the information and explanations furnished to us by the Company, there were no defaults in repayment of dues to banks. However, the Company has not borrowed any loans from financial institutions, government or raised any funds by way of issue of debentures.

9. The Company has not raised any money by way of initial public offer (IPO) or further public offer. The term loans obtained during the year were applied for the purpose for which they were raised.

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

10. According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

11. According to the information and explanation given to us and based on examination of the records of the Company, the Company had not paid any remuneration for managerial personnel during the year under report. Accordingly reporting under provisions of para 3(xi) of the Order is not applicable

12. The Company is not a nidhi Company. Accordingly reporting under provisions of para 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on examination of records of the Company, transactions with the related parties are in compliance with the provisions of section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the Company.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **K.S. Rao & Co**
Chartered Accountants
(Firm Registration No. 003109S)

Gopikrishna Chowdary Manchinella
Partner
Membership No. 235528
UDIN: 21235528AAAABT9054

Place: Vijayawada
Date: 17th June, 2021

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **POWER MECH PROJECTS LIMITED** ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K.S. Rao & Co**
Chartered Accountants
(Firm Registration No. 003109S)

Gopikrishna Chowdary Manchinella
Partner
Membership No. 235528
UDIN: 21235528AAAABT9054

Place: Vijayawada
Date: 17th June, 2021

BALANCE SHEET
AS AT 31ST MARCH, 2021

All amounts are in ₹ Cr, except share data and where otherwise stated

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4.1	137.79	146.18
(b) Right-of-use assets	4.2	5.30	7.20
(c) Capital Work-in-progress	4.3	5.28	2.56
(d) Intangible Assets	5	0.23	0.28
(e) Financial Assets			
(i) Investments	6.1	13.88	13.86
(ii) Loans	7	-	-
(iii) Other financial assets	8	274.13	265.74
(f) Deferred Tax Asset (Net)	18	20.20	7.10
(g) Other Non-current Assets	9	2.13	1.91
Total Non-Current assets		**458.94**	**444.83**
2 Current Assets			
(a) Inventories	10	106.81	115.23
(b) Financial Assets			
(i) Investments	6.2	2.36	-
(ii) Trade receivables	11	486.51	467.87
(iii) Cash and cash equivalents	12	12.08	24.10
(iv) Other bank balances	12	50.10	44.58
(v) Loans	7	30.56	49.95
(vi) Other financial assets	8	511.11	528.91
(c) Other Current assets	9	439.68	475.38
(d) Current tax Asset (Net)	22	33.22	7.18
Total Current assets		**1,672.43**	**1,713.20**
Total Assets		**2,131.37**	**2,158.03**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	13	14.71	14.71
(b) Other Equity	14	836.67	871.36
Total Equity		**851.38**	**886.07**
Liabilities			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Long-term borrowings	15	15.84	29.64
(ii) Lease liabilities	16	2.74	4.53
(iii) Other financial liabilities	16	71.58	60.84
(b) Provisions	17	4.31	3.64
(c) Other non-current liabilities	19	10.37	6.38
Total non-current liabilities		**104.84**	**105.03**
3 Current liabilities			
(a) Financial Liabilities			
(i) Short-term borrowings	20	453.53	417.65
(ii) Lease liabilities	16	2.53	2.43
(iii) Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises		0.11	0.35
b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		486.91	521.17
(iv) Other financial liabilities	16	131.30	150.84
(b) Other current liabilities	19	99.59	73.56
(c) Provisions	17	1.18	0.93
Total current liabilities		**1,175.15**	**1,166.93**
Total Liabilities		**1,279.99**	**1,271.96**
Total Equity and Liabilities		**2,131.37**	**2,158.03**

Corporate Information	1	
Basis of Preparation and Significant Accounting Policies	2-3	

The accompanying notes 32-50 form an integral part of the financial statements.

As per our report of even date

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number: 235528
UDIN: 21235528AAAABT9054

Place: Vijayawada/Hyderabad
Date: 17th June, 2021

For and on behalf of the Board

Sd/-
S.Kishore Babu
Chairman and Managing Director
DIN:00971313

Sd/-
J Satish
CFO

Sd/-
Mohith Kumar Khandelwal
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2021

All amounts are in ₹ Cr, except share data and where otherwise stated

Particulars	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
I Revenue from Operations	23	1,754.40	2,044.56
II Other Income	24	20.14	9.12
III **Total Income (I+II)**		**1,774.54**	**2,053.68**
IV **Expenses**			
Cost of Material Consumed	25	249.71	297.42
(Increase)/Decrease in Inventories, Stock-in-Trade and Work-in-progress	26	4.62	(12.06)
Contract execution expense	27	1,134.70	1,182.95
Employee benefit expense	28	295.31	305.28
Finance cost	29	77.89	71.79
Depreciation and Amortisation expense	30	33.21	36.15
Other expense	31	24.81	24.06
Total Expenses (IV)		**1,820.25**	**1,905.59**
V **Profit/(Loss) before exceptional items and tax (III-IV)**		**(45.71)**	**148.09**
VI Exceptional Items		-	-
VII **Profit/(Loss) before tax (V-VI)**		**(45.71)**	**148.09**
VIII **Tax expense:**			
Current tax		2.00	39.77
Deferred tax charge/(credit)		(13.10)	(2.35)
IX **Profit/(Loss) after tax for the year (VII-VIII)**		**(34.61)**	**110.67**
X **Other Comprehensive Income**			
A. Items that will not be re-classified to statement of Profit and loss (net of tax)			
a) Changes in fair value of investments		0.02	(0.01)
b) Remeasurement of defined employee benefit plans		1.37	0.96
Total Other Comprehensive income		**1.39**	**0.95**
XI **Total Comprehensive Income/(Loss) for the year (IX+X)**		**(33.22)**	**111.62**
XII Earnings per Share - Basic and Diluted		(23.53)	75.23

Corporate Information 1

Basis of Preparation and Significant Accounting Policies 2-3

The accompanying notes 32-50 form an integral part of the financial statements.

As per our report of even date

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number: 235528
UDIN: 21235528AAAABT9054

Place: Vijayawada/Hyderabad
Date: 17th June, 2021

For and on behalf of the Board

Sd/-
S.Kishore Babu
Chairman and Managing Director
DIN:00971313

Sd/-
J Satish
CFO

Sd/-
Mohith Kumar Khandelwal
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

All amounts are in ₹ Cr, except share data and where otherwise stated

Particulars	20-21	19-20
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	**(45.71)**	**148.09**
Add/Less: Adjustments for :		
Depreciation	33.21	36.15
Interest and Finance charges	77.87	71.01
Interest on Income Tax	0.02	0.78
Loss on sale of assets	0.34	0.06
Net loss arising on financial assets measured at FVTPL	(0.05)	(0.09)
Fair value gain on current investments	(0.11)	-
Interest income	(6.47)	(6.57)
Profit on sale of assets	(0.46)	(0.64)
Dividend income	(10.74)	-
Amortisation of Deferred Government grants	(0.12)	(0.10)
Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income	1.37	0.96
Operating profit before working capital changes	**49.15**	**249.65**
Movements in Working Capital		
Adjustments for (increase)/decrease in operating assets:		
- Trade Receivables	(18.63)	(79.30)
- Inventories	8.42	(35.97)
- Other Assets	85.33	(261.83)
Adjustments for increase/(decrease) in operating liabilities:		
- Trade Payables	(34.49)	117.21
- Other Liabilities and Provisions	43.30	16.52
Cash generated from operations	**133.08**	**6.28**
Less: Direct taxes paid	(28.01)	(69.18)
Net cash from/(used in) Operating activities (A)	**105.07**	**(62.90)**
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets/Capital work in progress	(26.26)	(26.41)
Proceeds from sale of fixed assets	1.10	1.70
Investment in equity shares of Subsidiary company	-	(0.01)
Investment in Mutual Funds	(2.25)	-
Margin money deposits with banks and other balances	(26.46)	22.41
Dividend received	10.74	-
Interest received	6.47	6.57
Net cash from /(used in) Investing activities (B)	**(36.66)**	**4.26**
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	0.82	143.45
Interest and Finance charges paid	(77.27)	(70.26)
Lease Rent Paid	(2.51)	(2.43)
Dividends and dividend tax paid	(1.47)	(1.77)
Net cash from/(used in) financing activities (C)	**(80.43)**	**68.99**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(12.02)**	**10.35**
Cash and cash equivalents at the beginning of the period	24.10	13.75
Cash and cash equivalents at the end of the period	12.08	24.10
Net increase/(decrease) in cash and cash equivalents	**(12.02)**	**10.35**

Note: The above cash flow statement has been prepared under "Indirect method" as set out in the Indian Accounting Standard (IND AS 7) - Statement of Cash flows.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

Components of cash and cash equivalents

Particulars	20-21	19-20
Cash on hand	1.57	1.46
In Current accounts	10.45	20.23
Deposits having maturity period for less than 3 months	0.06	2.41
	12.08	**24.10**

Reconcilation of Changes in Liability arising from Financing activities for the year ending 31st March, 2021

Particulars	Opening	Ind as 116 changes	Cash flows	Non-Cash changes	Net Cash flow	Closing
Long term borrowings	90.77	-	-	0.08	(35.14)	55.71
Short term borrowings	417.65	-	-	-	35.88	453.53
Lease Liabilities (Refer Note no.46)	6.96	0.33	(2.63)	0.61	(2.30)	5.27

Reconcilation of Changes in Liability arising from Financing activities for the year ending 31st March, 2020

Particulars	Opening	Ind as 116 adoption	Cash flows	Non-Cash changes	Net Cash flow	Closing
Long term borrowings	92.92	-	-	1.06	(3.21)	90.77
Short term borrowings	272.04	-	-	-	145.61	417.65
Lease Liabilities (Refer Note no.46)	-	8.64	(2.43)	0.75	(1.67)	6.96

Corporate Information 1
Basis of Preparation and Significant Accounting Policies 2-3
The accompanying notes 32-50 form an integral part of the financial statements.

As per our report of even date

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number: 235528
UDIN: 21235528AAAABT9054

Place: Vijayawada/Hyderabad
Date: 17th June, 2021

For and on behalf of the Board

Sd/-
S.Kishore Babu
Chairman and Managing Director
DIN:00971313

Sd/-
J Satish
CFO

Sd/-
Mohith Kumar Khandelwal
Company Secretary

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2021

All amounts are in ₹ Cr, except share data and where otherwise stated

A. Equity share capital

Particulars	No's	Total
As at 31st March, 2019	**1,47,10,764**	**14.71**
Changes in equity during the year	-	-
As at 31st March, 2020	**1,47,10,764**	**14.71**
Changes in equity during the year	-	-
As at 31st March, 2021	**1,47,10,764**	**14.71**

B. Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Total
	Securities Premium	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Re-Measurement of defined employee benfit plans	
Balance as at 31st March 2019	**160.93**	**36.96**	**561.94**	**0.01**	**1.67**	761.51
Profit for the year	-	-	110.67	-	-	110.67
Other Comprehensive Income	-	-	-	(0.01)	0.96	0.95
Total Comprehensive Income for the year	**-**	**-**	**110.67**	**(0.01)**	**0.96**	**111.62**
Less: Appropriations						
Final Dividend and tax thereon for the FY 18-19 proposed & paid during the year	-	-	1.77	-	-	1.77
Balance as at 31st March 2020	**160.93**	**36.96**	**670.84**	**0.00**	**2.63**	**871.36**
Loss for the year	-	-	(34.61)	-	-	(34.61)
Other Comprehensive Income	-	-	-	0.02	1.37	1.39
Total Comprehensive Loss for the year	**-**	**-**	**(34.61)**	**0.02**	**1.37**	**(33.22)**
Less: Appropriations						
Final Dividend for the FY 19-20 proposed & paid during the year	-	-	1.47	-	-	1.47
Balance as at 31st March 2021	**160.93**	**36.96**	**634.76**	**0.02**	**4.00**	**836.67**

Corporate Information 1
Basis of Preparation and Significant Accounting Policies 2-3
The accompanying notes 32-50 form an integral part of the financial statements.

As per our report of even date

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number: 235528
UDIN: 21235528AAAABT9054

Place: Vijayawada/Hyderabad
Date: 17th June, 2021

For and on behalf of the Board

Sd/-
S.Kishore Babu
Chairman and Managing Director
DIN:00971313

Sd/-
J Satish
CFO

Sd/-
Mohith Kumar Khandelwal
Company Secretary

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

NOTE 1 CORPORATE INFORMATION

Power Mech Projects Limited is incorporated in the year 1999 and is an engineering and construction company providing integrated service in erection, testing and commissioning (ETC) of boilers, turbines and generators and balance of plant (BOP), civil works and operation and maintenance (O&M). 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 fluidised bed combustion steam generator, gas turbine generator, hydro electric plants, maintenance, renovation, modernisation and annual maintenance of running plants and complete civil works in India and abroad. Power Mech is now engaged in several power projects ranging from 135MW to 800MW, besides many projects in lower segment also.

The Company is entering other related fields including railway projects and executing major railway project of doubling of tracks including electrification, signaling, culverts, platforms etc., The Company has made its latest entry into transmission and distribution portfolio, mining of sand, a new venture of diversification and the Company has already undertaken some major projects. Thus, Power Mech is proud to be a vital part of India's Power generation capacity augmentation. Also, the Company as a part of diversifying its operations, entering into development and operation of coal mines.

NOTE 2 BASIS OF PREPARATION

2.1 a) Basis of preparation of financial statements

These financial Statements are the separate financial statements of the Company (called Standalone financial statements). These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention and on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Use of estimates and Judgements

The preparation of the Company's financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements and estimates that have been made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

i) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets:

Property, plant and equipment / intangible assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is revised if there are significant changes from previous estimates.

ii) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, past history of receivables, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iii) Fair value measurement of financial instruments:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES (Contd.)

uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Company also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

iv) Provisions:

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

v) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

vi) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii) Income Taxes:

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

viii) Defined benefit obligations:

The Company uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine such employee benefit obligations.

ix) Revenue recognition:

The Company uses the percentage of completion method in accounting for its fixed price contracts and is measured with reference to actual completion of physical proportion of the work to the extent of work certified by the customer. Measurement of physical quantum of work in respect of uncertified works is based on estimates at the reporting date.

x) Other estimates:

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

xi) Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets, receivables and unbilled

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES (Contd.)

revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact assessment of COVID-19 is a continuous process given the uncertainty associated with its nature and durations and accordingly the eventual outcome may be different from those estimates as on the date of approval of these Financial Statements.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management. The cost of Property, plant and equipment comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use.

For transition to Ind AS, the Company has elected to adopt carrying value of PPE measured as per previous GAAP, as deemed cost as on 1st April, 2015.

Advances paid for acquisition of Property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Cost of the assets not put to use before such date are disclosed under 'Capital Work-in-progress'. Any subsequent expenditure relates to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. Items of spare parts are recognised as Property, plant and equipment when they meet the definition of Property, plant and equipment. The cost and related depreciation are eliminated from the property, plant and equipment upon sale or retirement of the asset and the resultant gain or losses are recognised in statement of profit and loss.

b) Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortisation. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis from the date they are available for use.

c) Depreciation and Amortisation

The depreciation on property, plant and equipment is provided under the Straight-line method over the useful lives of the assets estimated by the management. The management based on internal assessment, taking into account the nature of the asset, estimated usage of the asset, operating conditions of the asset, past history of replacement, anticipated technical changes 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.

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	1-3

Individual assets costing up to ₹ 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 amortisation methods, useful lives and residual values are reviewed periodically at the end of each financial year with the effect of any change in estimate accounted for on a prospective basis.

d) Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received .

Government grants related to revenue are recognised on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. When the grant relates to an asset, it is recognised as deferred revenue in the Balance sheet and transferred to the statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

e) Impairment of Assets

i) Financial assets (other than at fair value)
The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount (i.e higher of the fair value less cost of sale and value in use) is determined on an individual asset basis unless the asset does not generates cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount and the carrying amount of the asset is increased to its revised recoverable amount subject to maximum of carrying amount.

f) 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.

g) Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amount are recognised in the statement of profit and loss.

h) Inventories

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

b) Work-in-progress:

Contract execution expenses incurred in respect of projects to be commenced are included under work-in-progress and are valued at cost.

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

i) Revenue Recognition

Revenue from contracts with customers is recognised on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Identifying Performance Obligation:

A performance obligation is identified in the construction projects that the Company engages in, owing to the high degree of integration and customisation of the various goods and services to provide a combined output which is transferred to the customer over time and not at a specific point in time. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time.

Determination of Transaction Price:

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES (Contd.)

for transferring good or service to a customer excluding amounts collected on behalf of a third party(GST). Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Recognition of Revenue:

In case of sale of goods:

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

In case of construction services:

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered.

Revenue from contracts is recognised 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 and acknowledged by the customer. The portion of the work which was completed, but pending for certification by the customer, is also recognised as revenue by treating the same as uncertified revenue. Any claims, variations and incentives is recognised as revenue only when the customer accepts the same. Provision for expected loss is recognised immediately when it is probable that the total estimated cost will exceed total contract revenue.

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.

In case of other Income:

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

J) 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

- Gratuity, a defined Benefit scheme is covered by a Group Gratuity cum Life Assurance policy with LIC. The cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial losses and gains, the effect of changes to the asset ceiling and actual return on plan assets, in excess of the yield computed by applying the discount rate used to measure the defined benefit obligation, is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Such remeasurement losses/gains are not reclassified to profit or loss subsequently.
- 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.

k) Foreign Currency Transactions

The functional currency of the Company, including of its foreign projects, is Indian rupee and the financial statements are presented in Indian rupee.

Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately, with the difference in the rate of exchange arising on actual receipt/payment during the year.

At each Balance Sheet date

i) Foreign currency denominated monetary items are translated into the relevant functional currency at exchange rate at the balance sheet date. The gains and losses resulting from such translations are included in net profit in the statement of profit and loss.

ii) Foreign currency denominated non-monetary items are reported using the exchange rate at which they were initially recognised.

Transaction gains or losses realised upon settlement of foreign currency transactions are included in statement of profit and loss.

l) Income-Taxes

Income tax expense comprises the sum of tax currently payable and deferred tax. Income tax expense is recognised in net profit in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current tax is determined at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities are recognised as income or expense in the year of enactment. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

m) 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. Where the effect of time value of money is material, the amount of provisions is the present value of the expenditure required to settle the obligation. 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 recognize 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.

n) Dividends

Provision for dividends payable (including income tax thereon) is accounted in the books of account in the year when they are approved by the share holders at the Annual General Meeting.

o) 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.

p) Leases

The Company's leased assets primarily consist of buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES (Contd.)

q) 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.

r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition:

The Company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than the financial assets and liabilities at fair value through profit and loss) are added to or deducted from the fair value of financial assets and liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities at fair value through profit or loss are recognised immediately in profit or loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

i) Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income.

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

De-recognition of financial asset

The Company de-recognises financial assets when the contractual right to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Impairment of financial assets:

The Company applies expected credit loss (ECL) model for measurement and recognition of loss assets in case of trade receivables and other financial assets. In case of trade receivables, the Company follows a simplified approach wherein an amount equal to life time ECL is measured and recognised as loss allowance. In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk has not increased significantly, an amount equal to 12-month ECL is measured and recognised as a loss allowance. However, if the credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as a low allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reversed the impairment loss recognised earlier.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. The effective method is a method of calculating the amortisation cost of a financial liability and of allocating interest expense over the relevant period. The effective interest is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

De-recognition of financial liability

The Company de-recognises financial liabilities when the Company's obligations are discharged, cancelled or expired. The difference between the initial carrying amount of the financial liabilities and their redemption value is recognised in the statement of profit and loss over the contractual terms using the effective interest method.

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 4.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	As at 31st March, 2021	As at 31st March, 2020
Carrying Amounts of:		
Land	3.60	3.60
Office Buildings	16.75	17.88
Plant and Equipment	11.35	13.02
Furniture and Fixtures	1.73	2.72
Computers	1.29	1.23
Office Equipment	2.72	3.18
Motor vehicles	15.79	12.82
Cranes	74.90	82.68
Temporary Sheds	9.66	9.05
	137.79	**146.18**
Capital Work-in-progress (Refer Note No 4.3)	**5.28**	**2.56**

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

PROPERTY, PLANT AND EQUIPMENT

All amounts are in ₹ Cr, except share data and where otherwise stated

Particulars	Land	Lease Hold Land and Improvements	Office Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Motor vehicles	Cranes	Temporary Sheds	Total
Gross Block											
As at 31st March, 2019	3.60	0.55	20.82	37.80	8.83	3.61	9.33	37.95	139.34	36.48	298.31
Additions	-	-	1.15	3.98	0.78	0.41	1.40	3.09	10.81	5.47	27.09
Reclassification on account of adoption of Ind AS- 116 (Refer Note 4.2)	-	0.55	-	-	-	-	-	-	-	-	0.55
Disposals	-	-	-	0.14	-	-	0.02	0.07	3.08	7.44	10.75
As at 31st March, 2020	**3.60**	**-**	**21.97**	**41.64**	**9.61**	**4.02**	**10.71**	**40.97**	**147.07**	**34.51**	**314.10**
Additions	-	-	-	1.96	0.55	0.47	0.82	7.12	8.40	4.21	23.53
Disposals	-	-	-	0.53	0.00	0.00	0.26	1.60	1.35	1.69	5.43
As at 31st March, 2021	**3.60**	**-**	**21.97**	**43.07**	**10.16**	**4.49**	**11.27**	**46.49**	**154.12**	**37.03**	**332.20**
Accumulated Depreciation											
As at 31st March, 2019	-	-	3.13	24.54	5.19	2.38	6.08	23.12	50.85	28.36	143.65
Depreciation charge for the year	-	-	0.96	4.21	1.70	0.41	1.47	5.09	15.89	4.17	33.90
On disposals	-	-	-	0.13	-	-	0.02	0.06	2.35	7.07	9.63
As at 31st March, 2020	**-**	**-**	**4.09**	**28.62**	**6.89**	**2.79**	**7.53**	**28.15**	**64.39**	**25.46**	**167.92**
Depreciation charge for the year	-	-	1.13	3.35	1.54	0.41	1.23	3.92	15.84	3.52	30.94
On disposals	-	-	-	0.25	0.00	0.00	0.21	1.37	1.01	1.61	4.45
As at 31st March, 2021	**-**	**-**	**5.22**	**31.72**	**8.43**	**3.20**	**8.55**	**30.70**	**79.22**	**27.37**	**194.41**
Net Block											
As at 31st March, 2021	**3.60**	**-**	**16.75**	**11.35**	**1.73**	**1.29**	**2.72**	**15.79**	**74.90**	**9.66**	**137.79**
As at 31st March, 2020	**3.60**	**-**	**17.88**	**13.02**	**2.72**	**1.23**	**3.18**	**12.82**	**82.68**	**9.05**	**146.18**

Notes:

1) Term loans taken by the company for purchase of Fixed assets are secured by way of hypothecation on respective assets for which loans were availed.

2) Working Capital Loans from banks are secured by way of first charge on Property, Plant and Equipment of the company both present and future, excluding those assets against which charge was given to equipment financiers.

3) Additions to office Buildings made during the Previous year were constructed on Land taken on Lease.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 4.2 RIGHT OF USE ASSETS

Particulars	As at 31st March, 2021	As at 31st March, 2020
Right - of - use assets	5.30	7.20
	5.30	**7.20**

Particulars	Lease hold land & Improvements	Buildings	Total
Cost or deemed cost			
Balance at 1st April, 2019	-	-	**-**
Re-classification and Transition impact on account of adoption of Ind AS- 116 (Refer Note 4.1 and 46)	0.55	8.84	**9.39**
Additions	-	-	**-**
Disposals/adjustments	-	-	**-**
Balance at 31st March, 2020	**0.55**	**8.84**	**9.39**
Additions	-	0.33	**0.33**
Disposals/adjustments	-	-	**-**
Balance at 31st March, 2021	**0.55**	**9.17**	**9.72**
Accumulated Amortisation and impairment			
Balance at 31st March, 2019	-	-	**-**
Amortisation expense for the year	0.01	2.18	**2.19**
Eliminated on disposal	-	-	**-**
Balance at 31st March, 2020	**0.01**	**2.18**	**2.19**
Amortisation expense for the year	0.01	2.22	**2.23**
Eliminated on disposal	-	-	**-**
Balance at 31st March, 2021	**0.02**	**4.40**	**4.42**
Carrying amount			
As at 31st March, 2021	**0.53**	**4.77**	**5.30**
As at 31st March, 2020	**0.54**	**6.66**	**7.20**

NOTE 4.3 CAPITAL WORK-IN-PROGRESS

Particulars	Amount
At Cost	
As at 31st March, 2019	**3.24**
Additions	0.21
Capitalised during the year	0.89
As at 31st March, 2020	**2.56**
Additions	2.93
Capitalised during the year	0.21
As at 31st March, 2021	**5.28**

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 5 INTANGIBLE ASSETS

Particulars	As at 31st March, 2021	As at 31st March, 2020
Power Mech Brand	0.00	0.00
Computer Software	0.23	0.28
Total	**0.23**	**0.28**

Particulars	Power Mech Brand	Computer Software	Total
Gross Block			
As at 31st March, 2019	0.00	1.43	1.43
Additions	-	-	-
Disposals	-	-	-
As at 31st March, 2020	**0.00**	**1.43**	**1.43**
Additions	-	-	-
Disposals	-	-	-
As at 31st March, 2021	**0.00**	**1.43**	**1.43**
Accumulated Amortisation			
As at 31st March, 2019	0.00	1.08	1.08
Amortisation expense for the year	-	0.07	0.07
On disposals	-	-	-
As at 31st March, 2020	**0.00**	**1.15**	**1.15**
Amortisation expense for the year	0.00	0.05	0.05
On disposals	-	-	-
As at 31st March, 2021	**0.00**	**1.20**	**1.20**
Net Block			
As at 31st March, 2021	**0.00**	**0.23**	**0.23**
As at 31st March, 2020	**0.00**	**0.28**	**0.28**

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 6.1 INTANGIBLE ASSETS

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Investment in Equity Instruments		
(a) (i) Quoted - Trade (Carried at fair value through OCI)		
a) 24 (24) Equity shares of ₹ 10/ each in Reliance Power Limited *	0.00	0.00
(ii) Quoted - Non Trade (Carried at fair value through OCI)		
a) 200 (200) Equity shares of ₹ 10/ each in Assam Company Limited *	0.00	0.00
Total Investment in Quoted Equity Instruments (a)	**0.00**	**0.00**
(b) (i) Unquoted - Trade		
Investment in Subsidiaries (Carried at cost) :		
a) 1,85,000 (1,85,000) Equity shares of ₹ 10 each in Hydro Magus Private Limited	2.94	2.94
b) 18,937 (18,937) Equity shares of ₹ 10 each in Power Mech Industri Private Limited (Wholly owned subsidiary)	4.31	4.31
c) 1,75,000 (1,75,000) ordinary shares of RO 1 each in Power Mech Projects Limited LLC	3.02	3.02
d) 5,100 (5,100) Equity shares of ₹ 10 each in Power Mech BSCPL Consortium Private Limited	0.01	0.01
e) 1,00,000 (1,00,000) Equity shares of ₹ 10 each in Power Mech SSA Structures Private Limited (Wholly owned subsidiary)	0.10	0.10
f) 1,00,000 (1,00,000) Equity shares of ₹ 10 each in Aashm Avenues Private Limited (Wholly owned subsidiary)	0.10	0.10
g) 1,00,000 (1,00,000) Ordinary shares of USD 1 each in Power Mech Projects (BR) FZE	0.69	0.69
(Wholly owned subsidiary) (Investment by way of subscription of assets)		
h) 10,000(10,000) Equity shares of ₹ 10 each in Power Mech Environmental Protection Private Limited (Wholly owned subsidiary)	0.01	0.01
Investment in Joint Venture (Carried at cost) :		
a) 1,50,00,000 (1,50,00,000) equity shares of 1 Naira each in GTA Power Mech Nigeria Limited	0.32	0.32
b) 50 (50) Equity shares of AED 1000 each in GTA Power Mech DMCC (Company with limited liability)	0.09	0.09
c) M/S POWER MECH-M/S ACPL JV (Capital introduced Nil)**	-	-
d) PMPL-STS JV (Capital introduced Nil)**	-	-
e) PMPL-KHILARI Consortium JV (Capital introduced Nil)**	-	-
f) PMPL-SRC INFRA JV - Mizoram (Capital introduced Nil)**	-	-
g) PMPL-SRC INFRA JV - Hassan (Capital introduced Nil)**	-	-
h) PMPL-BRCC INFRA JV (Capital introduced Nil)**	-	-
Investment in Associate (Carried at cost) :		
a) 332 (332) Equity shares of SR 1000 each in MAS Power Mech Arabia	2.25	2.25
Total Investment in Un-Quoted Equity Instruments (b)	**13.84**	**13.84**
Total Investment in Equity Instruments (A)= (a+b)	**13.84**	**13.84**

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

Particulars	As at 31st March, 2021	As at 31st March, 2020
B. Investment in Mutual Funds - Quoted: (Carried at fair value through OCI)		
a) 20,000(20,000) units of SBI Infra structure fund - I - Growth ₹ 10/ each	0.04	0.02
Total Investment in Mutual Funds (B)	**0.04**	**0.02**
Total (A+B)	**13.88**	**13.86**
Aggregate amount of : Quoted investments -		
- At cost	0.02	0.02
- Market value	0.04	0.02
Aggregate amount of unquoted investments	**13.84**	**13.84**

* Amont below ₹ 1 Lakh

** The company has become a venturer in Joint Ventures incorporated during the FY 18-19 & 20-21. However no investment has been made in the said JV's as on date of Balance Sheet.

Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised
Investments measured at:				
(i) Fair value through Other Comprehensive Income				
a) 24 Equity shares of ₹ 10/ each in Reliance Power Limited	0.00	-	0.00	-
b) 200 Equity shares of ₹ 10/ each in Assam Company Limited	0.00	-	0.00	-
c) 20,000 units of SBI Infra structure fund I Growth ₹ 10/ each - Mutual Funds	0.04	-	0.02	-
(ii) Investment in Subsidiary Companies, Joint Ventures and Associates (Carried at cost)	13.84	10.74	13.84	-
Total	**13.88**	**10.74**	**13.86**	**-**

NOTE 6.2 INVESTMENTS (CURRENT)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment in Mutual Funds - Quoted: (Carried at fair value through P&L)		
a) 2,50,000(Nil) units of Baroda large & Mid Cap Fund	0.32	-
b) 16,82,808(Nil) units of Union Corporate fund Regular Plan- Growth Fund	2.04	-
Total Investment in Mutual Funds	**2.36**	**-**
Aggregate amount of : Quoted investments -		
- At cost	2.25	**-**
- Market value	**2.36**	**-**

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 7 LOANS

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered Good				
a) Employee related advances	-	-	5.15	4.52
b) Advances to related parties				
- Wholly Owned Subsidiaries				
- Power Mech Industri Private Limited	-	-	22.65	42.67
- Power Mech SSA Structures Private Limited	-	-	2.21	2.21
c) Loans to Others - GTA Power Mech FZE	-	-	0.55	0.55
(Subsidiary to GTA Power Mech Nizeria, a JV)				
Total	**-**	**-**	**30.56**	**49.95**
The above Loans Receivables are sub-classified as :				
a) Loans Receivables considered good - Secured	-	-	-	-
b) Loans Receivables considered good - Unsecured	-	-	30.56	49.95
c) Loans Receivables which have significant increase in Credit Risk	-	-	-	-
d) Loans Receivables - credit impaired	-	-	-	-
	-	**-**	**30.56**	**49.95**

Note: 1) No loans are due from directors or other officers of the company either severally or jointly with any other person nor any other loans are due from firms in which any director is a partner, a director or a member.

2) All the above advances given to subsidaries/joint ventures are utilised for their business purposes.

NOTE 8 OTHER FINANCIAL ASSETS

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
a) Security deposits with Govt. authorities and others	10.14	13.35	-	-
b) EMD with customers	59.70	82.76	-	-
c) Earmarked balances with banks held as margin money against LC and guarantees having a maturity period for more than 12 monthsfrom the date of balance sheet	65.15	44.22	-	-
d) Retention Money and Security Deposit with customers - Unsecured	142.48	128.75	129.12	147.92
e) Uncertified Revenue	-	-	381.99	380.99
Total	**277.47**	**269.08**	**511.11**	**528.91**
Less: Provision for doubtful receivables (Retention Money and Security Deposit with customers)	(3.34)	(3.34)	-	-
Total	**274.13**	**265.74**	**511.11**	**528.91**

Note: The bifurcation of Retention Money and Security Deposit 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 Retention Money and Security deposit and based on estimates and certified by the management.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 9 OTHER ASSETS

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered Good				
a) Advances for Capital goods	2.13	1.91	-	-
b) Mobilisation advances to Sub - Contractors	-	-	8.90	9.32
c) Advances to creditors against supplies	-	-	26.31	20.55
d) Advances to sub-contractors against works -Unsecured	-	-	337.60	352.93
e) Prepaid Royalty and Other expenses	-	-	38.85	64.56
f) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	21.50	21.47
Works contract tax (TDS)	-	-	0.19	1.11
Taxes paid under protest	-	-	0.54	0.54
Sales Tax Refund Receivable	-	-	0.14	0.14
Duty credit scrip on hand	-	-	0.02	0.13
g) Other advances	-	-	6.85	5.85
Total	**2.13**	**1.91**	**440.90**	**476.60**
Less: Provision for doubtful advances (Advance to sub-contractors against works)	-	-	(1.22)	(1.22)
Total	**2.13**	**1.91**	**439.68**	**475.38**

Note: No advances are due from directors or other officers of the company either severally or jointly with any other person nor any other loans are due from firms or private company in which any director is a partner, a director or a member.

NOTE 10 INVENTORIES

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Stores and spares	96.66	100.46
b) Work-in-progress	10.15	14.77
Total	**106.81**	**115.23**

Note:

(i) The mode of valuation of inventories has been stated in Note 3(h) in Accounting Policies.

(ii) The cost of inventories recognised as an expense for the year ended 31st March, 2021 was ₹.249.71 Cr (for the year ended 31st March, 2020: ₹. 297.42 Cr)

(iii) All the above inventories are offered as security in respect of working capital loans availed by the company from all the banks.

(iv) There are no inventories expected to be liquidated after more than twelve months.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 11 TRADE RECEIVABLES

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	489.04	470.40
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables -credit impaired	-	-
Less: Provision for doubtful receivables	(2.53)	(2.53)
Total	**486.51**	**467.87**
***Includes receivables from Subsidiary Companies / Joint ventures :**		
- Hydro Magus Private Limited	0.91	3.74
- Power Mech BSCPL Consortium Private Limited	25.73	21.04
- M/S POWER MECH-M/S ACPL JV	-	1.92
- PMPL-STS JV	16.76	14.68
- PMPL-SRC INFRA JV (Mizoram)	2.07	-
- PMPL-SRC INFRA JV (Hassan)	8.08	-
- PMPL-KHILARI Consortium JV	7.92	-
- Power Mech Projects Limited LLC	-	5.71
- MAS Power Mech Arabia	14.31	13.05
- GTA Power Mech Nigeria Ltd	0.15	0.15
- Power Mech Projects (BR) FZE	13.53	17.21

a) The average credit period is 30 days which is due from the date of certification of RA Bill. No interest is charged on overdue receivables.

b) Of the trade receivables balance, ₹. 95.06 Cr (as at 31st March, 2020 : ₹. 137.09 Cr) is due from one of the Company's largest customer. Further, an amount of ₹.25.73 Cr (as at 31st March, 2020 : ₹. Nil) is due from customers who represent more than 5% of the total balance of trade receivables.

c) In determining the provision for trade receivables, the company has used practical expedients based on the financial conditions of the customer, historical experience of collections from customers, possible outcome of negotiations with customers etc., The concentration of risk with respect to trade receivables is reasonably low as most of the receivables are from the Government organisations, high profile and net worth companies though there may be normal delay in collection. The expected credit loss allowance is based on the estimates by the management about their recoverability.

NOTE 12 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2021	As at 31st March, 2020
i) Balances with banks in Current accounts		
a. In Current accounts	10.45	20.23
ii) Cash on hand	1.57	1.46
iii) Fixed Deposits with original maturity period of less than 3 months	0.06	2.41
Total	**12.08**	**24.10**

OTHER BANK BALANCES

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Earmarked balances with banks held as margin money against LC and guarantees falls due for maturity within 12 months from the date of Balance sheet	50.08	44.56
b. Earmarked balances with banks towards unclaimed dividends	0.02	0.02
Total	**50.10**	**44.58**

Note: Bank Deposits with more than 12 months maturity from the date of Balance Sheet was disclosed under "Other Financial Assets"

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 13 SHARE CAPITAL

Authorised Share Capital

Particulars	Equity	
	No's	Total
As at 31st March, 2019	**2,60,00,000**	**26.00**
Changes during the year	-	-
As at 31st March, 2020	**2,60,00,000**	**26.00**
Changes during the year	-	-
As at 31st March, 2021	**2,60,00,000**	**26.00**

Issued Share Capital

Equity shares of ₹ 10/- each issued, subscribed and fully paid

Particulars	Equity	
	No's	Total
As at 31st March, 2019	**1,47,10,764**	**14.71**
Increase/(Decrease) during the year	-	-
As at 31st March, 2020	**1,47,10,764**	**14.71**
Increase/(Decrease) during the year	-	-
As at 31st March, 2021	**1,47,10,764**	**14.71**

c) **Rights, Preferences and restrictions attached to Equity shares**

The Company has only one class of Equity shares having a face value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders

d) **Details of share holders holding more than 5% of total number of shares**

Name of the Share Holder	As at 31st March, 2021		As at 31st March, 2020	
	No of Shares held	% out of total number of shares of the Company	No of Shares held	% out of total number of shares of the Company
S. Kishore Babu	38,64,942	26.27%	36,34,942	24.71%
S. Kishore Babu (HUF)	12,44,000	8.46%	12,44,000	8.46%
S. Lakshmi	37,28,626	25.35%	31,28,626	21.27%
S. Rohit	19,413	0.13%	8,49,413	5.77%
HDFC Small Cap Fund	10,03,126	6.82%	10,03,126	6.82%
	98,60,107	67.03%	**98,60,107**	67.03%

e) The Company is not a subsidiary Company to any of the Company. The Company had 6 Indian subsidiary companies Hydro Magus Private Limited, Power Mech Industri Private Limited, Power Mech BSCPL Consortium Private Limited, Aashm Avenues Private Limited, Power Mech SSA Structures Private Limited and Power Mech Environmental Protection Private Limited and 2 foreign subsidiary companies Power Mech Projects (BR)FZE and Power Mech Projects Limited LLC. None of the shares of the Company are held by its subsidiary companies.

The Company had 5 Indian Joint venture companies M/S POWER MECH-M/S ACPL JV, PMPL-STS JV, PMPL-KHILARI Consortium JV, PMPL-SRC INFRA JV(Mizoram), PMPL-SRC INFRA JV(Hassan), PMPL-BRCC INFRA JV and 2 foreign Joint venture companies GTA Power Mech Nigeria Limited and GTA Power Mech DMCC. None of the shares of the company are held by its joint venture companies. The company also had 1 Foreign Associate company MAS Power Mech Arabia. None of the shares of the company are held by its associate company.

f) Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date: No Bonus shares were issued during the period of five immediately preceeding FYs.

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 14 OTHER EQUITY

Securities Premium

Particulars	Amount
As at 31st March, 2019	**160.93**
Changes during the year	-
As at 31st March, 2020	**160.93**
Changes during the year	-
As at 31st March, 2021	**160.93**

General Reserve

Particulars	Amount
As at 31st March, 2019	**36.96**
Transfers during the year	-
As at 31st March, 2020	**36.96**
Transfers during the year	-
As at 31st March, 2021	**36.96**

Retained Earnings

Particulars	Amount
As at 31st March, 2019	**563.62**
Add: Total comprehensive income for the year transferred from statement of profit and loss	111.62
Less: Final Dividend and tax thereon for the FY 18-19 proposed & paid during the year	1.77
As at 31st March, 2020	**673.47**
Add: Total comprehensive loss for the year transferred from statement of profit and loss	(33.22)
Less: Final Dividend for the FY 19-20 proposed & paid during the year	1.47
As at 31st March, 2021	**638.78**

Summary of Other Equity

Particulars	As at 31st March, 2021	As at 31st March, 2020
Securities Premium	160.93	160.93
General Reserve	36.96	36.96
Retained Earnings	638.78	673.47
	836.67	**871.36**

Nature of reserves:

a) **Securities premium**
Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of Companies Act, 2013.

b) **General reserve**
The general reserve is created by way of tranfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

c) **Retained Earnings:**
Retained earnings are the profits that the company has earned till date less transfers to general reserves and dividends paid to share holders.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 15 LONG TERM BORROWINGS

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
A. Secured				
i. Term loans				
a) From banks :				
i) Axis bank	7.89	16.66	21.64	22.25
ii) HDFC bank	0.65	1.64	0.99	1.26
iii) ICICI bank	3.60	0.71	2.58	2.40
iv) Kotak Mahindra bank	-	1.56	1.30	4.66
v) Yes bank	0.65	0.17	0.48	0.20
vi) Emirates Islamic bank	0.52	0.53	0.49	0.37
b) From Others :				
i) HDB Financial Services	1.77	0.13	1.22	2.18
ii) TATA Capital	0.03	8.03	8.00	14.86
iii) Mahindra finance	0.73	0.21	0.58	0.12
Total (a)	**15.84**	**29.64**	**37.28**	**48.30**
B. Unsecured				
a) Deferred payment liabilities				
Due to suppliers on deferred credit basis	-	-	2.59	12.83
Total (b)	**-**	**-**	**2.59**	**12.83**
Total (a+b)	**15.84**	**29.64**	**39.87**	**61.13**

1) 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.
2) The above loans carries interest varies from 1.49 % to 12.50 %.
3) The above loans are repayable in monthly/quarterly instalments.
4) Maturity pattern of above term loans (Non Current) is as follows.
   Banks : 2022-23 - ₹.10.30 Cr & 2023-24 - ₹.3.00 Cr
   Companies : 2022-23 - ₹. 1.68 Cr & 2023-24 - ₹.0.86 Cr
5) No defaults were made in repayment of above term loans

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 16 OTHER FINANCIAL LIABILITIES

Particulars		Non-Current		Current	
		As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
a)	Retention Money & Security deposits recovered from Sub-Contractors	71.58	60.84	10.32	13.91
b)	Current maturities of long-term debt	-	-	39.87	61.13
c)	Creditors for capital goods	-	-	2.15	1.22
d)	Interest accrued and due	-	-	0.04	1.11
e)	Unclaimed dividend	-	-	0.02	0.02
f)	Employee related payments	-	-	42.59	40.31
g)	Share application money refundable	-	-	0.11	0.11
h)	Other Liabilities	-	-	36.20	33.03
		71.58	**60.84**	**131.30**	**150.84**
a)	Lease liability as per Ind as 116 (Refer Note No. 46)	2.74	4.53	2.53	2.43
Total		**74.32**	**65.37**	**133.83**	**153.27**

Note:

(i) The segregation of above Retention Money & Security deposits are made based on the time schedule in execution of works, estimated works undertaken in next year and terms of release as agreed with sub-contractors.

NOTE 17 PROVISIONS

Particulars		Non-Current		Current	
		As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
a)	Provision for employee benefits				
	- Group gratuity (Net of plan assets)	0.95	1.64	0.45	0.48
	- Leave Encashment (Unfunded)	3.36	2.00	0.73	0.45
Total		**4.31**	**3.64**	**1.18**	**0.93**

EMPLOYEE BENEFITS

a. Defined contribution plans

The Company makes Provident Fund and Employees' State Insurance Scheme contributions which are defined contribution plans, for qualifying employees.

The Company recognised ₹.12.68 Cr (Year ended 31st March, 2020: ₹. 11.18 Cr) for provident fund contributions, and ₹.1.12 Cr (Year ended 31st March, 2020: ₹.1.02 Cr) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

b. Defined benefit plans

The Company provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

Risk Management:

Investment risk - The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest rate risk - The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity risk - The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

(i) Balance Sheet

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Present value of obligation	11.04	9.63
Fair Value of plan assets	9.64	7.51
Net Liability/(Asset) recognised in the Balance Sheet	**1.40**	**2.12**

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Plan Obligation	Plan Assets	Deficit/ (Surplus)
As at 31st March, 2019	**6.61**	**7.39**	**(0.78)**
Current service cost	3.99	0.00	3.99
Interest cost	0.49	0.00	0.49
Interest Income	0.00	0.55	(0.55)
Actuarial gain arising from changes in experience adjustments	0.89	0.00	0.89
Actuarial gain arising from changes in financial assumptions	(1.86)	0.00	(1.86)
Contributions by employer	0.00	0.07	(0.07)
Benefit payments	(0.49)	(0.49)	0.00
Return on plan assets, excluding interest income	0.00	(0.01)	0.01
As at 31st March, 2020	**9.63**	**7.51**	**2.12**
Current service cost	2.55	0.00	2.55
Interest cost	0.64	0.00	0.64
Interest Income	0.00	0.56	(0.56)
Actuarial gain arising from changes in experience adjustments	(1.22)	0.00	(1.22)
Actuarial gain arising from changes in financial assumptions	(0.17)	0.00	(0.17)
Contributions by employer	0.00	1.97	(1.97)
Benefit payments	(0.39)	(0.39)	0.00
Return on plan assets, excluding interest income	0.00	(0.01)	0.01
As at 31st March, 2021	**11.04**	**9.64**	**1.40**

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31st March, 2020
Employee Benefit Expenses	
Current service cost	2.32
Past Service cost	1.67
Interest cost	0.49
Interest Income	(0.55)
Net impact on profit before tax	**3.93**
Remeasurement of the net defined benefit plans:	
Actuarial gain arising from changes in Financial assumptions	(1.86)
Actuarial (gain)/loss arising from changes in Experience adjustments	0.89
Return on plan assets, excluding interest income	0.01
Net impact on other comprehensive income	**(0.96)**

Particulars	Year ended 31st March, 2021
Employee Benefit Expenses	
Current service cost	2.55
Past Service cost	0.00
Interest cost	0.64
Interest Income	(0.56)
Net impact on profit before tax	**2.63**
Remeasurement of the net defined benefit plans:	
Actuarial gain arising from changes in Financial assumptions	(0.16)
Actuarial (gain)/loss arising from changes in Experience adjustments	(1.22)
Return on plan assets, excluding interest income	0.01
Net impact on other comprehensive income	**(1.37)**

(iv) Assets

The major categories of plan assets as a % of the total plan assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Insurance policies	100%	100%

(v) Investment details

Particulars	As at 31st March, 2021	As at 31st March, 2020
Insurance policies	9.64	7.50

(vi) Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet date, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Discount rate	6.90%	6.79%
Salary escalation rate	3.00%	3.00%

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

(vii) Sensitivity analysis :

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below have been determined based on the reasonably possible changes of the assumptions occuring at the end of the reporting period and may not be representative of the acutal change. It is based on a change in key assumption while holding all other assumptions constant. The result of sensitivity analysis is given below.

Particulars	Defined benefit obligation As at 31st March, 2021
Salary Escalation - Up by 1%	12.81
Salary Escalation - Down by 1%	9.58
Withdrawal Rates - Up by 1%	11.71
Withdrawal Rates - Down by 1%	10.26
Discount Rates - Up by 1%	9.69
Discount Rates - Down by 1%	12.70

(viii) Maturity profile of Defined Benefit Obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non Current
Defined Benfit Obligation	0.45	2.31	3.10

NOTE 18 DEFERRED TAX

The following is the analysis of deferred tax Assets/(Liabilities) presented in the Balance Sheet

Particulars	Components	
	As at 31st March, 2021	As at 31st March, 2020
Liability:		
Towards depreciation	-	-
Asset:		
Disallowances under Income-tax	3.21	3.33
On account of Unabsorbed Losses	12.44	-
Towards depreciation	4.55	3.77
Total	**20.20**	**7.10**

Movement in Deferred Tax Assets/(Liabilities)

Component	As at 31st March, 2019	Credit to Statement of P&L	As at 31st March, 2020	Credit to Statement of P&L	As at 31st March, 2021
Deferred tax (Liability) / Asset in relation to:					
Depreciation	2.93	(0.84)	3.77	(0.78)	4.55
Expenses allowable under Income tax when paid	1.82	(1.51)	3.33	0.12	3.21
On account of unabsorbed losses	-	-	-	(12.44)	12.44
	4.75	**(2.35)**	**7.10**	**(13.10)**	**20.20**

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 19 OTHER LIABILITIES

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
a) Mobilisation advances received from customers	10.05	5.82	51.32	32.36
b) Advances received from customers against supplies or works	-	-	13.32	7.14
c) Statutory Liabilities	-	-	34.95	34.06
d) Deferred government grants (Refer note)	0.32	0.56	-	-
Total	**10.37**	**6.38**	**99.59**	**73.56**

Note: i) a) The company received government grants in the nature of export incentives and the same is utilised against import of Capital goods and capitalised to Property, Plant and Equipment.

b) The deferred government grant will be recognised in statement of profit and loss over the period in proportion to the depreciation expense on the assets to which such grant is utilised is recognised.

(ii) The segregation of mobilisation advances received from customers has been made based on the estimated work to be completed in next year and as per the terms of agreement entered with customers, turnover, terms of release of amount and estimates of the management.

NOTE 20 SHORT TERM BORROWINGS

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Secured		
1. Loans repayable on demand :		
Working capital loans from banks		
i) State bank of India	125.37	134.94
ii) Standard Chartered bank	23.50	30.00
iii) Ratnakar bank	-	26.37
iv) Axis bank	2.96	0.73
v) IDFC First bank	39.66	19.18
vi) Punjab National bank	20.75	20.92
vii) Bank of India	27.18	24.47
viii) IndusInd bank	7.42	7.40
ix) Uinion bank of India	37.66	-
x) Bank of Baroda	44.47	-
xi) UCO bank	49.45	-
xii) Central bank of India	5.78	-
2. Term loans		
i) State bank of India	-	13.50
ii) HERO Fin Corp	-	23.07

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

Particulars	As at 31st March, 2021	As at 31st March, 2020
B. Un Secured		
Loans repayable on demand :		
a) Working capital loans from banks		
i) HDFC Bank	9.37	45.00
ii) Bank of Bahrain & Kuwait	59.96	60.00
iii) Oxyzo Financial Services Pvt Ltd	-	5.57
b) Short term loans :		
i) From Pennar Industries Limited	-	6.50
Total	**453.53**	**417.65**

Note:

a) Working capital loans from State Bank of India, Standard Chartered bank, Axis bank, IDFC First bank, Ratnakar bank, Punjab National bank, Bank of India, IndusInd bank, Union Bank of India, Bank of Baroda, UCO bank, Central bank of India 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.

b) Overdraft facility from banks is secured against fixed deposits with banks.

c) All the above loans are guaranteed by Managing Director and a director in their personal capacities.

d) The above loans carries interest varies from 7.30% to 10.30%.

NOTE 21 TRADE PAYABLES

Particulars	As at 31st March, 2021	As at 31st March, 2020
Dues to : Small and Micro Enterprises	0.11	0.35
: Other than Small and Micro Enterprises (Including Acceptances)*	486.91	521.17
Total	**487.02**	**521.52**

* Acceptances include arrangements where suppliers of goods and services are initially paid by banks/financiers.

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006.
Based on and to the extent of information obtained 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	As at 31st March, 2021	As at 31st March, 2020
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	0.11	0.35
(b) Interest due there on	0.02	0.04
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	0.23	-
(b) Interest paid along with such payments during the year	0.26	0.14
(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	0.02	0.04
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.	0.22	0.46

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 22 CURRENT INCOME-TAX (ASSET)/LIABILITY (NET)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Income-tax	217.99	215.99
Less: Advance Income-tax and TDS	251.21	223.17
Current tax (Asset) / Liabilities	**(33.22)**	**(7.18)**

Income-tax recognised in profit or loss

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Current Tax		
Tax expense in respect of current year Income	2.00	39.77
	2.00	**39.77**
Deferred Tax		
Deferred Tax credit in respect of Current year	(13.10)	(2.35)
	(13.10)	**(2.35)**
Total income tax expense recognised	**(11.10)**	**37.42**

The current income- tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Profit before tax	(44.32)	149.04
Enacted Tax Rates in India	25.17%	25.17%
Computed Tax expense	(11.10)	37.51
<u>Add</u>: Tax effects of expenses which are not deductible in determining taxable profit		
- Depreciation difference	-	1.35
- Expenses(net of Income) not deductible for tax purposes	-	1.15
Tax on Ind AS adjustments	-	(0.24)
Tax on dividend received from foreign subsidaries u/s 115BBD @ 15%	1.84	-
Rounding off tax Provision	0.16	-
Current Tax Provision (A)	**2.00**	**39.77**
Increase of Deferred tax Asset on account of Fixed Assets	(0.78)	(0.84)
Increase of Deferred tax Asset on account of other Assets	0.12	(1.51)
Increase/(Decrease) of Deferred tax Asset on account of unabsorbed Losses	(12.44)	-
Deferred Tax Credit (B)	**(13.10)**	**(2.35)**
Total Tax Expense (A+B)	(11.10)	37.42

* During the previous year,the company elected to exercise the option permitted under section 115BAA of income tax Act 1961 as introduced by taxation law's (Amendment) Act, 2019. Accordingly,the company had recognised provision for income tax for the year ended 31st March,2020 and remeasured its deferred tax asset based on the rate prescribed in the said Act.

The tax rate used for the year 2020-2021 and 2019-2020 reconcilations above is the corporate tax rate of 25.17% payable by corporate entities in india on taxble profits under the indian tax law.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 23 REVENUE FROM OPERATIONS

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Contract receipts:		
Income from contracts and services	1,750.18	2,040.90
Other operating revenue :		
Crane and equipment hire charges received	4.22	3.66
TOTAL	**1,754.40**	**2,044.56**

NOTE 24 OTHER INCOME

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest from banks and others (at amortised cost)	6.47	6.57
Interest on unwinding portion of Rental Deposits (at amortised cost)	0.05	0.09
Profit on sale of assets	0.46	0.64
Dividend received from overseas subsidiaries	10.74	-
Fair value gain on current investments	0.11	-
Gain on exchange fluctuations	2.04	1.57
Sale of Duty credit scrip and deferment of govt. grants	0.27	0.25
TOTAL	**20.14**	**9.12**

NOTE 25 COST OF MATERIAL CONSUMED

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening Stock	100.46	76.55
Add:Purchases	245.91	321.33
	346.37	**397.88**
Less : Closing Stock	96.66	100.46
TOTAL	**249.71**	**297.42**

NOTE 26 CHANGES IN INVENTORIES OF WORK -IN- PROGRESS

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening work-in-progress	14.77	2.71
	14.77	**2.71**
Closing work-in-progress	10.15	14.77
	10.15	**14.77**
Increase / (Decrease) in inventories	**(4.62)**	**12.06**

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 27 CONTRACT EXECUTION EXPENSE

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Sub-contract expenses	839.42	992.34
Radiography charges	13.31	16.35
Royalty Charges	128.02	1.89
Hire charges	39.64	48.52
Rent at Project sites	16.48	19.72
Power and fuel	4.73	6.50
Insurance	3.43	2.82
Vehicles movement and other freight expenses	21.71	30.22
Repairs and maintenance : Plant and machinery	10.27	9.83
Other assets	2.52	2.72
Fuel and vehicle maintenance	44.07	35.84
Travelling expenses at projects	11.10	16.20
TOTAL	**1,134.70**	**1,182.95**

NOTE 28 EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries and Wages	255.18	261.05
Remuneration to managerial personnel	-	5.25
Contribution to provident and other funds	13.80	12.20
Staff welfare expenses	23.70	22.85
Contribution towards group gratuity (Refer Note No.17)	2.63	3.93
TOTAL	**295.31**	**305.28**

NOTE 29 FINANCE COST

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest paid to banks and others	71.32	62.39
Loan Processing charges	5.09	5.40
Interest on Income-tax	0.87	2.19
Exchange fluctuations on deferred credit payment	-	1.06
Finance cost on lease liability (Refer Note No.46)	0.61	0.75
TOTAL	**77.89**	**71.79**

NOTE 30 DEPRECIATION AND AMORTISATION

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation	30.93	33.89
Amortisation	0.05	0.07
Amortisation of Right-of-use assets (Refer Note No.46)	2.23	2.19
TOTAL	**33.21**	**36.15**

Refer note no 3(c) given under Significant accounting policies for method of providing depreciation.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 31 OTHER EXPENSE

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Rents - Office		
Directors Sitting Fee	0.11	0.10
Payments to auditors		
Towards Statutory audit	0.12	0.12
Towards tax audit and taxation matters	0.01	0.01
Rates and taxes	5.31	3.89
Miscellaneous expenses	16.56	15.72
Provision towards doubtful debts and advances	-	3.72
CSR expenses	2.36	0.44
Loss on sale of assets	0.34	0.06
TOTAL	**24.81**	**24.06**

Refer note no 3(c) given under Significant accounting policies for method of providing depreciation.

NOTE 32 CATEGORIES OF FINANCIAL INSTRUMENTS

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2021 and 31st March, 2020 are as follows:

Particulars	Carrying value		Fair value	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Financial assets				
Measured at Amortised cost				
(i) Other financial assets	785.35	794.81	785.24	794.65
(ii) Loans and advances	30.56	49.95	30.56	49.95
Measured at FVTOCI				
(i) Investments in equity instruments	0.04	0.02	0.02	0.02
Measured at FVTPL				
(i) Investments in Mutual Funds	2.36	-	2.25	-
Measured at cost				
(i) Investment in Subsidiaries, Joint ventures & Associates	13.84	13.84	13.84	13.84
Total assets	**832.15**	**858.62**	**831.92**	**858.46**
Financial liabilities				
Measured at amortised cost				
(i) Borrowings (including current maturities of Long term borrowings)	55.71	90.77	55.71	90.77
(ii) Other financial liabilities	163.01	150.55	163.01	150.55
(iii) Lease liabilities	5.28	6.95	5.28	6.95
Total liabilities	**224.00**	**248.27**	**224.00**	**248.27**

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 33 FAIR VALUE HIERARCHY

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique.The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The categories used are as follows:

Level 1: Quoted prices for identified instruments in an active market**.**

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data.

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets are measured at the fair value at the end of each reporting period.

The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique and other inputs used).

Financial Assets/ Financial Liabilities	Fair Value as at		Fair Value hierarchy	Valuation technique and key input
	As at 31st March, 2021	As at 31st March, 2020		
1) Investments in Quoted Mutual Funds	2.40	0.02	Level I	Quoted bid prices in an active market
2) Investments in Quoted Equity Instruments	0.00	0.00	Level I	Quoted bid prices in an active market

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and short term borrowings at carrying value because their carrying amounts approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of long term borrowings, other financial assets and financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

NOTE 34 FINANCIAL RISK MANAGEMENT

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, trade and other receivables.

The Company's business activities are exposed to a variety of financial risks namely credit risk, liquidity risk and foreign currency risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of Directors of the Company.

A. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligation. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness. Credit risk is controlled by monitoring and interaction with the customers on a continous basis.

Financial instruments that are subject to concentration of credit risk principally consists of trade receivables, retentions, deposits with customers and unbilled revenue.

Receivables from customers

Concentration of credit risk with respect to trade receivables are limited since major customers of the company are from public sector and accounts for more than 48% of its trade receivables. All trade receivables are reviewed and assessed for default on a monthly basis. On historical experience of collecting receivables credit risk is low.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

The following table gives details in respect of dues from trade receivables including retentions and deposits and uncertified revenue.

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Turnover from top Customer	319.73	420.48
Dues from top customer	305.52	329.09
Turnover from other top 4 customers	378.89	493.55
Dues from other top 4 customers	65.21	122.36

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks held as margin money against guarantees and retention money and security deposits with customers which are to be released on fulfillment of conditions as specified in the work orders.

The Company's maximum exposure of credit risk as at 31st March, 2021, 31st March, 2020 is the carrying value of each class of financial assets.

B. Foreign currency risk management

Foreign currency risk is the risk that the Fair value or Future cashflows of an exposure will fluctuate due to changes in foreign currency rates. Exposures can arise on account of various assets and liabilities which are denominated in currencies other than Indian rupee. The Company has not entered in to any forward exchange contract to hedge against currency risk.

a) The company, in addition to its Indian operations, operates outside India through its project centres.

Particulars of Unhedged foreign currency exposures of Indian operations as at Balance sheet date:

INR

Particulars	Currency	As at 31st March, 2021	As at 31st March, 2020
Letter of Credit	USD	2.59	12.83

b) The Income and expenditure of the foreign projects are denominated in currencies other than Indian Currency. Accordingly the company enjoys natural hedge in respect of its assets and liabilities of foreign projects. The company's unhedged foreign currency exposure in respect of these project centres is limited to uncovered amount, the particulars of which are given below.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Net Investment in		
USD - US Dollars	12.57	12.95
SAR - Saudi Arabian Riyals	3.81	4.28
AED - Arab Emirates Dirham	13.65	10.02
BDT - Bangladeshi Taka	98.51	95.04
LYD - Libyan Dinars	1.21	4.01
KWD - Kuwaiti Dinar	4.91	(0.10)
	134.66	**126.20**

The company does not have any risk of currency fluctuation since it's entire liability in foregin currency is covered by its receivables.

The unhedged exposures are naturally hedged by future foreign currency earnings linked to foreign currency.

The uncovered amount if any, is subject to foreign currency fluctuations.

C. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

liquidity to meet its liabilities when due. Also, the Company has availed credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2021 and 31st March, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Company regularly maintains the rolling forecasts to ensure that it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits.

The company is repaying its borrowings as per the schedule of repayment and no amount was pending for remittance beyond its due date.

All the amounts due to trade payables falls due within one year and the company is able to meet its obligations within the due dates.

In case of borrowings from banks, the maturity pattern has been given under Note no. 15.

D. Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on Management's judgment of its strategic day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary, adjust its capital structure.

The following table summarises the capital of the company.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Equity	851.38	886.07
Short Term Borrowings	453.53	417.65
Long Term Borrowings (including Current maturities of Long term debt)	55.71	90.77
Cash and Cash Equivalents (including other bank balances)	(127.33)	(112.90)
Net Debt	**381.91**	**395.52**
Total Capital (Equity+Net Debt)	1,233.29	1,281.59
Gearing Ratio (Net Debt / Equity)	**44.86%**	**44.64%**

NOTE 35 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31st March, 2021	31st March, 2020
A. Contingent Liabilities		
a) Claims against the company not acknowledged as debts		
VAT	1.80	4.75
b) Other contingent liabilities		
(i) Corporate guarantee given to bank in respect of limits sanctioned to subsidiary companies to the extent of balance outstanding (Guarantees given for their business activities)		
- Hydro Magus Private Limited	-	11.48
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.49	1.95

NOTE 36

Particulars	31st March, 2021	31st March, 2020
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.	821.20	663.50

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 37

Particulars	31st March, 2021	31st March, 2020
CIF value of Imports made by the company during the year		
a) Consumables & Spare parts	-	0.18
b) Capital goods	0.78	3.84

NOTE 38

Particulars	31st March, 2021	31st March, 2020
Earnings in foreign currency		
a) Contract receipts (Projects executed outside India)		
Abu Dhabi	69.42	79.76
Bangladesh	122.33	209.20
Kuwait	4.42	48.17
Libya	-	0.36
IBRI	-	0.68
Saudi	0.25	2.61
Nigeria	26.27	38.98
b) Dividend from foreign subsidiaries		
Power Mech Projects Limited LLC	3.47	-
Power Mech projects (BR) FZE	7.28	-
c) Consideration received on sale of assets		
Shuqaiq	-	0.49

NOTE 39

Particulars	31st March, 2021	31st March, 2020
Expenditure in foreign currency		
a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
Abu Dhabi	62.00	72.38
Bangladesh	131.02	155.31
Kuwait	3.17	49.16
Libya	0.06	0.01
b) Foreign travel	-	0.06

NOTE 40 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
a) Gross amount required to be spent by the company during the year	2.36	2.26
b) Amount spent during the year (Contribution paid to Power Mech Foundation/ others)	2.36	0.44

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 41 PARTICULARS DISCLOSED PURSUANT TO IND AS-24 "RELATED PARTY TRANSACTIONS"

A)	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. Kishore Babu (HUF) S. Vignatha D/o S.Kishore Babu
	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	Hydro Magus Private Limited Power Mech Industri Private Limited Power Mech Projects Limited LLC Power Mech BSCPL Consortium Private Limited Power Mech SSA Structures Private Limited Aashm Avenues Private Limited Power Mech projects (BR) FZE Power Mech Environmental Protection Private Limited
	v)	Joint Venture	GTA Power Mech Nigeria Limited M/S POWER MECH-M/S ACPL JV PMPL-STS-JV Power Mech-Khilari Consortium JV PMPL-SRC INFRA JV (Mizoram) PMPL-SRC INFRA JV (Hassan) PMPL-BRCC INFRA JV GTA Power Mech DMCC
	vi)	Associate companies	Mas Power Mech Arabia
	vii)	Wholly Owned Subsidiary of a Joint Venture company	GTA Power Mech FZE

B) Transactions with related parties

S. No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
i)	**Rent Paid (Excluding GST)**						
a)	S. Kishore Babu	0.20					
		(0.20)					
b)	S. Lakshmi		0.07				
			(0.07)				
c)	S. Kishore Babu (HUF)		0.08				
			(0.08)				
d)	S.Rohit		-				
			(0.12)				
e)	S.Vignata		0.12				
			-				
f)	Power Mech Infra Limited			1.74			
				(1.66)			

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

S. No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
ii) Remuneration Paid							
a)	S. Kishore Babu	-					
		(5.25)					
b)	S.Rohit		0.30				
			(0.35)				
iii) Sub-Contract Expenses & Hire charges Paid							
a)	Hydro Magus Private Limited				1.82		
					(6.70)		
b)	Power Mech Industri Private Limited				0.39		
					(0.10)		
iv) Stores Material Purchased from							
a)	Power Mech Industri Private Limited				0.24		
					(5.25)		
b)	Hydro Magus Private Limited				1.00		
					(0.70)		
v) Assets purchased from							
a)	Hydro Magus Private Limited				0.13		
					(0.21)		
b)	Power Mech Projects Limited LLC				-		
					(0.21)		
c)	MAS Power Mech Arabia						0.24
							-
vi) Receipts from Sale of assets							
a)	GTA Power Mech FZE					-	
						(1.09)	
vii) Contract receipts from sale of services							
a)	Power Mech Infra Limited			-			
				(0.18)			
b)	Power Mech Projects Limited LLC				-		
					(0.68)		
c)	MAS Power Mech Arabia						0.25
							(2.61)
d)	Power Mech BSCPL Consortium Private Limited				0.15		
					(9.86)		
e)	M/s. Power Mech - M/s. ACPL JV					59.07	
						(55.96)	
f)	Power Mech-STS-JV					46.32	
						(103.03)	
g)	Power Mech-Khilari Consortium JV					22.91	
						-	
h)	PMPL SRC INFRA JV (Mizroam)					55.63	
						-	
i)	PMPL SRC INFRA JV (Hassan NH -75)					7.31	
						-	
j)	Power Mech Projects (BR) FZE				26.27		
					(54.88)		

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

S. No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
viii)	**Contract receipts from supply of material**						
a)	Hydro Magus Private Limited				-		
					(4.81)		
ix)	**Dividend Received**						
a)	Power Mech Projects Limited LLC				3.47		
					-		
b)	Power Mech projects (BR) FZE				7.28		
					-		
x)	**Donations/CSR Contributon paid**						
a)	Power Mech foundation			2.03			
				(0.44)			
xi)	**Sitting fee paid to directors**						
a)	G D V Prasada Rao	0.03					
		(0.04)					
b)	T Sankaralingam	0.03					
		(0.03)					
c)	Vivek Paranjpe	0.02					
		(0.03)					
d)	Lasya Yerramneni	0.02					
		-					

C) Balances outstanding as on 31st March, 2021

S. No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
i)	Investment in Hydro Magus Private Limited				2.94		
					(2.94)		
ii)	Investment in Power Mech Industri Private Limted				4.31		
					(4.31)		
iii)	Investment in MAS Power Mech Arabia						2.25
							(2.25)
iv)	Investment in Power Mech Projects Limited LLC				3.02		
					(3.02)		
v)	Investment in Power Mech BSCPL consortium Private Limited				0.01		
					(0.01)		
vi)	Investment in Power Mech SSA Structures Private Limited				0.10		
					(0.10)		
vii)	Investment in Aashm Avenues Private Limited				0.10		
					(0.10)		
viii)	Investment in Power Mech Power Mech Projects (BR) FZE				0.69		
					(0.69)		
ix)	Investment in Power Mech Environmental Protection Private Limited				0.01		
					(0.01)		

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

S. No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
x)	Investment in GTA Power Mech Nigeria Limited					0.32	
						(0.32)	
xi)	Investment in GTA Power Mech DMCC (Company with limited liability)					0.09	
						(0.09)	
xii)	Due to Power Mech Infra Limited			0.16			
				(0.21)			
xiii)	Rental Deposit with Power Mech Infra Limited			0.89			
				(0.89)			
xiv)	Remuneration Payable						
	S. Kishore Babu	-					
		(0.57)					
xv)	Rent Payable						
	S. Kishore Babu	0.03					
		(0.06)					
	S. Lakshmi		0.01				
			(0.02)				
	S. Kishore Babu (HUF)		0.02				
			(0.03)				
	S.Rohit		-				
			(0.03)				
	S.Vignatha		0.01				
			-				
xvi)	Advances Due from Power Mech Industri Private Limited				22.65		
					(42.67)		
xvii)	Advances Due from Power Mech SSA Structures Private Limited				2.21		
					(2.21)		
xviii)	Advances Due from GTA Power Mech FZE					0.55	
						(0.55)	
xix)	Trade Receivable - Hydro Magus Private Limited (including Retention money and Security Deposits)				0.91		
					(4.92)		
xx)	Trade Receivable - Power Mech Projects Limited LLC				-		
					(5.71)		
xxi)	Trade Receivable - Power Mech BSCPL Consortium Private Limited (including Retention money and Security Deposits)				44.43		
					(38.52)		
xxii)	Trade Receivable - Mas Power Mech Arabia						14.31
							(13.05)
xxiii)	Trade Receivable - GTA Power Mech Nigeria Limited					0.15	
						(0.15)	
xxiv)	Trade Receivable -Power Mech Projects (BR) FZE				13.54		
					(17.21)		
xxv)	Trade Receivable - M/S POWER MECH-M/S ACPL JV (including Retention money and Security Deposits)					2.37	
						(3.79)	

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

S. No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
xxvi)	Trade Receivable - PMPL-STS JV (including Retention money and Security Deposits)					19.15	
						(26.67)	
xxvii)	Trade Receivable - PMPL-KHILARI Consortium JV (including Retention money and Security Deposits)					10.82	
						-	
xxviii)	Trade Receivable - PMPL-SRC INFRA JV - Mizoram (including Retention money and Security Deposits)					2.07	
						-	
xxix)	Trade Receivable - PMPL-SRC INFRA JV - Hassan (including Retention money and Security Deposits)					8.08	
						-	
xxx)	Trade Receivable - Power Mech Infra Limited (including Retention money and Security Deposits)			0.02			
				(0.02)			
xxxi)	Mobilisation advance from GTA Power Mech FZE					9.80	
						(13.80)	
xxxii)	Advance from GTA Power Mech FZE					1.32	
						(1.04)	
xxxiii)	Trade Payable to Power Mech Industri Private Limited				-		
					(0.20)		
xxxiv)	Security Deposit -Power Mech BSCPL Consortium Private Limited				2.00		
					(2.00)		

NOTE 42

Balances with some of the customers and suppliers accounts are subject to confirmation and reconciliation.

NOTE 43

The company has claimed an amount of ₹.1.90 Cr (As on 31st March, 2020 ₹. 1.11 Cr) being the Works contract tax deducted by the customers under local sales tax laws and outstanding as on 31st March, 2021 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 other current assets . Sales tax liability, if any has arisen, on completion of assessments will be charged to Profit and Loss account.

NOTE 44 SEGMENT REPORTING

Business Segment : The company prodominently operates only in construction and maintenance activities. This in the context of IND AS - 108 "Operating Segments " is considered to constitute only one business segment.

Geographical Segment: The Company has operations within India and outside India and as per ind as 108 - "operating segment", the Segment information has been presented under the notes to consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 45 CALCULATION OF EARNINGS PER SHARE:

Particulars	20-21	19-20
Basic and Diluted Earning per share		
No. of shares at the beginning of the year	1,47,10,764	1,47,10,764
Change in equity during the year	-	-
Total Weighted average number of shares	1,47,10,764	1,47,10,764
Face value per share	10.00	10.00
Profit/(Loss) attributable to equity share holders	(34.61)	110.67
Basic and diluted Earning per share (₹)	(23.55)	75.23

NOTE 46 LEASES

The Company has adopted Ind AS 116 'Leases' effective April 1, 2019 and applied the Standard to its leases. Ind AS 116 replaces Ind AS 17 - Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, Right-of-use assets at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to the lease liability (adjusted for any prepayments/accruals). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring lease liability. In respect of leases, previously classified as finance leases, the right-of-use asset was measured at the carrying amounts of the related finance lease asset and re-classified.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

Accordingly, on transition to Ind AS 116, the Company recognised right-of-use assets amounting to ₹.9.72 Cr (including previously classified as finance lease) and a lease liability of ₹.9.39 Cr.

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) The following is the breakup of current and non-current lease liabilities		
Current liabilities	2.53	2.43
Non-current liabilities	2.74	4.53
Total	**5.27**	**6.96**
(ii) The following is the movement of lease liabilities		
Balance at the Opening/Transition date	6.96	8.64
Additions during the year	0.33	-
Finance cost accrued during the year	0.61	0.75
Payment of lease liabilities during the year	(2.63)	(2.43)
Balance at the end	**5.27**	**6.96**
(iii) Maturity analysis of lease liabilities		
Less than one year	2.53	2.43
One to five years	2.74	4.53
More than five years	-	-
Total	**5.27**	**6.96**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(iv) The impact of change in accounting policy on account of adoption of Ind AS 116 is as follows		
Interest on lease liabilities (Refer Note 29)	0.61	0.75
Depreciation of Right-of-use assets (Refer Note 4.2)	2.23	2.19
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	2.63	2.43

(v) The impact on the profit for the year is not material.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 47 DISCLOSURE PURSUANT TO IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

a) Movement in expected credit losses :

Particulars	Provision on contract assets	
	Retention money & security deposits with customers & Debtors	Advances given to sub contractors against works
Opening balance as at 01st April, 2020	5.87	1.22
Changes in allowance for expected credit loss		
- Provision for expected credit loss	-	-
- Reversal of Provision for expected credit loss	-	-
Write off as baddebts	-	-
Closing balance as at 31st March, 2021	**5.87**	**1.22**

b) Movement in contract balances :

Particulars	31st March, 2021	31st March, 2020	Net increase/ Decrease
Contract Receivables			
Dues from customers	489.04	470.40	18.64
Contract assets			
Retention & SD amounts due from customers	271.60	276.66	(5.06)
Contract payables			
Due to Sub Contractors	266.99	278.45	(11.46)
Contract Liabilities			
Retention & SD amount due to Sub Contractors	81.90	74.74	7.17

C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price :

There is no difference in the contract price negotiated and the revenue recognised in the statement of profit and loss for the current year. There is no significant revenue recongnised in the current year from performance obligations satisfied in the previous periods .

D) Performance obiligation :

The transaction price allocated to the remaining performance obligations is ₹. 7,193 Cr which will be recognised as revenue over the respective project durations. Generally the project duration of contracts with customers will be 1-5 years.

NOTE 48 DISCLOSURE AS PER REGULATION 53(F) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

(i) Loans and advances in the nature of advances given to Subsidiary/Joint Venture Companies:

Name of the Company and relationship	Balance as on 31st March, 2021	Maximum Balance Outstanding for the year 2020-21	Balance as on 31st March, 2020	Maximum Balance Outstanding for the year 2019-20
Wholly owned Subsidiaries				
Power Mech Industri Private Limited	22.65	44.50	42.67	44.03
Power Mech SSA Structures Private Limited	2.21	2.21	2.21	2.42
Wholly owned subsidiary of Joint ventures				
GTA Power Mech FZE	0.55	0.55	0.55	0.55

(ii) Details of investments made and guarantees given under Section 186 of the Companies Act, 2013 are disclosed in Note 6 and Note 35 respectively.

(iii) All the above loans and guarantees were given for carrying on their business activities.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 49

The Ministry of Home Affairs vide order no. 40-3/2020-DM-I(A) dated March 24, 2020 announced a nationwide lockdown as a measure to contain the spread of COVID 19 which was declared a global pandemic by the World Health Organisation. Owing to the lockdown, the operations of the Company were impacted due to shutting down of all plants and offices. The Company has resumed operations in a phased manner as per directives issued by the Government and is closely monitoring the impact of the pandemic on all aspects of its business. The Company is taking appropriate measures to ensure the safety and well-being of all its employees and ensuring full compliance with the directives issued by the Government in this regard.

The lockdown so imposed by the Govt of india impacted significantly the companies operations during part of the year. However the company recovered during the last 2 quarters of FY from the econmic effects caused by shutdown because of Covid-19 and works at major sites are progressing well.

Though the company recovered from economic effects, the company continue to monitor possible effects which may further result from second wave of Covid-19 pandemic on carrying value of property plant & equipment, receivables (including retention money & security deposits), Advances to vendors & other assets.

NOTE 50

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

As per our report of even date

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number: 235528
UDIN: 21235528AAAABT9054

Place: Vijayawada/Hyderabad
Date: 17th June, 2021

For and on behalf of the Board

Sd/-
S.Kishore Babu
Chairman and Managing Director
DIN:00971313

Sd/-
J Satish
CFO

Sd/-
Mohith Kumar Khandelwal
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To The Members of

POWER MECH PROJECTS LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated financial statements of **POWER MECH PROJECTS LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Jointly ventures and associates comprising of the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and other financial information of some of subsidiaries, Joint Ventures and Associates, the accompanying Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of affairs of the Group and its JV and associate as at 31st March, 2021 and its Loss, total comprehensive Loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No	Key Audit matter	How the matter was addressed in our audit
1	Revenue recognition of long term contracts of the Holding company The holding company has revenue from construction contracts and long term operating and maintenance agreements. Revenue related to these construction contracts is recognised using the percentage completion method, where progress is determined with reference to completion of physical proportion of the work to the extent of work certified by the customer and revenue is also recognised in case of works pending certification as on date of balance sheet. The holding company raised invoices on monthly basis based on the physical proportion of the work completed. We focussed this area because of significant management judgement required in:	As part of our audit, we obtained an understanding of the methodology applied, the internal process and controls used for the determination of the physical proportion of work completed. We evaluated the process and systems used to record the quantum of work completed against which invoices were raised. In respect of construction projects, we obtained work completion certificates, measurement work sheets from project engineers and also obtained certificate of confirmations of work completed from customers to assess the appropriateness of management estimates of the physical proportion of work completed. Further we also examined the payment advices received subsequent to the balance sheet date which confirms the extent of work completed and certified for which revenue was recognised. In case of those works which were pending certification as on date of balance sheet, we obtained

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sl. No	Key Audit matter	How the matter was addressed in our audit
	Estimation of the physical proportion of the contract work completed for the contracts and particularly in case of those works which were pending for certification by the customer as on date of balance sheet which may lead to over or under statement of revenues and profits.	payment advices from the customers related to the said works, post balance sheet date.
2	Trade receivables of Holding company The Holding company has significant amount of trade receivables (Including retention and security deposits) and their recoverability requires management judgement due to the specific risks associated with these receivables. There is an element of management judgement in assessment of extent of the recoverability of long outstanding trade receivables after the end of the contractual credit period. Management assessed the recoverability of trade receivables by reviewing customers ageing profile, credit history, nature and ownership of organisation and status of subsequent settlements and determined whether an impairment provision is required. We considered this matter to be significant to our audit due to the quantum of the receivables and their period of outstanding.	Our audit procedures in relation to the recoverability of trade receivables included • Understood and tested the holding company's credit control procedures and tested key controls over granting credit to customers • Tested ageing of trade receivables at the year ended on a sample basis • Obtained list of long outstanding receivables and identified any debtors with financial difficulty through discussion with management • Assessed the recoverability of these outstanding receivables through our discussion with management and with reference to detailed receivables listings for the subsequent period • Also examined the arrangements/correspondences with customers to assess the payment arrangement agreed with the customers and assessed the recoverability of the significant outstanding receivables • Assessed the recoverability of the balances by comparing the outstanding amounts as at year end against subsequent recoveries • The status and their organisational structure was also examined with reference to the credit risk and their creditability in making payments since most of the customers are government organisations Considering all these, we found that the judgment made by the management in assessment of recoverability of receivables are found to be appropriate.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, Business Responsibility Report, Management discussion and analysis, Corporate Governance, Shareholder's Information etc., but does not include the Consolidated financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated

INDEPENDENT AUDITOR'S REPORT (Contd.)

financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its JV and associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of directors of the Companies included in the Group and of its JV and associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its JV and associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Board of directors of the Companies included in the Group and its JV and associate are responsible for assessing the ability of the Group and its JV and associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the respective companies are responsible for overseeing the financial reporting process of the Group and of its JV and associate.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its JV and associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its JV and associate to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

INDEPENDENT AUDITOR'S REPORT (Contd.)

reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

a) The accompanying financial statements includes the financial results of 2 overseas subsidiary and 2 overseas Joint Ventures of which financial statements of 1 subsidiary and 1 Joint Venture have not been audited by their auditors. These results also includes financial results of 5 Indian subsidiary companies and 5 Indian Joint Ventures which have been audited by other auditors. Also, these Consolidated financial results includes the financials results of 1 foreign associate whose financial statements have not been audited by their auditors.

b) (i) The Consolidated financial statements includes total assets of ₹ 11.73 Cr as at 31st March, 2021 and total revenues of ₹ 6.52 Cr, total loss after tax of ₹ 9.68 Cr, total comprehensive loss of ₹ 10.09 Cr for the year ended 31st March, 2021 of 1 overseas subsidiary which have not been audited by their auditors.

Also, the consolidated financial statements includes total assets of ₹ 32.74 Cr as at 31st March, 2021 and total revenues of ₹ 123.02 Cr, total profit after tax of ₹ 9.36 Cr and total comprehensive income of ₹ 9.07 Cr for the year ended 31st March, 2021 of 1 overseas subsidiary which was audited by other auditor.

(ii) The consolidated financial statements also includes groups share of net profit ₹ 0.01 Cr and total comprehensive income of ₹ 0.01 Cr for the year ended 31st March, 2021 in respect of 1 overseas joint venture which have not been audited by their auditors.

Also, the Consolidated financial statements includes groups share of net profit after tax of ₹ 4.95 Cr and total comprehensive income of ₹ 4.95 Cr for the year ended 31st March, 2021 in respect of 1 overseas Joint Venture which was audited by their auditor.

c) (i) The consolidated financial statements also includes total assets of ₹ 68.88 Cr as at 31st March, 2021, total revenues of ₹ 37.20 Cr, total net profit after tax ₹ 0.25 Cr and total comprehensive income ₹ 0.25 Cr for the year ended 31st March, 2021 in respect of 5 Indian subsidiary companies which have been audited by other auditors.

(ii) The consolidated financial statements also includes groups share of net profit after tax of ₹ 0.79 Cr and total comprehensive income of ₹ 0.79 Cr for the year ended 31st March, 2021 in respect of 4 Indian Joint Ventures which have been audited by other auditors.

d) These consolidated financial statements also includes groups share of net loss after tax of ₹ 8.83 Cr and total comprehensive loss of ₹ 8.83 Cr for the year ended 31st March, 2021 in respect of 1 foreign associate which has not been audited by other auditors.

These unaudited financial statements in respect of 1 overseas subsidiary, 1 overseas Joint Venture and 1 overseas associate have been furnished to us by the management and our opinion on the statement in so far as it related to the amounts and disclosures is based solely on such unaudited financial statements. In our opinion and according to the information and explanations furnished to us by the board of directors, these financial information are not material to the group.

In respect of subsidiaries, associates and joint ventures which are located outside India, the annual financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such companies located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and Joint ventures is based solely on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us. Our opinion is not modified in respect of this matter.

Our opinion on the consolidated financial statement and our report on the other legal and regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiaries, JV and associate as noted in the "Other matter" paragraph, we report, to the extent applicable 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 aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors of the holding company as on 31st March, 2021 taken on record by the Board of Directors of the holding company and reports of other auditors, none of the directors of the Group, Joint Ventures incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the Holding company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of those companies for the reasons stated therein.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding company and its Indian subsidiaries in the group to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated financial statements has disclosed the impact of pending litigations on its consolidated financial position of the Group and its JV and associate.

      ii. Provision has been made in the Consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For **K.S. Rao & Co**
Chartered Accountants
(Firm Registration No. 003109S)

Gopikrishna Chowdary Manchinella
Partner
Membership No. 235528
UDIN: 21235528AAAABU6483

Place: Vijayawada
Date: 17th June 2021

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of POWER MECH PROJECTS LIMITED ("the holding company"), its subsidiary companies incorporated in India as on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its Indian subsidiaries based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of Indian subsidiary is sufficient and appropriate to provide a basis for our audit opinion on the Company's and its Indian subsidiaries internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors, the holding company and its Indian subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report u/s 143(1)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it related to Indian subsidiaries is based on the report of the other auditor.

For **K.S. Rao & Co**
Chartered Accountants
(Firm Registration No. 003109S)

Gopikrishna Chowdary Manchinella
Partner
Membership No. 235528
UDIN: 21235528AAAABU6483

Place: Vijayawada
Date: 17th June 2021

CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2021

All amounts are in ₹ Cr, except share data and where otherwise stated

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4.1	164.91	176.06
(b) Right-of-use assets	4.2	7.17	9.09
(c) Capital Work-in-progress	5	5.32	2.61
(d) Intangible Assets	6	2.57	2.64
(e) Financial Assets			
(i) Investments	7.1	29.81	32.89
(ii) Loans	8	-	-
(iii) Other financial assets	9	257.34	284.91
(f) Deferred Tax Asset (Net)	20	21.71	8.22
(g) Other Non-current assets	10	2.13	1.91
Total Non-Current assets		**490.96**	**518.33**
2 Current Assets			
(a) Inventories	11	114.67	126.33
(b) Financial Assets			
(i) Investments	7.2	2.36	-
(ii) Trade Receivables	12	533.51	541.72
(iii) Cash and cash equivalents	13	13.75	29.64
(iv) Other Bank Balances	13	50.69	45.44
(v) Loans	8	5.72	5.22
(vi) Other Financial Assets	9	563.57	574.55
(c) Other Current assets	10	448.91	485.43
(d) Current tax Assets (Net)	24	36.73	12.68
Total Current assets		**1,769.91**	**1,821.01**
Total Assets		**2,260.87**	**2,339.34**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	14	14.71	14.71
(b) Other Equity	15	890.15	936.44
		904.86	**951.15**
2 Non-Controlling Interest	16	3.53	8.11
Liabilities			
3 Non-current liabilities			
(a) Financial Liabilities			
(i) Long-term borrowings	17	15.86	29.64
(ii) Lease liabilities	18	2.74	4.53
(iii) Other financial liabilities	18	71.63	61.03
(b) Provisions	19	4.83	3.70
(c) Deferred Tax Liabilities (Net)	20	-	-
(d) Other non-current liabilities	21	22.97	6.38
Total Non-Current liabilities		**118.03**	**105.28**
4 Current liabilities			
(a) Financial Liabilities			
(i) Short-term borrowings	22	453.53	425.60
(ii) Lease liabilities	18	2.53	2.43
(iii) Trade payables	23		
a) Total outstanding dues of micro enterprises and small enterprises		0.11	0.35
b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		512.50	577.48
(iv) Other financial liabilities	18	155.58	176.70
(b) Other current liabilities	21	108.89	91.23
(c) Provisions	19	1.31	1.01
(d) Current tax Liabilities (Net)	24	-	-
Total Current liabilities		**1,234.45**	**1,274.80**
Total Liabilities		**1,352.48**	**1,380.08**
Total Equity and Liabilities		**2,260.87**	**2,339.34**

Corporate Information 1

Basis of Preparation and Significant Accounting Policies 2-3

The accompanying notes 34-53 form an integral part of the financial statements.

As per our report of even date

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number: 235528
UDIN: 21235528AAAABU6483

Place: Vijayawada/Hyderabad
Date: 17th June, 2021

For and on behalf of the Board
Sd/-
S.Kishore Babu
Chairman and Managing Director
DIN:00971313

Sd/-
J Satish
CFO

Sd/-
Mohith Kumar Khandelwal
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2021

All amounts are in ₹ Cr, except share data and where otherwise stated

	Particulars	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
I	Revenue from Operations	25	1,884.08	2,164.68
II	Other Income	26	16.33	9.35
III	**Total Income (I+II)**		**1,900.41**	**2,174.03**
IV	**Expenses**			
	Cost of Material Consumed	27	264.05	323.91
	(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	28	6.21	(11.97)
	Contract Execution expense	29	1,223.70	1,230.17
	Employee benefits expense	30	322.23	324.80
	Finance Cost	31	79.27	74.06
	Depreciation and Amortisation expense	32	35.76	39.43
	Other expense	33	26.04	27.03
	Total Expenses (IV)		**1,957.26**	**2,007.43**
V	**Profit/(Loss) before share of profit/(Loss) from Joint Venture and Associate, exceptional items and tax (III-IV)**		**(56.85)**	**166.60**
VI	Share of Profit/(Loss) from Joint Venture and Associate		(3.09)	1.57
VII	**Profit/(Loss) before exceptional items and tax (V+VI)**		**(59.94)**	**168.17**
VIII	Exceptional Items		-	-
IX	**Profit/(Loss) before tax (VII-VIII)**		**(59.94)**	**168.17**
X	**Tax Expense:**			
	Current tax		2.15	40.01
	Deferred tax credit		(13.49)	(2.53)
XI	**Profit/(Loss) after tax for the year (IX-X)**		**(48.60)**	**130.69**
XII	**Other Comprehensive Income**			
	A. Items that will not be re-classified to profit and Loss account			
	a) Changes in Fair value of Investments		0.02	(0.01)
	b) Remeasurement of defined employee benefit plans		1.37	1.03
	B. Items that will be re-classified to profit and Loss account			
	a) Exchange fluctuations on revaluation of foreign operations		(0.69)	1.82
XIII	**Total Comprehensive Income/(Loss) for the year (XI+XII)**		**(47.90)**	**133.53**
	Profit/(Loss) for the year before Other Comprehensive Income		**(48.60)**	**130.69**
	Attributable to			
	Equity holders of the parent		(45.63)	131.26
	Non-Controlling Interest		(2.97)	(0.57)
	Total Comprehensive Income/(Loss) for the year		**(47.90)**	**133.53**
	Attributable to			
	Equity holders of the parent		(44.81)	133.57
	Non-Controlling Interest		(3.09)	(0.04)
XIV	Earnings per Share - Basic and Diluted		(31.02)	89.23

Corporate Information 1

Basis of Preparation and Significant Accounting Policies 2-3

The accompanying notes 34-53 form an integral part of the financial statements.

As per our report of even date

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number: 235528
UDIN: 21235528AAAABU6483

Place: Vijayawada/Hyderabad
Date: 17th June, 2021

For and on behalf of the Board

Sd/-
S.Kishore Babu
Chairman and Managing Director
DIN:00971313

Sd/-
J Satish
CFO

Sd/-
Mohith Kumar Khandelwal
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

All amounts are in ₹ Cr, except share data and where otherwise stated

Particulars		20-21	19-20
I.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax	(59.94)	168.17
	Add/Less: Adjustments for :		
	Depreciation	35.76	39.43
	FCTR Movement	(0.69)	1.82
	Interest and Finance charges	79.25	74.06
	Interest on Income Tax	0.02	0.78
	Loss on sale of assets	0.36	0.07
	Fair value gain on current investments	(0.11)	-
	Net gain arising on financial assets measured at FVTPL	(0.05)	0.09
	Interest income (excluding interest on rental deposit)	(6.52)	(6.64)
	Amortisation of Deferred Government grants	(0.12)	(0.10)
	Profit on sale of assets	(0.46)	(0.67)
	Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income	1.37	1.03
	Share of Profit/(Loss) from Joint Ventures & Associates	3.09	(1.57)
	Operating profit before working capital changes	**51.96**	**276.47**
	Movements in Working Capital		
	Adjustments for (increase)/decrease in operating assets:		
	- Trade Receivables	8.26	(152.58)
	- Inventories	11.66	(33.60
	- Other Assets	95.24	(221.72)
	Adjustments for increase/(decrease) in operating liabilities:		
	- Trade Payables	(65.21)	134.79
	- Other Liabilities and Provisions	46.52	21.66
	Cash generated from operations	**148.43**	**25.02**
	Less: Direct taxes paid	(26.21)	(72.68)
	Net cash from / (used in) Operating activities (A)	**122.22**	**(47.66)**
II.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	(26.91)	(29.19)
	Proceeds from sale of fixed assets	2.02	2.01
	Investment in Mutual Funds	(2.25)	-
	Margin money deposits with banks and other balances	(26.18	23.24
	Interest received (Excl interest on rental deposit)	6.52	6.64
	Net cash from/(used) in Investing activities (B)	**(46.80**	**2.70**
III.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from/(Repayment of) borrowings	(7.19)	136.55
	Interest and Finance charges paid	(78.65)	(73.30)
	Lease rent paid	(2.51)	(2.43)
	Dividends and dividend tax paid	(2.96)	(1.77)
	Net cash from/(used in) financing activities (C)	**(91.31)**	**59.05**
	Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**(15.89)**	**14.09**
	Cash and cash equivalents at the beginning of the period	29.64	15.55
	Cash and cash equivalents at the end of the period	13.75	29.64
	Net Increase/(Decrease) in cash and cash equivalents	**(15.89)**	**14.09**

Notes to Cashflow Statement: The above cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind As 7 - Statement of Cashflows.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

Components of cash and cash equivalents

Particulars	20-21	19-20
Cash on hand	1.65	1.71
In Current accounts	12.04	25.52
Deposits having maturity period for less than 3 months	0.06	2.41
	13.75	**29.64**

Reconcilation of Changes in Liability arising from Financing activities for the year ending 31st March, 2021

Particulars	Opening	Ind as 116 adoption	Cash flows	Non-Cash changes	Net cash flow	Closing
Long term borrowings	90.90			0.08	(35.19)	55.79
Short term borrowings	425.60				27.93	453.53
Lease Libilities (Refer Note no. 50)	6.96	0.33	(2.63)	0.61	(2.02)	5.27

Reconcilation of Changes in Liability arising from Financing activities for the year ending 31st March, 2020

Particulars	Opening	Ind as 116 adoption	Cash flows	Non-Cash changes	Net cash flow	Closing
Long term borrowings	97.70	-	-	1.06	(7.86)	90.90
Short term borrowings	282.24	-	-	-	143.36	425.60
Lease Libilities (Refer Note no. 50)	-	8.64	(2.43)	0.75	(1.68)	6.96

Corporate Information 1
Basis of Preparation and Significant Accounting Policies 2-3
The accompanying notes 34-53 form an integral part of the financial statements.

As per our report of even date

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number: 235528
UDIN: 21235528AAAABU6483

Place: Vijayawada/Hyderabad
Date: 17th June, 2021

For and on behalf of the Board
Sd/-
S.Kishore Babu
Chairman and Managing Director
DIN:00971313

Sd/-
J Satish
CFO

Sd/-
Mohith Kumar Khandelwal
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2021

All amounts are in ₹ Cr, except share data and where otherwise stated

A. Equity share capital

Particulars	No's	Total
As at 31st March, 2019	**1,47,10,764**	**14.71**
Changes in equity during the year	-	-
As at 31st March, 2020	**1,47,10,764**	**14.71**
Changes in equity during the year	-	-
As at 31st March, 2021	**1,47,10,764**	**14.71**

B. Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income		Total
	Securities Premium Reserve	Other Reserves (General reserve)	Foreign Currenty Translation Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Acturial Gains/ (Loses)	
Balance at the end of reporting period - 31st March 2019	**160.93**	**37.00**	**0.76**	**604.30**	**0.01**	**1.64**	**804.64**
Profit for the year attributable to equity share holders of parent	-	-	-	**131.26**	-	-	131.26
Other Comprehensive Income	-	-	1.29	-	(0.01)	1.03	2.31
Total Comprehensive Income for the year	**-**	**-**	**1.29**	**131.26**	**(0.01)**	**1.03**	**133.57**
Final Dividend and tax thereon for the Financial year 2018-19 proposed & paid during the year	-	-	-	1.77	-	-	1.77
Balance at the end of reporting period - 31st March 2020	**160.93**	**37.00**	**2.05**	**733.79**	**0.00**	**2.67**	**936.44**
Loss for the year attributable to equity share holders of parent	-	-	-	(45.64)	0.02	1.37	(44.25)
Other Comprehensive loss	-	-	(0.57)	-	-	-	(0.57)
Total Comprehensive Loss for the year	**-**	**-**	**(0.57)**	**(45.64)**	**0.02**	**1.37**	**(44.82)**
Final Dividend for the Financial year 29-20 proposed & paid during the year	-	-	-	1.47	-	-	1.47
Balance at the end of reporting period - 31st March 2021	**160.93**	**37.00**	**1.48**	**686.68**	**0.02**	**4.04**	**890.15**

Corporate Information	1
Basis of Preparation and Significant Accounting Policies	2-3

The accompanying notes 34-53 form an integral part of the financial statements.

As per our report of even date

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number: 235528
UDIN: 21235528AAAABU6483

Place: Vijayawada/Hyderabad
Date: 17th June, 2021

For and on behalf of the Board
Sd/-
S.Kishore Babu
Chairman and Managing Director
DIN:00971313

Sd/-
J Satish
CFO

Sd/-
Mohith Kumar Khandelwal
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 GROUP INFORMATION

The consolidated financial statements comprise financial statements of Power Mech Projects Limited (the parent) and its subsidiaries (collectively referred to as "Group") and includes share of profit from its joint venturers and associate.

The parent company Power Mech Projects Limited is incorporated in the year 1999 and is an engineering and construction company providing integrated service in erection, testing and commissioning (ETC) of boilers, turbines and generators and balance of plant (BOP), civil works and operation and maintenance (O&M). The Company is also undertaking railway projects and executing major railway project of doubling of tracks including electrification, signalling, culverts, platforms etc. and transmission and distribution portfolio, a new venture of diversification and the Company has already undertaken some major projects. Thus, Power Mech is proud to be a vital part of India's Power generation capacity augmentation. Also, the Company as a part of diversifying its operations, entering into development and operation of coal mines.

The Company, its subsidiaries and its joint venture and associate considered in the consolidated financial statements are:

a) Subsidiaries:

Name of the Company	Country of incorporation	Principal activities	Year ended (% of holding)	
			31.03.2021	31.03.2020
Hydro Magus Private Limited	India	Maintenance contracts	88%	88%
Power Mech Industri Private Limited	India	Manufacture of spare parts	100%	100%
Power Mech BSCPL Consortium Private Limited	India	Infrastructure development	51%	51%
Power Mech SSA Structures Private Limited	India	Infrastructure development	100%	100%
Aashm Avenues Private Limited	India	Infrastructure development	100%	100%
Power Mech Environmental Protection Private Limited	India	Recycling of wastes generated by various industries and commercial establishments	100%	100%
Power Mech Projects LLC	Oman	Installation and repair of electric power and transformer plants	70%	70%
Power Mech Projects (BR) FZE	Nizeria	Infrastructure development	100%	100%

b) Joint Venture:

Name of the Company	Country of incorporation	Principal activities	Year ended	
			31.03.2021	31.03.2020
M/s. Power Mech – M/s. ACPL JV	India	Construction works	80%	80%
Power Mech – Khilari Consortium JV	India	Construction works	75%	75%
Power Mech – STS JV	India	Construction works	74%	74%
PMPL – SRC INFRA JV – Mizoram	India	Construction works	74%	-
PMPL – SRC INFRA JV – Hassan	India	Construction works	60%	-
PMPL – BRCC INFRA JV	India	Construction works	70%	-
GTA Power Mech Nigeria Limited	Nigeria	Turbine repair	50%	50%
GTA Power Mech DMCC	Dubai	Construction works	50%	50%

c) Associate

Name of the Company	Country of incorporation	Principal activities	Year ended	
			31.03.2021	31.03.2020
MAS Power Mech Arabia	Saudi Arabia	Installation and Maintenance services	49%	49%

NOTE 2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS :

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by the Ministry of Corporate affairs, pursuant to section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013('the Act')(to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the parent Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceased to control the subsidiary.

Profit and loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. Any distributions received from our investee will reduce the carrying amount of investment. The Group's investment in associates includes goodwill/capital reserve identified on acquisition.

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in Joint Venture are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. Any distributions received from our investee will reduce the carrying amount of investment. The Group's investment in joint venture includes goodwill/capital reserve identified on acquisition.

Principles of Consolidation

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements. If a member of the group uses accounting policies other than those adopted in consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that groups members financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The consolidated financial statements relate to Power Mech Projects Limited ('the Company') and its subsidiary companies and Joint ventures and associate. The consolidated statements have been prepared on the following basis.

a) The financial statements of the parent company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group transactions and intra-group balances as per Ind AS -110.

b) Profits and losses resulting from intra-group transactions that are recognised as asset such as inventory and property, plant and equipments are eliminated in full.

c) The excess of cost to the group of its investment in subsidiaries on the acquisition date over and above the group's share of equity in subsidiaries is recognised as Goodwill on consolidation being an asset in the

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

consolidated financial statements or in case of excess of cost of investments, it is recognised as Capital reserve and shown under Reserves and surplus in the consolidated financial statements.

d) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange rate difference arising on consolidation is recognised in the Foreign currency translation Reserve.

e) Non-controlling interests in the net assets of subsidiaries is identified and presented in the statements separately within equity. The non-controlling interests in the net assets of subsidiaries consists of a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made and b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence. The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the statement of profit and loss and statement of changes in equity.

f) Investments in Joint venture and associates has been accounted under the equity method as per Ind AS-28 "Investments in Associates and Joint ventures".

g) The financial statements of the Company and its subsidiary and joint venture companies are drawn up to the same reporting date i.e of 31st March, except in case of one overseas associate where financial statements have been drawn upto 31st December, 2020 and for consolidation purposes additional financial information for the q.e 31st March, 2021 has been prepared.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to the statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTE 3 OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Use of estimates and Judgements

The preparation of the Group's financial statements in conformity requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements and estimates that have been made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

i) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets:

Property, plant and equipment / intangible assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

ii) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, past history of receivables, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iii) Fair value measurement of financial instruments:

Some of the assets and liabilities of the group are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the group uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The group also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

iv) Provisions:

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

v) Impairment of non-financial assets:

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

vi) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii) Income Taxes:

The tax jurisdiction of Indian companies considered in the Group is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

viii) Defined benefit obligations:

The Group uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine the obligations for employee benefits at each reporting period.

ix) Revenue recognition:

The Group uses the percentage of completion method in accounting for its fixed price contracts and is measured with reference to actual completion of physical proportion of the work to the extent of work certified by the customer. Measurement of physical quantum of work completed is based on estimates at the reporting date.

x) Other estimates:

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the group estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

xi) Estimation of uncertainties relating to the global health pandemic from COVID-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets, receivables and uncertified revenues. In developing the assumptions relating to the possible future uncertainties in the global

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

economic conditions because of this pandemic, the Company, as at the date of approval of these consolidated financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact assessment of COVID-19 is a continuous process given the uncertainty associated with its nature and durations and accordingly the eventual outcome may be different from those estimates as on the date of approval of these Consolidated Financial Statements.

b) Property, plant and equipment

An item of Property, Plant and Equipment that qualified as an asset is measured at initial recognition at Cost. Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management. The cost comprises of purchase price, applicable duties and taxes, direct expenditure attributable on making the asset ready for its intended use and interest on borrowings for acquisition of qualifying asset upto the date the asset is ready for its intended use.

Advances paid for acquisition of Property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Cost of the assets not put to use before such date are disclosed under 'Capital Work-in-progress'. Any subsequent expenditure relates to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. Items of spare parts are recognised as Property, plant and equipment when they meet the definition of Property, plant and equipment. The cost and related depreciation are eliminated from the property, plant and equipment upon sale or retirement of the asset and the resultant gain or losses are recognised in statement of profit and loss.

c) Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortisation. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis from the date they are available for use.

d) Depreciation and Amortisation

The depreciation on property, plant and equipment is provided under the Straight-line method over the useful lives of the assets estimated by the respective entities management. The management based on internal assessment and independent technical evaluation carried out by external valuers, believes that the useful lives as selected 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 and the said useful lives are disclosed in the accounting policies of respective companies in the group.

Individual assets costing up to ₹ 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 amortisation methods, useful lives and residual values are reviewed periodically at the end of each financial year with the effect of any change in estimate accounted for on a prospective basis.

e) Government Grants

Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received .

Government grants related to revenue are recognised on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. When the grant relates to an asset, it is recognised as deferred revenue in the Balance sheet and transferred to the statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

f) Investment in Joint venture and associate

Investment in jointly controlled entity and associate is accounted for using the "equity method" less accumulated impairment, if any. Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the jointly controlled entity and associate since the date of acquisition. Goodwill relating to the entity is included in the carrying amount of the investment.

The statement of profit and loss reflects the group's share of the results of the operations of the jointly controlled entity and associate. The amount of OCI of these entities are included in the groups OCI. Unrealised gains and losses resulting from transactions between the group and its entity are eliminated to the extent of interest in jointly controlled entity and associate.

g) Impairment of Assets

i) Financial assets (other than at fair value)

The group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The group recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount (i.e higher of the fair value less cost of sale and value in use) is determined on an individual asset basis unless the asset does not generates cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount and the carrying amount of the asset is increased to its revised recoverable amount subject to maximum of carrying amount.

h) 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.

i) Inventories

a) Stores and consumables are valued at lower of cost or Net realizable value. In determining cost of stores and spares and consumables, weighted average cost method is used. Costs includes all cost of purchase, duties and taxes (Other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

b) Work-in-progress:

Contract execution expenses incurred in respect of projects to be commenced are included under work-in-progress and are valued at cost.

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

j) Revenue Recognition

Revenue from contracts with customers is recognised on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the group is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Identifying Performance Obligation:

A performance obligation is identified in the construction projects that the group engages in, owing to the high degree of integration and customisation of the various goods and services to provide a combined output which is transferred to the customer over time and not at a specific point in time. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Determination of Transaction Price:

Transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party(GST). Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Recognition of Revenue:

In case of sale of goods:

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

In case of construction services:

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered.

Revenue from contracts is recognised 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 and acknowledged by the customer. The portion of the work which was completed, but pending for certification by the customer, is also recognised as revenue by treating the same as uncertified revenue. Any claims, variations and incentives is recognised as revenue only when the customer accepts the same. Provision for expected loss is recognised immediately when it is probable that the total estimated cost will exceed total contract revenue.

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.

In case of other Income:

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

k) Employee Benefits

i) Defined Contribution Plans

The 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

Gratuity, a defined Benefit scheme is covered by a Group Gratuity cum Life Assurance policy with LIC. The cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial losses and gains, the effect of changes to the asset ceiling and actual return on plan assets, in excess of the yield computed by applying the discount rate used to measure the defined benefit obligation, is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Such remeasurement losses/gains are not reclassified to profit or loss subsequently.

The employees of the entities 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.

l) Foreign Currency Transactions

These consolidated financial statements are presented in Indian rupee which is the functional currency of the parent company.

In preparing the financial statements of each individual group entity, transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. Gains/losses on settlement of the transaction are recognised in the statement of profit and loss.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured at historical cost in foreign currency, are translated using the exchange rate at the date of transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Any loss/gain on conversion of monetary items are recognised in statement of profit and loss.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The exchange differences arising on translation for consolidation are recognised in other comprehensive income and accumulated in equity and attributed to non-controlling interests proportionately. On disposal of foreign operation, the OCI component relating to that particular foreign operation is reclassified to consolidated statement of profit and loss.

m) Income-Taxes

Income tax expense comprises the sum of tax currently payable and deferred tax. Income tax expense is recognised in net profit in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current tax is determined at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities are recognised as income or expense in the year of enactment. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

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. Where the effect of time value of money is material, the amount of provisions is the present value of the expenditure required to settle the obligation. 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 recognize 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 in the year when they are approved by the shareholders 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

The Company's leased assets primarily consist of buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

the term of the lease. The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

On transition to Ind AS 116 “Leases”, the Company has applied the standard using the modified retrospective approach. Right-of-use assets as at 1st April, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to the lease liability. As a result, the comparative information has not been restated. The Company has discounted the lease payments using the incremental borrowing rate as at 1st April 2019 for measuring the lease liability.

On transition, the Company has recognised and reclassified Right-of-use asset amounting to ₹ 11.40 Cr and a lease liability of ₹ 8.63 Cr as on date of balance sheet.

r) 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.

s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition:

The group recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than the financial assets and liabilities at fair value through profit and loss) are added to or deducted from the fair value of financial assets and liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities at fair value through profit or loss are recognised immediately in profit or loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

i) Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income.

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

<u>De-recognition of financial asset</u>

The Company de-recognises financial assets when the contractual right to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

<u>Impairment of financial assets:</u>

The Company applies expected credit loss (ECL) model for measurement and recognition of loss assets in case of trade receivables and other financial assets. In case of trade receivables, the Company follows a simplified approach wherein an amount equal to life time ECL is measured and recognised as loss allowance. In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk has not increased significantly, an amount equal to 12-month ECL is measured and recognised as a loss allowance. However, if the credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as a loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reversed the impairment loss recognised earlier.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. The effective method is a method of calculating the amortisation cost of a financial liability and of allocating interest expense over the relevant period. The effective interest is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

De-recognition of financial liability

The Company de-recognises financial liabilities when the Company's obligations are discharged, cancelled or expired. The difference between the initial carrying amount of the financial liabilities and their redemption value is recognised in the statement of profit and loss over the contractual terms using the effective interest method.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 4.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	As at 31st March, 2021	As at 31st March, 2020
Carrying Amounts of:		
Land	3.60	3.60
Office Buildings	32.60	34.30
Plant and Equipment	20.80	23.49
Furniture and Fixtures	1.77	2.85
Computers	1.39	1.40
Office Equipment	2.84	3.74
Motor vehicles	16.91	13.96
Cranes	75.20	83.50
Temporary Sheds	9.80	9.22
	164.91	**176.06**
Capital Work-in-progress	**5.32**	**2.61**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

PROPERTY, PLANT AND EQUIPMENT

All amounts are in ₹ Cr, except share data and where otherwise stated

Particulars	Land	Lease Hold Land	Office Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Motor vehicles	Cranes	Temporary Sheds	Total
Gross Block											
As at 31st March, 2019	**4.15**	**2.01**	**39.01**	**49.77**	**9.25**	**3.98**	**10.60**	**39.34**	**140.09**	**41.32**	**339.52**
Reclassification on account of adoption of Ind AS- 116 (Refer Note 4.2)	0.55	2.01	-	-	-	-	-	-	-	-	**2.56**
Additions	-	-	1.15	4.95	0.83	0.50	1.50	4.23	11.16	5.47	**29.79**
Disposals	-	-	-	0.16	0.17	0.04	0.07	0.53	3.10	7.44	**11.51**
As at 31st March, 2020	**3.60**	**-**	**40.16**	**54.56**	**9.91**	**4.44**	**12.03**	**43.04**	**148.15**	**39.35**	**355.24**
Additions	-	-	-	2.05	0.55	0.49	0.84	7.65	8.40	4.21	**24.19**
Disposals	-	-	-	0.69	0.20	0.13	1.26	1.53	1.78	6.57	**12.16**
As at 31st March, 2021	**3.60**	**-**	**40.16**	**55.92**	**10.26**	**4.80**	**11.61**	**49.16**	**154.77**	**36.99**	**367.27**
Accumulated Depreciation including accumulated Impairment loses											
As at 31st March, 2019	**-**	**0.09**	**4.32**	**26.26**	**5.39**	**2.58**	**6.60**	**23.90**	**51.04**	**32.04**	**152.22**
Reclassification on account of adoption of Ind AS- 116 (Refer Note 4.2)	-	0.09	-	-	-	-	-	-	-	-	**0.09**
Depreciation charge for the year	-	-	1.54	4.94	1.77	0.49	1.73	5.54	15.96	5.16	**37.13**
On disposals	-	-	-	0.13	0.10	0.03	0.04	0.36	2.35	7.07	**10.08**
As at 31st March, 2020	**-**	**-**	**5.86**	**31.07**	**7.06**	**3.04**	**8.29**	**29.08**	**64.65**	**30.13**	**179.18**
Depreciation charge for the year	-	-	1.70	4.41	1.56	0.46	1.36	4.50	15.93	3.52	**33.44**
On disposals	-	-	-	0.36	0.13	0.09	0.88	1.33	1.01	6.46	**10.26**
As at 31st March, 2021	**-**	**-**	**7.56**	**35.12**	**8.49**	**3.41**	**8.77**	**32.25**	**79.57**	**27.19**	**202.36**
Net Block											
As at 31st March, 2021	**3.60**	**-**	**32.60**	**20.80**	**1.77**	**1.39**	**2.84**	**16.91**	**75.20**	**9.80**	**164.91**
As at 31st March, 2020	**3.60**	**-**	**34.30**	**23.49**	**2.85**	**1.40**	**3.74**	**13.96**	**83.50**	**9.22**	**176.06**

Notes:

1) Term loans taken for purchase of Vehicles, Cars and Cranes are secured by way of hypothecation on respective assets for which loans were availed.

2) Working Capital Loans from banks are secured by way of first charge on Property, Plant and Equipment of the company both present and future, excluding those assets against which charge was given to equipment financiers.

3) Additions to office Buildings made during the Previous year were constructed on Land taken on Lease.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 4.2 RIGHT OF USE ASSET

Particulars	As at 31st March, 2021	As at 31st March, 2020
Right - of - use assets	7.17	9.09
	7.17	**9.09**

Particulars	Lease hold land & Improvements	Buildings	Total
(A) Cost or deemed cost			
Balance at 1st April, 2019	-	-	**-**
Re-classification and Transition impact on account of adoption of Ind AS- 116 (Refer Note 4.1 and 50)	2.56	8.84	**11.40**
Additions	-	-	**-**
Disposals/adjustments	-	-	**-**
As at 31st March, 2020	**2.56**	**8.84**	**11.40**
Additions	-	0.33	0.33
Disposals/adjustments	-	-	**-**
As at 31st March, 2021	**2.56**	**9.17**	**11.73**
(B) Accumulated Amortisation and impairment			
As at 31st March, 2019	-	-	**-**
Re-classification and Transition impact on account of adoption of Ind AS- 116	0.10	-	**0.10**
Amortisation expense for the year	0.03	2.18	**2.21**
Eliminated on disposal	-	-	**-**
As at 31st March, 2020	**0.13**	**2.18**	**2.31**
Amortisation expense for the year	0.03	2.22	2.25
Eliminated on disposal	-	-	**-**
As at 31st March, 2021	**0.16**	**4.40**	**4.56**
(C) Carrying amount			
As at 31st March, 2021	**2.40**	**4.77**	**7.17**
As at 31st March, 2020	**2.43**	**6.66**	**9.09**

NOTE 5 CAPITAL WORK-IN-PROGRESS

Particulars	Amount
Carrying value - At Cost	
As at 31st March, 2019	**3.34**
Additions	0.21
Capitalised during the year	0.94
As at 31st March, 2020	**2.61**
Additions	2.93
Capitalised during the year	0.22
As at 31st March, 2021	**5.32**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 6 INTANGIBLE ASSETS

Particulars	As at 31st March, 2021	As at 31st March, 2020
Power Mech Brand	0.00	0.00
Computer Software	0.30	0.37
Goodwill	2.27	2.27
Total	**2.57**	**2.64**

Particulars	Power Mech Brand	Computer Software	Goodwill	Total
Gross Block				
As at 31st March, 2019	**0.00**	**1.45**	**2.27**	**3.72**
Additions	-	0.09	-	0.09
Disposals	-	-	-	-
As at 31st March, 2020	**0.00**	**1.54**	**2.27**	**3.81**
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31st March, 2021	**0.00**	**1.54**	**2.27**	**3.81**
Accumulated Amortisation				
As at 31st March, 2019	**0.00**	**1.08**	**-**	**1.08**
Amortisation expense for the year	-	0.09	-	0.09
On disposals	-	-	-	-
As at 31st March, 2020	**0.00**	**1.17**	**-**	**1.17**
Amortisation expense for the year	0.00	0.07	-	0.07
On disposals	-	-	-	-
As at 31st March, 2021	**0.00**	**1.24**	**-**	**1.24**
Net Block				
As at 31st March, 2021	**0.00**	**0.30**	**2.27**	**2.57**
As at 31st March, 2020	**0.00**	**0.37**	**2.27**	**2.64**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 7.1 INVESTMENTS (NON-CURRENT)

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Investment in Equity Instruments		
(a) (i) Quoted - Trade (carried at fair value thorugh OCI)		
a) 24 Equity shares of ₹10/ each in Reliance Power Limited *	0.00	0.00
(ii) Quoted - Non Trade (carried at fair value through OCI)		
a) 200 Equity shares of ₹10/ each in Assam Company Limited *	0.00	0.00
Total Investment in Quoted Equity Instruments (a)	**0.00**	**0.00**
(b) (i) Unquoted - Trade		
Investment in Associates (Carried at cost) :		
a) 332 (332) Equity shares of SR 1000 each in MAS Power Mech arabia	(8.77)	0.06
i) 10,000 Equity shares of ₹10 each in Power Mech Environmental Protection Private Limited.	-	-
Investment in Joint Venture (Carried at cost) :		
a) 1,50,00,000 (1,50,00,000) equity shares of 1 Naira each in GTA Power Mech Nigeria Limited	36.46	31.51
b) 50 (50) Equity shares of AED 1000 each in GTA Power Mech DMCC	0.04	0.04
c) M/S POWER MECH-M/S ACPL JV (Capital introduced Nil)**	0.82	0.52
d) PMPL-STS JV (Capital introduced Nil)**	0.67	0.57
e) PMPL-KHILARI Consortium JV (Capital introduced Nil)**	0.27	0.17
f) PMPL-SRC INFRA JV - Mizoram (Capital introduced Nil)**	0.28	-
g) PMPL-SRC INFRA JV - Hassan (Capital introduced Nil)**	-	-
h) PMPL-BRCC INFRA JV (Capital introduced Nil)**	-	-
Total Investment in Un-Quoted Equity Instruments (b)	**29.77**	**32.87**
Total Investment in Equity Instruments (A = a+b)	**29.77**	**32.87**
B. Investment in Mutual Funds - Quoted (Carried at fair value through OCI)		
a) 20,000 units of SBI Infra structure fund - I - Growth ₹10/ each	0.04	0.02
Total Investment in Mutual Funds (B)	**0.04**	**0.02**
Total (A+B)	**29.81**	**32.89**
Aggregate amount of : Quoted investments -		
- At cost	0.02	0.02
- Market value	**0.04**	**0.02**
Aggregate amount of un-Quoted investments	**29.77**	**32.87**
- Market value	**0.04**	**0.02**
Aggregate amount of un-Quoted investments	**29.77**	**32.87**

* Amont below ₹ 1 Lakh

** The company has become a venturer in Joint Ventures incorporated during the FY 18-19 & 20-21. However no investment has been made in the said JV's as on date of Balance Sheet.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised
Financial assets measured at:				
(i) Fair value through Other Comprehensive Income				
a) 24 Equity shares of ₹10/ each in Reliance Power Limited	0.00	-	0.00	-
b) 200 Equity shares of ₹10/ each in Assam Company Limited	0.00	-	0.00	-
c) Investments in mutual funds 20000 units of SBI Infra structure	0.04	-	0.02	-
(ii) Using Equity method for Investments in Joint Ventures and Associates as per Ind As 28	29.77	-	32.87	-
Total	**29.81**	**-**	**32.89**	**-**

NOTE 7.2 INVESTMENTS (CURRENT)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment in Mutual Funds - Quoted: (Carried at fair value through P&L)		
a) 2,50,000(Nil) units of Baroda Large & Mid Cap Fund	0.32	-
b) 16,82,808(Nil) Units of Union Corporate Fund Regular Plan- Growth Fund	2.04	-
Total Investment in Mutual Funds	**2.36**	**-**
Aggregate amount of : Quoted investments -		
- At cost	2.25	-
- Market value	**2.36**	**-**

NOTE 8 LOANS

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered Good				
a) Employee related advances	-	-	5.17	4.67
b) Loans to Others - GTA Power Mech FZE	-	-	0.55	0.55
(Subsidiary to GTA Power Mech Nizeria, a JV)				
Total	**-**	**-**	**5.72**	**5.22**

Note: 1) No loans are due from directors or other officers of the Group either severally or jointly with any other person nor any other loans are due from firms in which any director is a partner, a director or a member.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 9 OTHER FINANCIAL ASSETS

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
a) Security deposits with Govt. authorities and others	10.19	13.47	0.02	-
b) EMD with customers	59.79	82.86	-	0.05
c) Earmarked balances with banks held as margin money against LC and guarantees having a maturity period for more than 12 months from the date of Balance sheet	65.15	44.22	-	-
d) Retention Money and Security Deposit with customers	125.55	147.70	162.43	164.30
e) Uncertified Revenue	-	-	401.12	410.20
Total	**260.68**	**288.25**	**563.57**	**574.55**
Less: Provision for doubtful receivables (Retention Money and Security Deposit with customers)	(3.34)	(3.34)	-	-
	257.34	**284.91**	**563.57**	**574.55**

Note: The bifurcation of Retention money & Security deposit 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 Retention money and Security deposit and based on estimates by manangement.

NOTE 10 OTHER ASSETS

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered Good				
a) Advances for Capital goods	2.13	1.91	-	0.17
b) Mobilisation advances to Sub - Contractors	-	-	8.90	9.32
c) Advances to creditors against supplies	-	-	28.87	21.64
d) Advances to sub-contractors against works -Unsecured			337.80	353.95
e) Prepaid Royalty and other expenses	-	-	38.89	64.68
f) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	26.67	27.85
Works contract tax (TDS)	-	-	1.43	2.35
Sales Tax Refund Receivable	-	-	0.14	0.14
Custom Duty Receivable	-	-	0.02	0.13
Taxes paid under protest	-	-	0.54	0.54
g) Other advances	-	-	6.87	5.88
Total	**2.13**	**1.91**	**450.13**	**486.65**
Less: Provision for doubtful advances (Advance to sub-contractors against works)	-	-	(1.22)	(1.22)
	2.13	**1.91**	**448.91**	**485.43**

Note: No advances are due from directors or other officers of the company either severally or jointly with any other person nor any other loans are due from firms or private company in which any director is a partner, a director or a member.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 11 INVENTORIES

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Stores and spares	100.18	105.63
b) Construction Work-in-progress	14.49	20.70
Total	**114.67**	**126.33**

Note:

(i) The mode of valuation of inventories has been stated in Note 3(i) in Accounting Policies.

(ii) The cost of inventories recognised as an expense for the year ended 31st March, 2021 was ₹ 264.05 Cr (for the year ended 31st March, 2020: ₹ 323.91 Cr)

(iii) All the above inventories are offered as security in respect of working capital loans availed by the respective companies in the group from all the banks.

(iv) There are no inventories expected to be liquidated after more than twelve months.

NOTE 12 TRADE RECEIVABLES

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	536.04	544.25
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables -credit impaired	-	-
Less: Allowance for doubtful receivables	(2.53	(2.53)
Total	**533.51**	**541.72**

a) The average credit period is 30 days which is due from the date of certification of RA Bill. No interest is charged on overdue receivables.

b) Of the trade receivables balance, ₹ 95.06 Cr (as at 31st March, 2020 : ₹ 137.09 Cr) is due from one of the Parent Company's largest customer. Further, an amount of ₹ 25.73 Cr. (as at 31st March, 2020 : ₹ Nil Cr) is due from customers who represent more than 5% of the total balance of trade receivables.

c) In determining the provision for trade receivables, the company has used practical expedients based on the financial conditions of the customer, historical experience of collections from customers, possible outcome of negotiations with customers etc., The concentration of risk with respect to trade receivables is reasonably low as most of the receivables are from Government organisations, high profile and net worth companies though there may be normal delay in collection. The expected credit loss allowance is based on the estimates by the management about their recoverability.

NOTE 13 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2021	As at 31st March, 2020
i) Balances with banks in Current accounts		
a. In Current accounts	12.04	25.52
ii) Cash on hand	1.65	1.71
iii) Fixed Deposits with original maturity period of less than 3 months	0.06	2.41
Total	**13.75**	**29.64**

OTHER BANK BALANCES

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Earmarked balances with banks held as margin money against LC and guarantees falls due for maturity within 12 months from the date of Balance sheet	50.67	45.42
b. Earmarked balances with banks towards unclaimed dividends	0.02	0.02
Total	**50.69**	**45.44**

Note: Bank Deposits with more than 12 months maturity from the date of Balance Sheet was disclosed under "Other Financial Assets"

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 14 SHARE CAPITAL

a) Authorised Share Capital

Particulars	Equity	
	No's	Total
As at 31st March, 2019	**2,60,00,000**	**26.00**
Changes during the year	-	-
As at 31st March, 2020	**2,60,00,000**	**26.00**
Changes during the year	-	-
As at 31st March, 2021	**2,60,00,000**	**26.00**

b) Issued Share Capital

Equity shares of ₹10 each issued, subscribed and fully paid

Particulars	Equity	
	No's	Total
As at 31st March, 2019	**1,47,10,764**	**14.71**
Increase/(Decrease) during the year	-	-
As at 31st March, 2020	**1,47,10,764**	**14.71**
Increase/(Decrease) during the year	-	-
As at 31st March, 2021	**1,47,10,764**	**14.71**

c) Rights, Preferences and restrictions attached to Equity shares

The Parent Company has only one class of Equity shares having a face value of ₹10/- each. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

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

Name of the Share Holder	As at 31st March, 2021		As at 31st March, 2020	
	No of Shares held	% out of total number of shares of the Company	No of Shares held	% out of total number of shares of the Company
S. Kishore Babu	38,64,942	26.27%	36,34,942	24.71%
S. Kishore Babu (HUF)	12,44,000	8.46%	12,44,000	8.46%
S. Lakshmi	37,28,626	25.35%	31,28,626	21.27%
S. Rohit	19,413	0.13%	8,49,413	5.77%
HDFC Small Cap Fund	10,03,126	6.82%	10,03,126	6.82%
	98,60,107	67.03%	**98,60,107**	67.03%

e) Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:

No Bonus shares were issued by the parent company during the period of five immediately preceeding financial Years.

f) No shares were issued by the parent company pursuant to a contract without payment being received in cash.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 15 OTHER EQUITY

Securities Premium Reserve

Particulars	Amount
As at 31st March, 2019	**160.93**
Changes during the year	-
As at 31st March, 2020	**160.93**
Changes during the year	-
As at 31st March, 2021	**160.93**

General Reserve

Particulars	Amount
As at 31st March, 2019	**37.00**
Transfers during the year	-
As at 31st March, 2020	**37.00**
Transfers during the year	-
As at 31st March, 2021	**37.00**

Foreign Currency Translation Reserve Account

Particulars	Amount
As at 31st March, 2019	**0.76**
Changes during the year	1.29
As at 31st March, 2020	**2.05**
Changes during the year	(0.57)
As at 31st March, 2021	**1.48**

Retained Earnings

Particulars	Amount
As at 31st March, 2019	**605.95**
Add: Total comprehensive income for the year transferred from statement of profit and loss	132.28
Less: Final Dividend and tax thereon for the Financial year 2018-19 proposed & paid during the year	1.77
As at 31st March, 2020	**736.46**
Add: Total comprehensive loss for the year transferred from statement of profit and loss	(44.25)
Less: Final Dividend for the Financial year 29-20 proposed & paid during the year	1.47
As at 31st March, 2021	**690.74**

Summary of Other Equity

Particulars	As at 31st March, 2021	As at 31st March, 2020
Securities Premium	160.93	160.93
General Reserve	37.00	37.00
Foreign Currency Translation Reserve Account	1.48	2.05
Retained Earnings	690.74	736.46
	890.15	**936.44**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 16 MINORITY INTEREST

Particulars	Amount
As at 31st March, 2019	**8.15**
Changes during the year	(0.04)
As at 31st March, 2020	**8.11**
Changes during the year	(3.09)
Dividend paid	(1.49)
As at 31st March, 2021	**3.53**

NOTE 17 LONG TERM BORROWINGS

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
A. Secured				
i. Term loans				
a) From banks :				
i) Axis Bank	7.91	16.66	21.70	22.25
ii) HDFC Bank	0.65	1.64	0.99	1.26
iii) ICICI Bank	3.60	0.71	2.58	2.40
iv) Kotak Mahindra Bank	-	1.56	1.30	4.66
v) Yes Bank	0.65	0.17	0.48	0.20
vi) Ratnakar Bank	-	-	-	0.13
vii) Emirates Islamic Bank	0.52	0.53	0.49	0.37
b) From Others :				
i) HDB Financial Services	1.77	0.13	1.22	2.18
ii) TATA Capital	0.03	8.03	8.00	14.86
iii) Mahindra finance	0.73	0.21	0.58	0.12
Total (a)	**15.86**	**29.64**	**37.34**	**48.43**
B. Unsecured				
a) Deferred payment liabilities				
Due to suppliers on deferred credit basis	-	-	2.59	12.83
Total (b)	**-**	**-**	**2.59**	**12.83**
Total (a+b)	**15.86**	**29.64**	**39.93**	**61.26**

1) 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.

2) The above loans carries interest varies from 1.49 % to 12.50 %

3) The above loans are repayable in monthly/quarterly instalments.

4) Maturity pattern of above term loans (Non current) is as follows
Banks: 2022-23 – ₹ 10.32 ; 2023-24 -₹ 3.00
Companies: 2022-23 – ₹ 1.68 : 2023-24 - ₹ 0.86

5) No defaults were made in repayment of above term loans

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 18 OTHER FINANCIAL LIABILITIES

Particulars		Non-Current		Current	
		As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
a)	Retention Money & Security deposits recovered from Sub-Contractors	71.63	61.03	25.72	29.82
b)	Current maturities of long-term debt (Refer Note No. 17)	-	-	39.93	61.26
c)	Creditors for capital goods	-	-	2.15	3.00
d)	Interest accrued and due	-	-	0.04	1.11
e)	Interest accrued but not due	-	-	-	-
f)	Unclaimed dividend	-	-	0.02	0.02
g)	Employee related payments	-	-	46.80	44.54
h)	Share application money refundable	-	-	0.11	0.11
i)	Other Liabilities	-	-	40.81	36.84
		71.63	**61.03**	**155.58**	**176.70**
a)	Lease liability as per Ind as 116 (Refer Note No. 50)	2.74	4.53	2.53	2.43
Total		**74.37**	**65.56**	**158.11**	**179.13**

Note:

(i) The segregation of above Retention Money & Security deposits are made based on the time schedule in execution of works, estimated works undertaken in next year and terms of release as agreed with sub-contractors.

NOTE 19 PROVISIONS

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	1.16	1.68	0.47	0.49
- Leave Encashment (Unfunded)	3.67	2.02	0.84	0.52
Total	**4.83**	**3.70**	**1.31**	**1.01**

EMPLOYEE BENEFITS

a. Defined contribution plans

The Group makes Provident Fund and Employees' State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. The Group recognised ₹ 14.19 Cr (Year ended 31st March, 2020: ₹ 12.17 Cr) for provident fund contributions, and ₹ 1.43 Cr (Year ended 31st March, 2020: ₹ 1.27 Cr) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

b. Defined benefit plans

The Group provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is 31st March.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

(i) Balance Sheet

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Present value of obligation	11.27	9.68
Fair Value of plan assets	9.64	7.51
(Asset)/Liability recognised in the Balance Sheet	**1.63**	**2.17**

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Plan Obligation	Plan Assets	Deficit/ (Surplus)
As at 31st March, 2019	**6.73**	**7.39**	**(0.66)**
Current service cost	4.01	-	4.01
Past service cost	-	-	-
Interest cost	0.50	-	0.50
Interest income	-	0.55	(0.55)
Actuarial gain arising from changes in experience adjustments	0.88	-	0.88
Actuarial gain arising from changes in financial assumptions	(1.92)	-	(1.92)
Contributions by employer	-	0.07	(0.07)
Benefit payments	(0.52)	(0.49)	(0.03)
Return on plan assets, excluding interest income	-	(0.01)	0.01
As at 31st March, 2020	**9.68**	**7.51**	**2.17**
Current service cost	2.67	-	2.67
Past service cost	0.07	-	0.07
Interest cost	0.64	-	0.64
Interest income	-	0.57	(0.57)
Actuarial gain arising from changes in experience adjustments	(1.22)	-	(1.22)
Actuarial gain arising from changes in financial assumptions	(0.17)	-	(0.17)
Contributions by employer	-	1.97	(1.97)
Benefit payments	(0.40)	(0.40)	0.00
Return on plan assets, excluding interest income	-	(0.01)	0.01
As at 31st March, 2021	**11.27**	**9.64**	**1.63**

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Employee Benefit Expenses		
Current service cost	2.67	4.01
Past service cost	0.07	-
Interest cost	0.64	0.50
Interest Income	(0.57)	(0.55)
Net impact on profit before tax	**2.81**	**3.96**
Remeasurement of the net defined benefit plans:		
Actuarial gain arising from changes in Financial assumptions	(0.17)	(1.92)
Actuarial (gain)/loss arising from changes in Experience adjustments	(1.21)	0.88
Return on plan assets, excluding interest income	0.01	0.01
Net impact on other comprehensive income before tax	**(1.37)**	**(1.03)**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

(iv) Assets

The major categories of plan assets as a % of the total plan assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Insurance policies	100%	100%

(v) Investment details

Particulars	As at 31st March, 2021	As at 31st March, 2020
Insurance policies	9.64	7.51

(vi) Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet date, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Discount rate	6.90%	6.79%
Salary escalation rate	3.00%	3.00%

(vii) Sensitivity analysis :

Significant acturial assumptions for the determination of the defined benefit obligation are discount rate,expected salary increase and employee turnover.The sensivity analysis below have been determined based on the reasonably possible changes of the assumptions occuring at the end of the reporting period and may not be representative of the actual change.It is based on a change in key assumption while holding all other assumptions constant.The sensitivity analysis is given below.

Particulars	Defined benefit obligation As at 31st March, 2021
Salary Escalation - Up by 1%	13.03
Salary Escalation - Down by 1%	9.74
Withdrawal Rates - Up by 1%	11.90
Withdrawal Rates - Down by 1%	10.44
Discount Rates - Up by 1%	9.85
Discount Rates - Down by 1%	12.92

(viii) Maturity profile of Defined Benefit Obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non Current
Defined Benfit obligation	0.47	2.34	3.16

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 20 DEFERRED TAX

The following is the analysis of deferred tax (Assets)/Liabilities presented in the Balance Sheet

Particulars	Components	
	As at 31st March, 2021	As at 31st March, 2020
Liability:		
Towards depreciation	-	-
Asset:		
Disallowances under Income-tax	6.85	6.32
On account of Unabsorbed Losses	12.44	-
Towards depreciation	2.27	1.85
MAT Credit entitlement	0.15	0.05
Total	**21.71**	**8.22**

Movement in Deferred Tax (Assets)/Liabilities

Component	As at 31st March, 2019	Credit to Statement of P&L	As at 31st March, 2020	Credit to Statement of P&L	As at 31st March, 2021
Deferred tax Liability / (Asset) in relation to:					
Depreciation	(2.53)	(3.79)	(6.32)	(0.53)	(6.85)
Expenses allowable under Income tax when paid	(3.11)	1.26	(1.85)	(0.42)	(2.27)
On account of unabsorbed losses	-	-	-	(12.44)	(12.44)
MAT Credit entitlement	(0.05)	-	(0.05)	(0.10)	(0.15)
	(5.69)	**(2.53)**	**(8.22)**	**(13.49)**	**(21.71)**

NOTE 21 OTHER LIABILITIES

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
a) Mobilisation advances received from customers	22.65	5.82	53.71	47.80
b) Advances received from customers against supplies or works	-	-	15.80	7.20
c) Statutory Liabilities	-	-	39.38	36.23
d) Deferred government grants (Refer note)	0.32	0.56	-	-
Total	**22.97**	**6.38**	**108.89**	**91.23**

Note: 1) The Parent Company received government grants in the nature of export incentives and same is utilised against import of capital goods and capitalised to Property, plant and equipment. The deferred government grant will be recognised in statement of profit and loss over the period in proportion to the depreciation expense on the assets to which such grants is utilised is to the recognised.

2) The segregation of mobilisation advances received from customers has been made based on the estimated work to be completed in next year and as per the terms of agreement entered with customers, turnover, terms of release of amount and estimates of the management.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 22 SHORT TERM BORROWINGS

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Secured		
1. Loans repayable on demand :		
a) Working capital loans from banks		
i) State Bank of India	125.37	138.85
ii) Standard Chartered bank	23.50	30.00
iii) Ratnakar bank	-	26.37
iv) Axis bank	2.96	0.73
v) IDFC First bank	39.66	23.22
vi) Punjab National bank	20.75	20.92
vii) Bank of India	27.18	24.47
viii) IndusInd bank	7.42	7.40
ix) Uinion bank of India	37.66	-
x) Bank of Baroda	44.47	-
xi) UCO bank	49.45	-
xii) Central bank of India	5.78	-
2) Term loans		
i) State bank of India	-	13.50
ii) HERO Fin Corp	-	23.07
B. Un Secured		
Loans repayable on demand :		
a) Working capital loans from banks		
i) HDFC Bank	9.37	45.00
ii) Bank of Bahrain & Kuwait	59.96	60.00
iii) Oxyzo Financial Services Private Limited	-	5.57
b) Short term loans :		
i) From Pennar Industries Limited	-	6.50
Total	**453.53**	**425.60**

Note:

a) Working capital loans from State Bank of India, Standard Chartered bank, Axis bank, IDFC First bank, Ratnakar bank, Punjab National bank, Bank of India, IndusInd bank, Union Bank of India, Bank of Baroda, UCO bank, Central bank of India 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.

b) Overdraft facility from banks is secured against fixed deposits with banks.

c) All the above loans are guaranteed by Managing Director and a director of the Parent Company in their personal capacities.

d) The above loans carries interest varies from 7.30 % to 10.30 %

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 23 TRADE PAYABLES

Particulars	As at 31st March, 2021	As at 31st March, 2020
Dues to : Small and Micro Enterprises	0.11	0.35
: Other than Small and Micro Enterprises *	512.50	577.48
Total	**512.61**	**577.83**

* Acceptances include arrangements where suppliers of goods and services are initially paid by banks/financiers

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006.
Based on and to the extent of information obtained 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	As at 31st March, 2021	As at 31st March, 2020
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	0.11	0.35
(b) Interest due there on	0.02	0.04
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	0.23	-
(b) Interest paid along with such payments during the year	0.26	0.14
(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	0.02	0.04
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.	0.22	0.46

NOTE 24 CURRENT INCOME-TAX(ASSETS)/LIABILITIES (NET)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Income-tax	221.18	219.65
Less: Advance Income-tax and TDS	257.91	232.33
	(36.73)	**(12.68)**

Income-tax recognised in profit or loss

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Current Tax		
Tax expense in respect of current year Income	2.15	40.01
(Excess)/Short provision of current tax in earlier years	-	-
	2.15	**40.01**
Deferred Tax		
Deferred Tax Income in respect of Current year	(13.39)	(2.53)
MAT credit entitlement credit in respect of tax paid under provision of MAT	(0.10)	-
	(13.49)	**(2.53)**
Total tax expense recognised in profit or loss	**(11.34)**	**37.48**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 25 REVENUE FROM OPERATIONS

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Contract receipts:		
Income from contracts and services	1,879.86	2,161.02
Other operating revenue :		
Crane hire charges received	4.22	3.66
TOTAL	**1,884.08**	**2,164.68**

NOTE 26 OTHER INCOME

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest from banks and others	6.52	6.64
Interest on unwinding portion of Rental Deposits (at amortised cost)	0.05	0.09
Rent received	0.04	-
Profit on sale of assets	0.46	0.67
Fair value gain on current investments	0.11	-
Gain on exchange fluctuations	8.72	1.70
Sale of Duty credit scrip and deferment of govt. grants	0.27	0.25
Interest on Income tax refund	0.16	-
TOTAL	**16.33**	**9.35**

NOTE 27 COST OF MATERIAL CONSUMED

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening Stock	105.63	84.00
Add:Purchases	258.60	345.54
	364.23	**429.54**
Less : Closing Stock	100.18	105.63
TOTAL	**264.05**	**323.91**

NOTE 28 CHANGES IN INVENTORIES OF WORK -IN- PROGRESS

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening work-in-progress	20.70	8.73
	20.70	**8.73**
Closing work-in-progress	14.49	20.70
	14.49	**20.70**
Increase / (Decrease) in inventories	**(6.21)**	**11.97**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 29 CONTRACT EXECUTION EXPENSE

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Sub-contract expenses	916.99	1,026.80
Radiography charges	14.53	16.75
Royalty Charges	128.02	1.89
Hire charges	41.52	50.01
Rent at Project sites	16.92	20.23
Power and fuel	5.02	6.96
Insurance	3.89	3.80
Vehicles movement and other freight expenses	22.74	32.63
Repairs and maintenance : Plant and machinery	10.96	10.36
Other assets	2.67	2.92
Fuel and vehicle maintenance	44.45	36.24
Travelling expenses at projects	14.22	17.81
Wages paid to contract labour	1.77	3.77
TOTAL	**1,223.70**	**1,230.17**

NOTE 30 EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries and Wages	277.51	277.74
Remuneration to managerial personnel	0.05	5.25
Contribution to provident and other funds	15.62	13.44
Staff welfare expenses	26.24	24.41
Contribution towards group gratuity	2.81	3.96
TOTAL	**322.23**	**324.80**

NOTE 31 FINANCE COST

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest paid to banks and others	66.66	57.78
Bank charges and BG commission	5.98	6.48
Loan Processing charges	5.11	5.55
Interest on Income-tax	0.91	2.44
Exchange fluctuations on deferred credit payment	-	1.06
Finance cost on lease liability	0.61	0.75
TOTAL	**79.27**	**74.06**

NOTE 32 DEPRECIATION AND AMORTISATION

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation	33.44	37.13
Amortisation	0.07	0.09
Depreciation on Right-of-use assets	2.25	2.21
TOTAL	**35.76**	**39.43**

Refer note no 3(d) given under Significant accounting policies for method of providing depreciation.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 33 OTHER EXPENSE

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Rents - Office	0.01	0.22
Directors Sitting Fee	0.11	0.10
Payments to auditors		
Towards Statutory audit	0.14	0.14
Towards tax audit and taxation matters	0.01	0.01
Rates and taxes	5.63	4.25
Miscellaneous expenses	17.42	17.75
Provision towards doubtful debts and advances	-	3.94
CSR expenses	2.36	0.44
Loss on sale of assets	0.36	0.07
Loss on exchange fluctuations	-	0.11
TOTAL	**26.04**	**27.03**

NOTE 34 CATEGORIES OF FINANCIAL INSTRUMENTS

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2021, 31st March, 2020 are as follows:

Particulars	Fair value		Carrying value	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Financial assets				
Measured at Amortised cost				
(i) Other financial assets	820.91	859.46	821.02	859.63
(ii) Loans and advances	5.72	5.22	5.72	5.22
Measured at FVTOCI				
(i) Investments in equity instruments and Mutual Funds	0.04	0.02	0.02	0.02
Measured at FVTPL				
(i) Investments in Mutual Funds	2.36	-	2.25	-
Measured at cost				
(i) Investment in Joint ventures & Associates	29.77	32.87	29.77	32.87
Total assets	**858.80**	**897.57**	**858.78**	**897.74**
Financial liabilities				
Measured at amortised cost				
(i) Borrowings (including current maturities of Long term borrowings)	55.79	90.90	55.79	90.90
(ii) Other financial liabilities	187.28	176.47	187.28	176.47
(iii) Lease liabilities	5.27	6.96	5.27	6.96
Total liabilities	**248.34**	**274.33**	**248.34**	**274.33**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 35 FAIR VALUE HIERARCHY

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The categories used are as follows:

Level 1: Quoted prices for identified instruments in an active market.

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data.

This note provides information about how the Group determines fair values of various financial assets and financial liabilities. Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.Some of the Group's financial assets are measured at the fair value at the end of each reporting period.

The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique and other inputs used).

Financial Assets/Financial Liabilities	Fair Value as at		Fair Value hierarchy	Valuation technique and key input
	As at 31st March, 2021	As at 31st March, 2020		
1) Investments in Quoted Mutual Funds	2.40	0.02	Level I	Quoted bid prices in an active market
2) Investments in Quoted Equity Instruments	0.00	0.00	Level I	Quoted bid prices in an active market

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and short term borrowings at carrying value because their carrying amounts approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of bank borrowings, other financial assets and financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

NOTE 36 FINANCIAL RISK MANAGEMENT

The group's business activities are exposed to a variety of financial risks namely credit risk, liquidity risk and foreign currency risk. The group's senior management has the overall responsibility for establishing and governing the group's risk management framework. The group's risk management policies are established to identify and analyse the risks faced by the group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of Directors of the group.

A. Credit Risk

Credit risk is the risk of financial loss to the group if a customer fails to meet its contractual obligation. Credit risk encompasses of both the direct risk of default and the risk of deterioration of credit worthiness. Credit risk is controlled by monitoring and interaction with the customers on a continous basis.

Financial instruments that are subject to concentrations of credit risk principally consists of trade receivables, retentions, deposits with customers and unbilled revenue.

Receivables from customers

Concentration of credit risk with respect to trade receivables are limited since major customers of the group are from public sector and accounts more than 48% of its trade receivables. All trade receivables are reviewed and assessed for default on a monthly basis. On historical experience of collecting receivables, credit risk is low.

The following table gives details in respect of dues from trade receivables including retentions and deposits and uncertified revenue.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Turnover from top Customer	319.73	420.48
Dues from top customer	305.52	329.09
Turnover from other top 4 customers	378.89	493.55
Dues from other top 4 customers	65.21	122.36

Other financial assets

The group maintains exposure in cash and cash equivalents, term deposits with banks held as margin money against guarantees and retention money and security deposits with customers which are to be released on fulfillment of conditions as specified in the work orders.

The group's maximum exposure of credit risk as at 31st March, 2021, 31st March, 2020, is the carrying value of each class of financial assets.

B. Foreign currency risk management

a) The group, in addition to its Indian operations, operates outside India through its project centres.

Particulars of Unhedged foreign currency exposures of Indian operations as at Balance sheet date:

INR

Particulars	Currency	As at 31st March, 2021	As at 31st March, 2020
Letter of Credit	USD	2.59	12.83

Since the group has not entered into any forward contracts, there is a risk of foreign currency fluctuations.

b) The Income and expenditure of the foreign projects are denominated in currencies other than Indian Currency. Accordingly the group enjoys natural hedge in respect of its assets and liabilities of foreign projects. The group's unhedged foreign currency exposure in respect of these project centres is limited to the uncovered amount, the particulars of which are given below.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Net Foreign currency exposure in		
USD - US Dollars	12.57	12.95
SAR - Saudi Arabian Riyals	3.81	4.28
AED - Arab Emirates Dirham	13.65	10.02
BDT - Bangladeshi Taka	98.51	95.04
LYD - Libyan Dinars	1.21	4.01
OMR - Oman Riyals	4.91	(0.10)
	134.66	**126.20**

The unhedged exposures are naturally hedged by future foreign currency earnings and earnings linked to foreign currency.

The uncovered amount is subject to foreign currency fluctuations.

C. Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the group has availed credit limits with banks. The group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2021 and 31st March, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The group regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits.

The group is repaying its borrowings as per the schedule of repayment and no amount was pending for remittance beyond its due date.

All the amounts due to trade payables falls due within one year and the group is able to meet its obligations within the due dates.

In case of borrowings from banks, the maturity pattern has been given under Note no. 17.

D. Capital Management

Equity share capital and other equity are considered for the purpose of group's capital management.

The group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the group is based on Management's judgment of its strategic day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The group may take appropriate steps in order to maintain, or is necessary, adjust its capital structure.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Equity	908.39	959.26
Short Term Borrowings	453.53	425.60
Long Term Borrowings (including Current maturities of Long term debt)	55.79	90.90
Cash and Cash Equivalents (including other bank balances)	(129.60)	(119.31)
Net Debt	**379.72**	**397.19**
Total Capital (Equity+Net Debt)	1,288.11	1,356.45
Gearing Ratio (Net Debt / Equity)	**41.80%**	**41.41%**

NOTE 37 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31st March, 2021	31st March, 2020
A. Contingent Liabilities		
a) Claims against the company not acknowledged as debts		
- VAT	1.80	4.75
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.49	1.95

NOTE 38

Particulars	31st March, 2021	31st March, 2020
Guarantees given by the Parent company's bankers and outstanding. The said guarantees were covered by way of pledge of Fixed Deposit receipts with the bankers.	821.20	663.62

NOTE 39

Particulars	31st March, 2021	31st March, 2020
CIF value of Imports made by the Group during the year		
a) Consumables & Spare parts	-	0.18
b) Capital goods	0.78	3.84

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 40 EARNINGS IN FOREIGN CURRENCY

Particulars	31st March, 2021	31st March, 2020
a) Contract receipts (Projects executed outside India)		
Abu Dhabi	69.42	63.86
Bheramara	122.33	209.20
Kuwait	4.42	48.17
Libya	-	0.36
IBRI	-	0.68
Saudi	0.25	2.61
Nigeria	26.27	111.68
Oman	-	10.88
b) Consideration received from sale of assets		
In Shuqaiq	-	0.49

NOTE 41 EXPENDITURE IN FOREIGN CURRENCY

Particulars	31st March, 2021	31st March, 2020
a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
Abu Dhabi	62.00	72.38
Bheramara	131.02	155.31
Kuwait	3.17	49.16
Libya	0.06	0.01
b) Foreign travel	0.00	0.06

NOTE 42 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
a) Gross amount required to be spent by the parent company during the year	2.36	2.26
b) Amount spent during the year (Contribution paid to Power Mech Foundation/ others)	2.36	0.44

NOTE 43

Enterprises consolidated as Subsidiaries in accordance with Indian Accounting Standard - 110 : Consolidated Financial Statements

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
Hydro Magus Private Limited	India	88.10%
Power Mech Industri Private Limited	India	100.00%
Power Mech Projects Limited LLC	Oman	70.00%
Power Mech BSCPL Consortium Private Limited	India	51.00%
Power Mech SSA Structures Private Limited	India	100.00%
Aashm Avenues Private Limited	India	100.00%
Power Mech Projects (BR) FZE	Nigeria	100.00%
Power Mech Environmental Protection Private Limited	India	100.00%

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

Enterprises consolidated as Joint ventures in accordance with Indian Accounting Standard - 28 : Investment in Associates and Joint Ventures

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest/Profit sharing
GTA Power Mech NIGERIA Limited	Nigeria	50%
GTA Power Mech DMCC	Dubai	50%
M/s. PMPL- M/s. ACPL JV	India	80%
PMPL-STS JV	India	74%
PMPL-KHILARI Consortium JV	India	75%
PMPL-SRC INFRA JV -Mizoram	India	74%
PMPL-SRC INFRA JV -Hassan	India	60%
PMPL-BRCC INFRA JV	India	70%

Enterprises consolidated as Associates in accordance with Indian Accounting Standard - 28 : Investment in Associates and Joint Ventures

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
MAS Power Mech Arabia (MASPA)	Saudi Arabia	49%

NOTE 44

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries, Joint Ventures and Associate.

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	93.42%	848.63	91.94%	(44.04)
Subsidiaries				
Hydro Magus Private Limited	0.49%	4.49	0.93%	(0.45)
Power Mech Industri Private Limited	(0.18%)	(1.66)	(1.61%)	0.77
Power Mech SSA Structures Private Limited	0.00%	(0.00)	0.00%	(0.00)
Aashm Avenues Private Limited	0.00%	(0.00)	0.00%	(0.00)
Power Mech BSCPL Consortium Private Limited	0.07%	0.66	0.01%	(0.00)
Power Mech Projects Limited LLC	0.13%	1.23	14.74%	(7.06)
Power Mech Projects (BR) FZE	2.39%	21.75	(18.94%)	9.07
Power Mech Environmental Protection Private Limited	0.00%	(0.01)	0.02%	(0.01)
Joint Venture				
M/s. PMPL- M/s. ACPL JV	0.09%	0.82	(0.62%)	0.30
PMPL-KHILARI Consortium JV	0.03%	0.27	(0.21%)	0.10
PMPL-STS JV	0.07%	0.67	(0.22%)	0.11
PMPL - SRC INFRA JV (Mizoram)	0.03%	0.28	(0.59%)	0.28
PMPL - SRC INFRA JV (Hassan)	0.00%	0.00	-	0.00
PMPL-BRCC INFRA JV	0.00%	0.00	-	0.00
GTA Power Mech NIGERIA Limited	4.01%	36.46	(10.33%)	4.95
GTA Power Mech DMCC	0.00%	0.04	(0.00%)	0.00
Associate				
MAS Power Mech Arabia (MASPA)	(0.97%)	(8.77)	18.43%	(8.83)
Share of Minority	0.39%	3.53	6.45%	(3.09)
	100%	**908.39**	**100%**	**(47.90)**

All amounts are in ₹ Cr, except share data and where otherwise stated

ANNEXURE-A

NOTE 45A SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES,JOINT VENTURES AND ASSOCIATES AS PER COMPANIES ACT, 2013

Sr. No.	Name of Subsidiary Company / Joint Venture / Associate	Reporting Currency	Share Capital	Reserves & Surplus	Other Liabilities	Total Assets	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation (OCI)	% of Shareholding
Subsidiaries											
1	Hydro Magus Private Limited	₹	0.21	8.37	11.73	20.32	6.23	(0.66)	(0.16)	(0.50)	88%
2	Power Mech Industri Private Limited	₹	0.02	0.37	45.72	46.10	30.75	0.65	(0.12)	0.77	100%
3	Power Mech BSCPL Consortium Private Limited	₹	0.01	1.29	84.72	86.02	0.00	0.04	0.05	(0.01)	51%
4	Power Mech SSA Structures Private Limited	₹	0.10	(0.00)	2.21	2.31	0.00	(0.00)	0.00	(0.00)	100%
5	Aashm Avenues Private Limited	₹	0.10	(0.00)	0.05	0.15	0.00	(0.00)	0.00	(0.00)	100%
6	Power Mech Environmental Protection Private Limited	₹	0.01	(0.01)	0.00	0.00	0.00	(0.01)	0.00	(0.01)	100%
7	Power Mech Projects (BR) FZE	NGN	3.60	112.98	53.46	170.04	599.10	48.14	0.00	48.14	100%
8	Power Mech Projects Limited LLC	Oman Rials	0.03	0.01	0.03	0.06	0.03	(0.05)	0.00	(0.05)	70%
Joint ventures											
1	M/s. PMPL - M/s. ACPL JV (Capital introduced Nil)	₹	0.00	1.04	17.16	18.20	59.70	0.57	0.20	0.37	80%
2	PMPL-STS JV (Capital introduced Nil)	₹	0.00	0.91	54.70	55.61	46.79	0.27	0.12	0.15	74%
3	PMPL-KHILARI Consortium JV (Capital introduced Nil)	₹	0.00	0.37	18.22	18.59	22.97	0.21	0.07	0.14	75%
4	PMPL - SRC INFRA JV (Mizoram) (Capital introduced Nil)	₹	0.00	0.38	7.99	8.37	56.19	0.55	0.17	0.38	74%
5	PMPL - SRC INFRA JV (Hassan) (Capital introduced Nil)	₹	0.00	0.00	14.77	14.77	12.19	0.00	0.00	0.00	60%
6	PMPL-BRCC INFRA JV (Capital introduced Nil)	₹	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70%
7	GTA Power Mech NIGERIA Limited	NGN	3.00	372.58	359.25	734.83	654.98	50.92	0.00	50.92	50%
8	GTA Power Mech DMCC	AED	0.01	(0.01)	0.06	0.06	0.08	0.00	0.00	0.00	50%
Associates											
1	MAS Power Mech Arabia (MASPA)	SAR	0.25	(0.83)	3.30	2.72	0.48	(0.90)	-	(0.90)	49%

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 45 PARTICULARS DISCLOSED PURSUANT TO AS-18 "RELATED PARTY TRANSACTIONS"

A)	i)	Key Managerial personnel	- S. Kishore Babu, Chairman and Managing director of Power Mech Projects Limited - Arbind Kumar Koul, Managing Director and CEO of Hydro Magus Private Limited - K Ajay Kumar, Managing director of Power Mech Industri Private Limited
	ii)	Relatives of Key Managerial personnel	- S. Lakshmi – W/o S.Kishore Babu - S. Rohit s/o S.Kishore Babu - S. Kishore Babu (HUF) - S. Vignatha D/o S.Kishore Babu
	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

B) Transactions with related parties

S. No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/ Relatives of KMP
i) Lease Rent Paid				
a)	S. Kishore Babu	0.20		
		(0.20)		
b)	S. Lakshmi		0.07	
			(0.07)	
c)	S. Kishore Babu (HUF)		0.08	
			(0.08)	
d)	S.Rohit		-	
			(0.12)	
e)	S.Vignata		0.12	
			(0.00)	
f)	Power Mech Infra Limited			1.95
				(1.87)
ii) Remuneration Paid				
a)	S. Kishore Babu	-		
		(5.25)		
b)	S.Rohit		0.30	
			(0.35)	
c)	Ajay Kumar	0.05		
		(0.03)		
iii) Donations paid				
a)	Power Mech Foundation			2.03
				(0.44)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

C) Balances outstanding as on 31st March, 2021

S. No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/ Relatives of KMP
i)	Due to Power Mech Infra Limited			0.20
				(0.46)
	Rental Deposit with Power Mech Infra Limited			0.89
				(0.89)
ii)	**Remuneration Payable**			
	S. Kishore Babu	-		
		(0.57)		
	Arbind kumar koul	-		
		(0.23)		
	Ajay Kumar	0.00		
		(0.00)		
iii)	**Rent Payable**			
	S. Kishore Babu	0.03		
		(0.06)		
	S. Lakshmi		0.01	
			(0.02)	
	S. Kishore Babu (HUF)		0.02	
			(0.03)	
	S.Rohit		-	
			(0.03)	
	S.Vignatha		0.01	
			(0.00)	

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

NOTE 46

In the opinion of the management, current assets, loans and advances have a value on realisation 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.

NOTE 47

The group has claimed an amount of ₹ 1.43 Cr (As on 31st March, 2020 ₹ 2.35 Cr) being the Works contract tax deducted by the customers under local sales tax laws and outstanding as on 31.03.21 in respect of works carried out in some of the states. The group'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 other current assets . Sales tax liability, if any has arisen, on completion of assessments will be charged to Profit and Loss account.

NOTE 48

Business Segment : The group prodominently operates only in construction and maintenance activities. This in the context of Accounting standard- 108 "Operating Segments" is considered to constitute only one business segment.

Geographical Segment: The group has operations within India and outside India and the Segment information is presented in consolidated financial statements as mentioned in para 4 of AS -108.

Geographical Segment	Revenue for the year 20-21	Segment Assets as on 31st March, 2021	Captial Expenditure for the year 20-21
With in India	1,661.40	1,967.15	21.05
(Previous year)	(1,717.93)	(1,995.16)	(16.54)
Outside India	222.69	293.72	5.86
(Previous year)	(446.75)	(344.19)	(12.62)

NOTE 49 CALCULATION OF EARNINGS PER SHARE:

Particulars	20-21	19-20
Basic and Diluted Earning per share		
No. of shares at the beginning of the year	1,47,10,764	1,47,10,764
Weighted average number of shares	1,47,10,764	1,47,10,764
Face value per share (in ₹)	10	10
Profit/(Loss) after tax attributable to equity share holders and after minority interest	(45.63)	131.26
Basic and Diluted Earning per share (in ₹)	(31.02)	89.23

NOTE 50 LEASES

The Company has adopted Ind AS 116 'Leases' effective April 1, 2019 and applied the Standard to its leases. Ind AS 116 replaces Ind AS 17 - Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, Right-of-use assets at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to the lease liability (adjusted for any prepayments/accruals). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring lease liability. In respect of leases, previously classified as finance leases, the right-of-use asset was measured at the carrying amounts of the related finance lease asset and re-classified.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

Accordingly, on transition to Ind AS 116, the Company recognised right-of-use assets amounting to ₹ 11.73 Cr (including previously classified as finance lease) and a lease liability of ₹ 9.39 Cr.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) The following is the breakup of current and non-current lease liabilities		
Current liabilities	2.53	2.43
Non-current liabilities	2.74	4.53
Total	**5.27**	**6.96**
(ii) The following is the movement of lease liabilities		
Balance at the Opening	6.96	8.64
Additions during the year	0.33	-
Finance cost accrued during the year	0.61	0.75
Payment of lease liabilities during the year	(2.63)	(2.43)
Balance at the end	**5.27**	**6.96**
(iii) Maturity analysis of lease liabilities		
Less than one year	2.53	2.43
One to five years	2.74	4.53
More than five years	-	-
Total	**5.27**	**6.96**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(iv) The impact of change in accounting policy on account of adoption of Ind AS 116 is as follows		
Interest on lease liabilities (Refer Note 29)	0.61	0.75
Depreciation of Right-of-use assets (Refer Note 4.2)	2.25	2.21
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	2.63	2.43

(v) The impact on the profit for the year is not material.

NOTE 51 DISCLOSURE PURSUANT TO IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

a) Movement in expected credit losses :

Particulars	Retention money & security deposits with customers	Advances given to sub contractors against works
Opening balance as at 01st April, 2020	5.87	1.22
Changes in allowance for expected credit loss		
- Provision for expected credit loss	-	-
- Reversal of Provision for expected credit loss	-	-
Write off as baddebts	-	-
Closing balance as at 31st March, 2021	**5.87**	**1.22**

b) Movement in contract balances :

Particulars	31st March, 2021	31st March, 2020	Net increase/ Decrease
Contract Receivables			
Dues from customers	533.51	541.72	(8.21)
Contract assets			
Retention & SD amounts due from customers	284.64	308.67	(24.02)
Contract payables			
Due to Sub Contractors	285.16	325.84	(40.68)
Contract Liabilities			
Retention & SD amount due to Sub Contractors	97.35	90.85	6.50

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are in ₹ Cr, except share data and where otherwise stated

C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price :

There is no difference in the contract price negotiated and the revenue recognised in the statement of profit and loss for the current year. There is no significant revenue recongnised in the current year from performance obligations satisfied in the previous periods.

D) Performance obiligation :

The transaction price allocated to the remaining performance obligations is ₹ 7,333 Cr which will be recognised as revenue over the respective project durations.Generally the project duration of contracts with customers will be 1-5 years.

NOTE 52

The Ministry of Home Affairs vide order no. 40-3/2020-DM-I(A) dated 24th March, 2020 announced a nationwide lockdown as a measure to contain the spread of COVID 19 which was declared a global pandemic by the World Health Organisation. Owing to the lockdown, the operations of the Company were impacted due to shutting down of all plants and offices. The Company has resumed operations in a phased manner as per directives issued by the Government and is closely monitoring the impact of the pandemic on all aspects of its business. The Company is taking appropriate measures to ensure the safety and well-being of all its employees and ensuring full compliance with the directives issued by the Government in this regard.

The lockdown so imposed by the Govt of india impacted significantly the companies operations during part of the year. However the company recovered during the last 2 quarters of financial year from the econmic effects caused by shutdown because of Covid-19 and works at major sites are progressing well.
Though the company recovered from economic effects, the company continue to monitor possible effects which may further result from second wave of Covid-19 pandemic on carrying value of property plant & equipment, receivables (including retention money & security deposits), Advances to vendors & other assets.

NOTE 53

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

As per our report of even date

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number: 235528
UDIN: 21235528AAAABU6483

Place: Vijayawada/Hyderabad
Date: 17th June, 2021

For and on behalf of the Board
Sd/-
S.Kishore Babu
Chairman and Managing Director
DIN:00971313

Sd/-
J Satish
CFO

Sd/-
Mohith Kumar Khandelwal
Company Secretary

Notes

POWER MECH

Growth Unlimited

POWER MECH PROJECTS LIMITED

CIN: L74140TG1999PLC032156

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