



POWER MECH®

Date: 31.08.2019

To,
Corporate Relations Department,
Limited,
BSE Limited,
P J Towers, Dalal street,
Fort. Mumbai - 400 001.

To,
National Stock Exchange of India
Exchange Plaza,
Bandra Kurla complex,
Bandra (E), Mumbai - 400 051.

Dear Sir,

Sub: Annual Report for the FY 2018-19.

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

Pursuant to the Regulation 34 of SEBI (LODR) Regulations, 2015, we are submitting herewith Annual Report of the Company for the FY 2018-19.

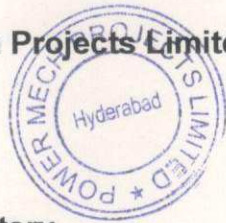
The Annual Report of the Company is also uploaded on the website of the Company at www.powermechprojects.in.

This is for your information and necessary records.

For Power Mech Projects Limited

R. Tibrewal

**Rohit Tibrewal
Company Secretary**



POWER MECH PROJECTS LIMITED

AN ISO 9001, ISO 14001 & OHSAS 18001 CERTIFIED COMPANY

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Website : www.powermechprojects.com



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POWER MECH



Growth Unlimited

20

YEARS OF
EXCELLENCE

EXPERIENCE. EXECUTION. EXCELLENCE.



Contents

- 02 Corporate snapshot
- 08 Our performance over the years
- 14 Chairman's message
- 20 How Power Mech intends to strengthen business sustainability
- 22 How we have grown the Company in the last 20 years
- 24 Our business model
- 26 Strategic business units
- 34 Board of Directors
- 35 Power Mech's commitment to Health, Safety and Environment
- 36 CSR: Caring for the society
- 39 Notice
- 50 Board's report
- 100 Financial statements



Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically, 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects' believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Twenty years of excellence

Since inception, our focus has been on achieving excellence in every sphere of our business – product, process and market penetration.

The result is that even in a challenging FY2018-19, when India's GDP growth declined from 7.2 per cent to 6.8 per cent (5.8 per cent in the fourth quarter), Power Mech Projects Limited reported profitable growth and the highest order book in its existence.

This outperformance was generated from an enduring feature of the Company's fabric.



Power Mech's focus has been derived from a combination of its values, infrastructure and presence in strategic business spaces.

Vision

Maintain high standard in workmanship, meet customer requirements to the brim, achieve timely completion of projects by adopting innovative methods and planning, enhance organisational skills through periodic training and retention of human resources and tireless pursuit for excellence all the time.

Mission

To be an outstanding company and dominant player among the peers and delight the customers through products and services with continuous improvement.



750 MW Sabiya Power Plant

6,894

(Rs. cr) Total order book, FY19

5,744

(Rs. cr) Domestic order book, FY19

1,150

(Rs. cr) International order book, FY19



Power Mech's success is visible in its ability to execute projects with efficiency, agility and punctuality leading to profitable growth.

Background

Power Mech Projects Limited (PMPL) possesses two decades of successful presence (having gone into business in 1999).

Promoter

The Company was promoted by the enthusiastic engineering entrepreneur Mr. S. Kishore Babu. He was driven by the objective to provide a high service standard in project execution, addressing demanding customer, sectoral and statutory requirements. The result is that the Company soon established a high respect for project quality, safety and timeliness.

Personality

The Company is a leading construction service provider based in Hyderabad (India) with a global presence. The Company is credited with providing a range of services addressing major projects across various downstream sectors like power, industry and infrastructure.



220 MW Bholá - HRSG - Bangladesh

Capacity

The Company is capable of handling and executing more than 4,00,000 MT of project material, 2,50,000 m³ of concreting and long-term annual O&M contracts of 60,000 MW of large power plants. The Company possesses the managerial bandwidth to concurrently manage 55 project sites and 41 O&M plants in India and abroad.

Competence

During the last two decades, the Company undertook projects of all types, sizes and in extreme environments in India and abroad. The Company enjoys the privilege of having successfully undertaken prestigious power projects: Ultra Mega Power Projects, Super Critical Thermal Power Projects, Sub Critical Power Projects, Heat Recovery Steam Generators,

2,106

(Rs. cr) Order inflow, FY18

4,883

(Rs. cr) Order inflow, FY19



Waste Heat Recovery Steam Generators, Circulating Fluidized Bed Combustion Steam Generators, Gas Turbine Generators, Hydro Electric Projects, Operation & Maintenance of running plants and entire civil works for power plants.

Sectoral coverage

The Company diversified its operations across a range of sectors – Railways,

Transmission & Distribution (Electrical), Steel and Process Industry, Refinery, Hydro projects, Manufacturing, Cross Country Pipe Laying etc.

Geographic footprint

The Company's operations are spread across countries in Asia and Africa. The Company places a major thrust on exports, with a growing proportion of revenues derived from outside India.

Leadership

The Company enjoys a large presence in the O&M market for the power and non-power segments. It established a leadership position with more than 50% market share of the power sector, strengthening business sustainability across market cycles.

The ability to consistently succeed at Power Mech is more than just a line. It is a philosophy that is lived in every decision, initiative and project.

‘Power Mech is all about a ‘Will be done!’ attitude’

‘The more complex the project the greater our enthusiasm’

‘Our flat management pyramid makes quick decisions possible’

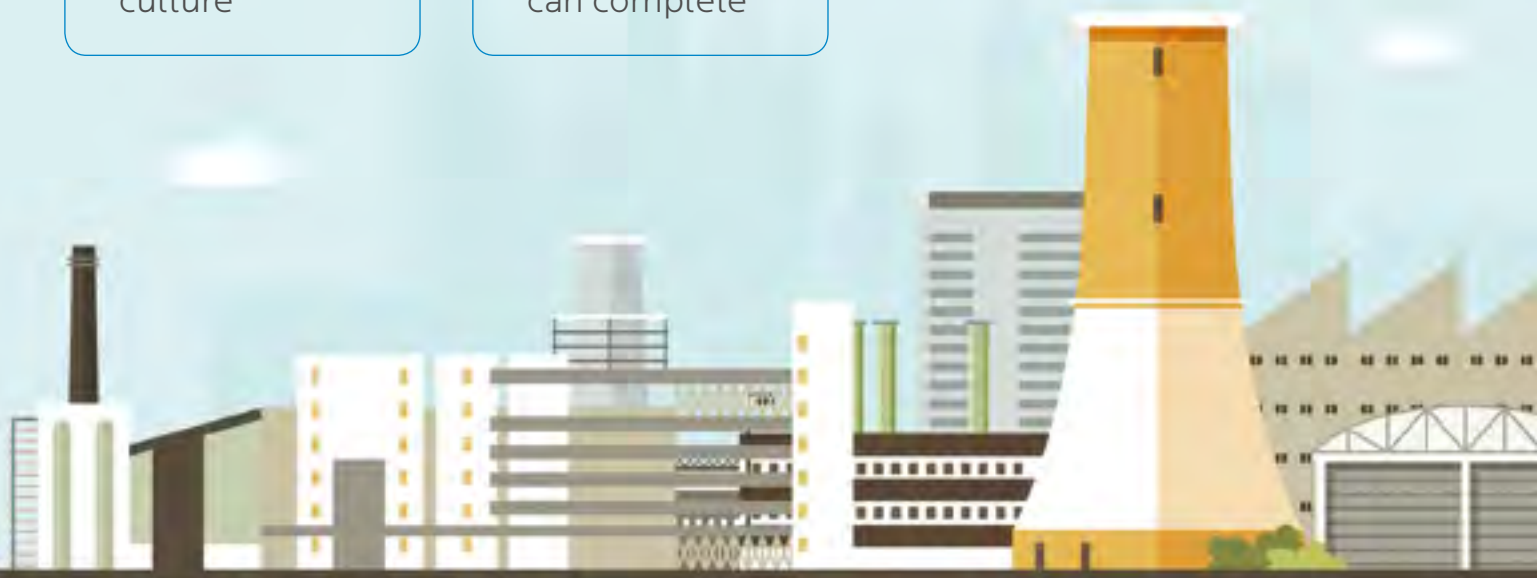
‘We possess a culture of data and knowledge sharing’

‘Power Mech promotes leaders from within’

‘What makes Power Mech successful is a high promoter access’

‘Power Mech is about a ‘Let us do this now!’ culture’

‘Power Mech embarks on only those projects it can complete’



‘Power Mech is about an environment of ‘No excuses!’

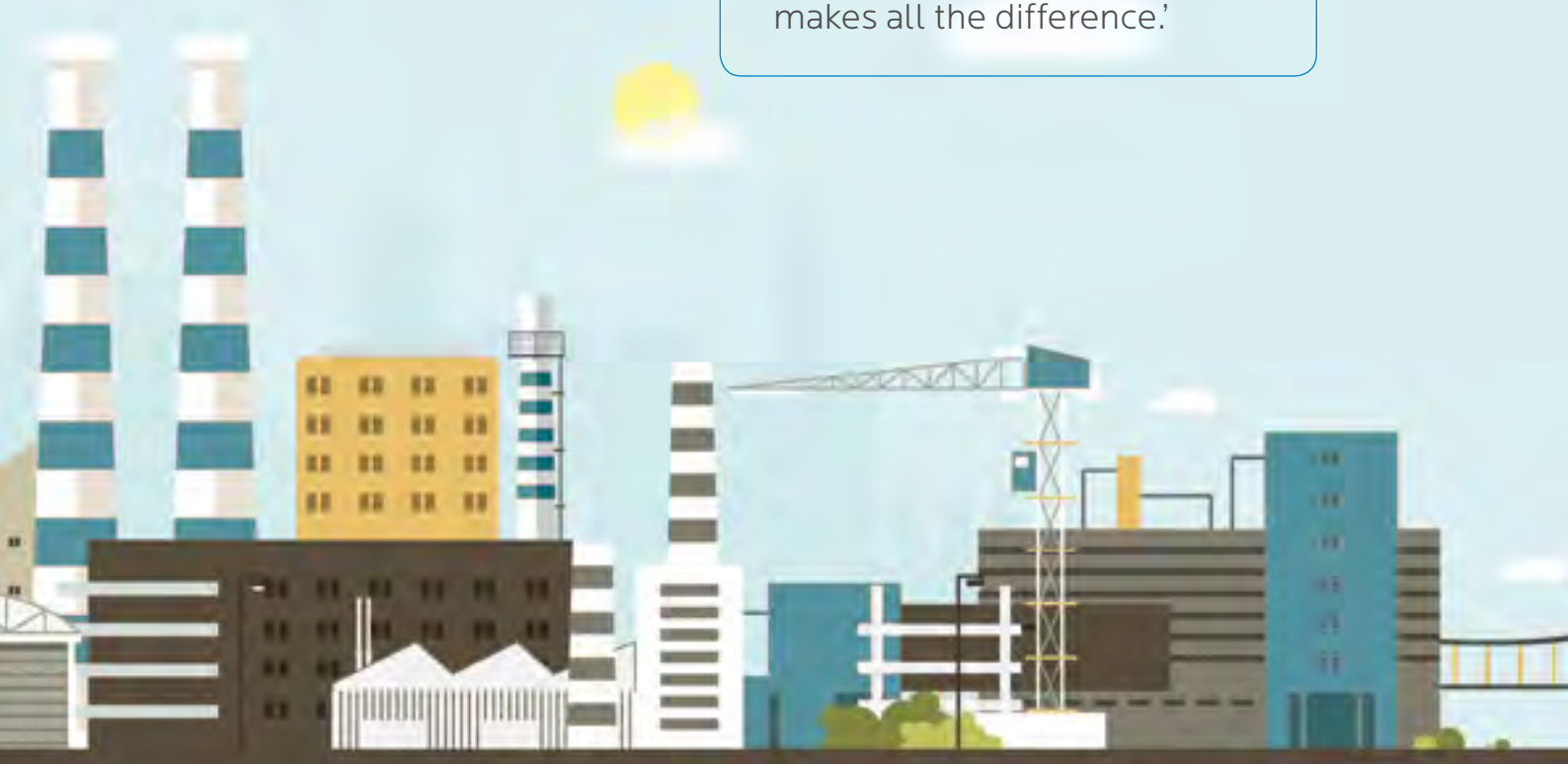
‘What makes Power Mech successful is a widespread commitment to ‘What is the new we can do?’

‘Power Mech’s singular aim: Can we build faster and better than anyone in India?’

‘We have established a recall that ‘If the project is reasonably challenging, it would be advisable to go to Power Mech and ‘if the project is mission-critical, then one must go to Power Mech!’

‘Power Mech protects the customer’s investments by helping it commission projects on schedule’

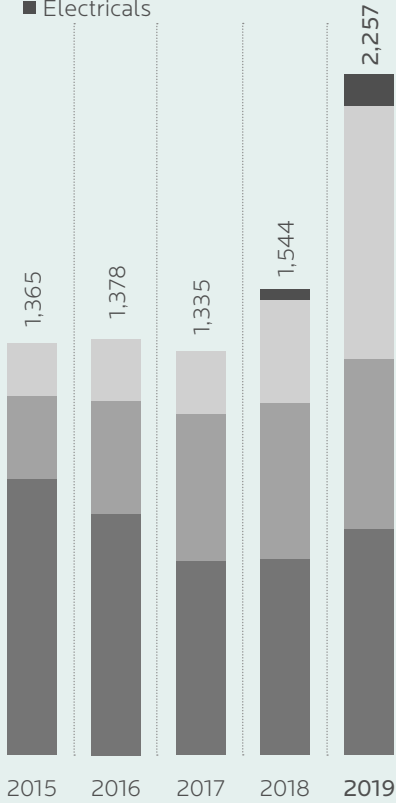
‘Power Mech’s senior management leads project execution from the front, which makes all the difference.’



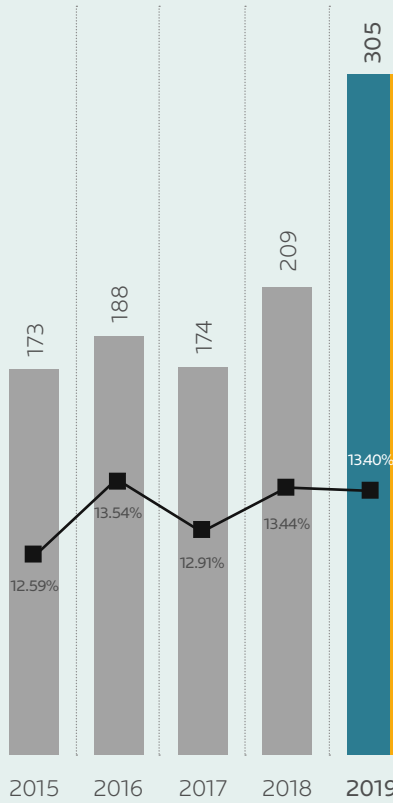
Our performance over the years

Contract revenue (Rs cr)

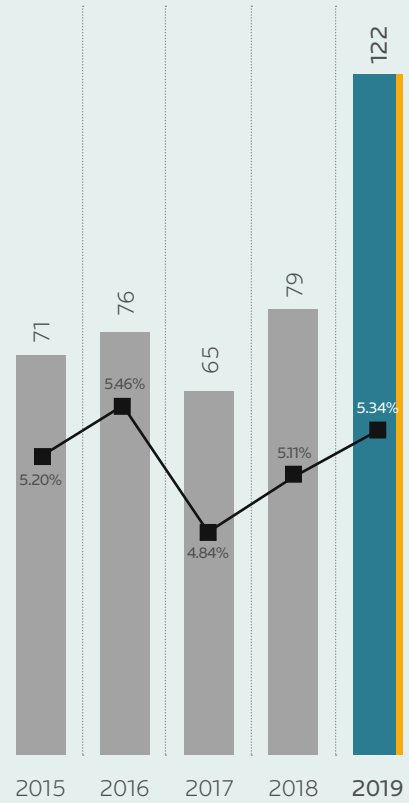
■ ETC ■ O&M ■ Civil & other works
■ Electricals



EBITDA (Rs cr)

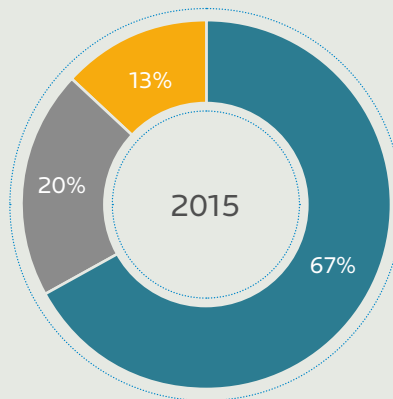


PAT (Rs cr)

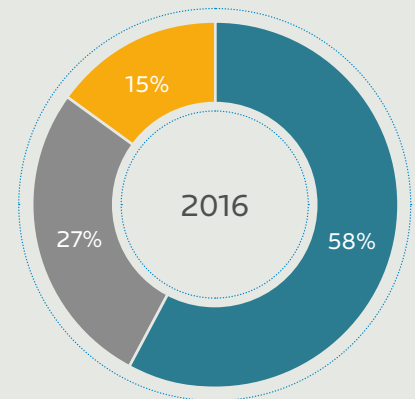


Revenue mix

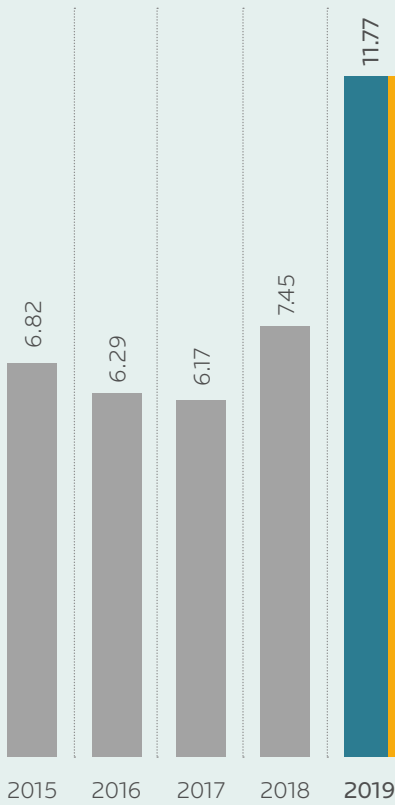
● ETC ● O&M
● Civil & other works



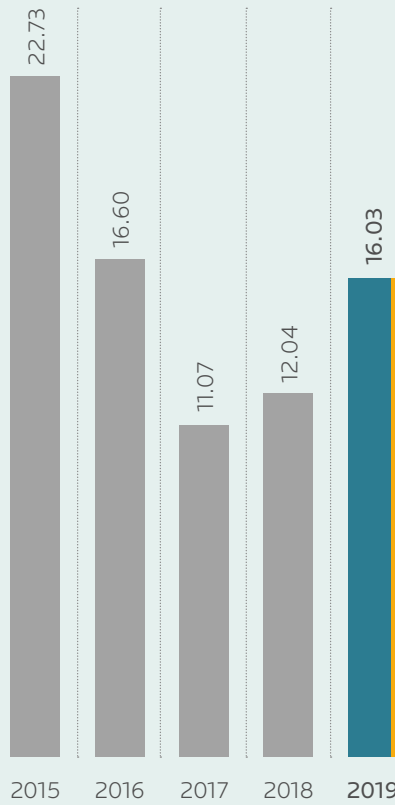
● ETC ● O&M
● Civil & other works



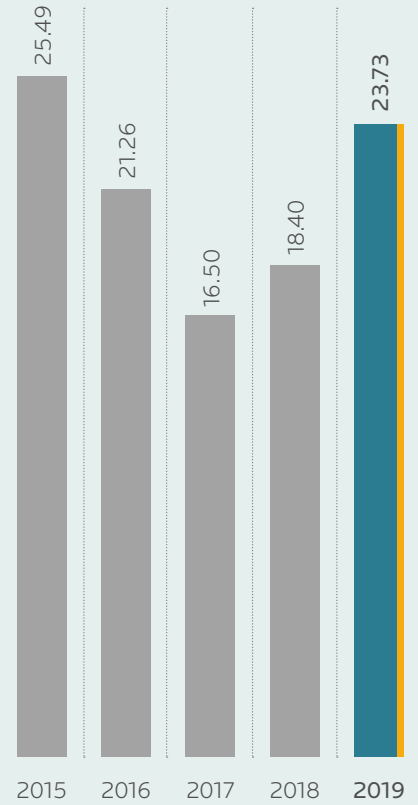
Asset Turnover (x)



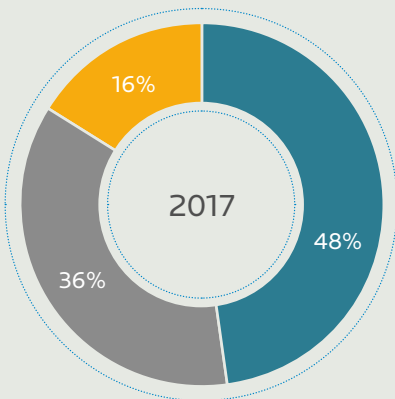
RoE (%)



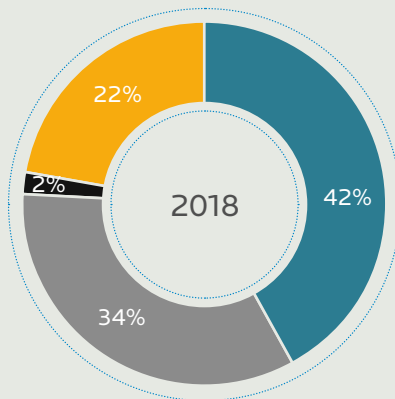
RoCE (%)



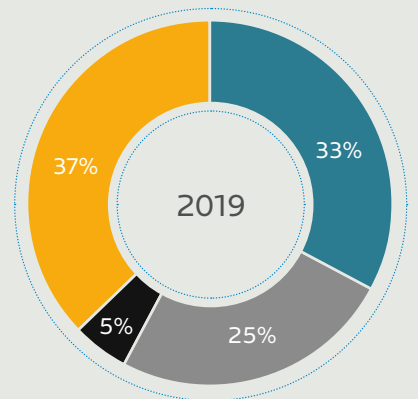
ETC O&M
Civil & other works



ETC O&M Electricals
Civil & other works

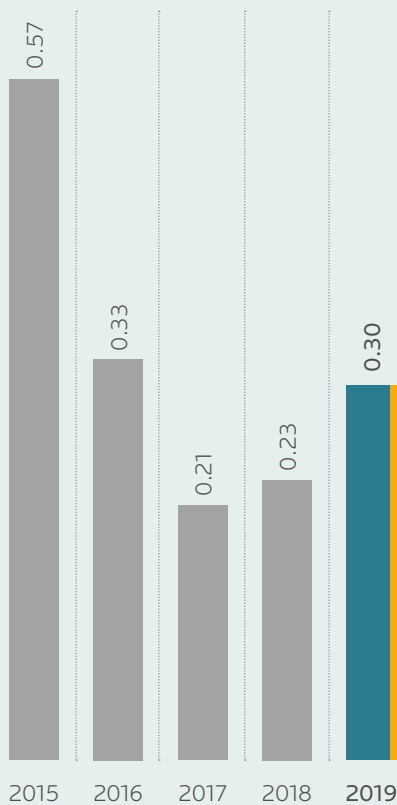


ETC O&M Electricals
Civil & other works

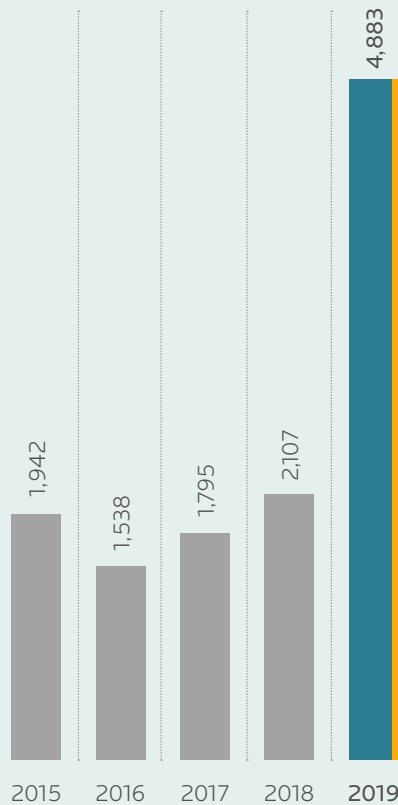


Our performance over the years (continued)

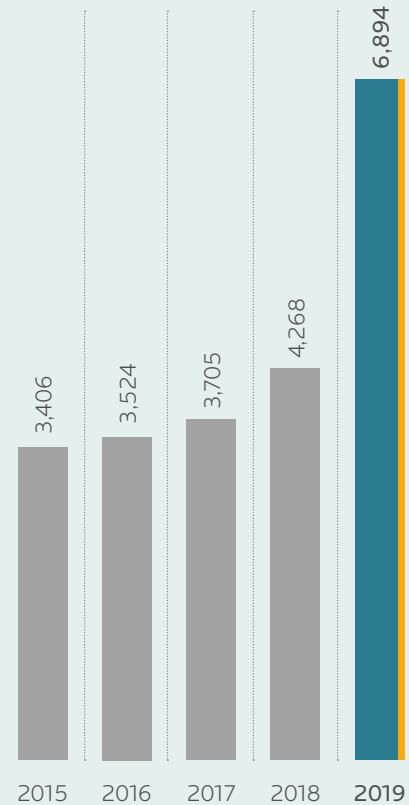
Net debt-equity ratio
(x)



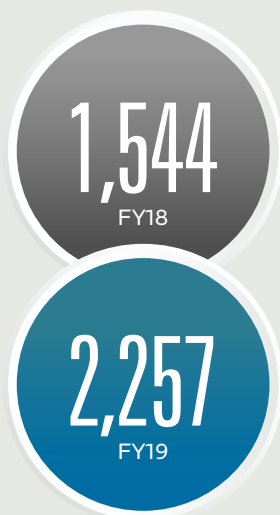
Order inflow
(Rs cr)



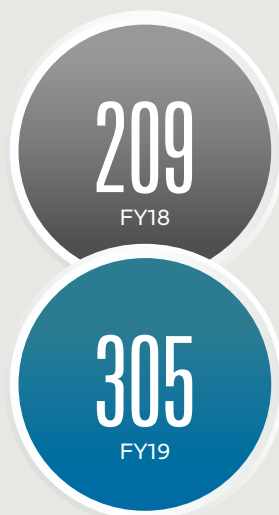
Order backlog
(Rs cr)



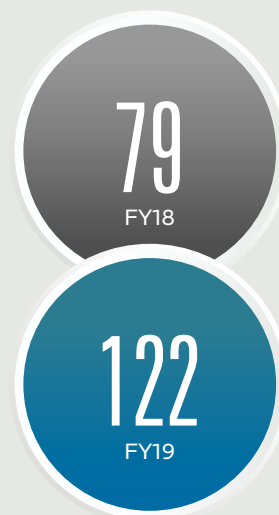
Contract Revenue (Rs cr)



EBITDA (Rs cr)



PAT (Rs cr)





RoCE (%)

18.4

FY18

23.7

FY19

RoE (%)

12.0

FY18

16.0

FY19

EPS (Rs)

54.01

FY18

82.68

FY19

Power Mech. A global company with Indian roots.

The Company's expertise across SBUs has helped it diversify across geographies, hedging risks, protecting margins and enhancing revenue visibility. The Company's strengthened pre-qualification capability has helped widen its international presence.



Existence over globe



Exploring new geographies



SAUDI ARABIA

BAHRAIN

KAZAKHSTAN

INDIA

BHUTAN

NIGERIA

OMAN

UNITED ARAB EMIRATES

KUWAIT

BANGLADESH

SRILANKA

CHAIRMAN'S MESSAGE

Dear shareholders,
I am presenting the 20th Annual Report of your Company with confidence, faith and optimism, notwithstanding the downtrend in Indian and global economies.



My words have been chosen with care and prudence.

Confident: Because we have consistently demonstrated our credibility in growing against odds.

Faith: Because our confidence has been derived from an inner strength and our workforce.

Optimistic: Because we have invested in strategic plans and programs to sustainable growth across the foreseeable future.

The big message that one needs to send out is that Power Mech has shifted gears. The Company is widening its focus from power to non-power industries (Railways, Infrastructure, Irrigation, Cross-country pipelines, Transmission & Distribution, Petrochemicals, Steel etc.) even as it continues to deepen its presence in traditional business segments like ETC and O&M.

This focus on traditional competencies and emerging businesses has transformed the Company's respect, scale and competitiveness. As on 31 March 2019, the Company's order book was a record Rs 6,894 crore. I am pleased to report that the Company possesses the competence and knowledge to execute this order book in a timely, efficient and profitable manner through a culture of focus, reviews and benchmarking.

This competence was reflected during the year under review when the Company reported attractive financials despite the prevailing economic weakness and business uncertainty.

The Company reported a growth in revenue from Rs 1,555 crore in FY 18 to Rs 2,275 crore in FY 19; net profit was Rs 122 crore in FY 19 as against Rs 79 crore in FY 18. Your company achieved

its highest revenues of Rs 2,275 Cr for 2018-19 with a growth of 46% based on new business segments like the non-power sector and growth in the O&M segment.

One of the most positive changes to have transpired has been in the order book mix. As the Company diversified and expanded, its order book progressively broadbased, enhancing responsiveness to opportunities on the one hand and reducing the overall business risk on the other.

Revenue for Erection, Testing and Commissioning (ETC) was 33%; O&M proportion was 25%, Civil & Railways revenues was 37%, and Electricals revenues was 5% of the total contract revenue for the year FY2018-19. We are optimistic that this broadbasing will drive our next round of growth across the coming decade.

At Power Mech, we believe in the saying that 'Every slowdown has its time and what follows is leaping growth.' It is a fact that the down ward investments and capacity addition of Coal based power plants in power sector had its impact with capacity addition coming down from 20000mw

in 2016 to 4000mw in the preceding year. This was a huge crisis for the Company's operations.

We considered this crisis as an opportunity for change and bring in new ideas of business both from the type of business and also geographical expansion. We had the inkling of this crisis and tremendous efforts were made to identify new segments of business in the construction space in various Non-Power sectors in the last 3 years. One of the key factors for achieving growth with profit has been redeployment of our huge resource base timely with vistas into new business segments which was a necessity for sustainability of company's financials. This had enabled to fully utilize huge resource base of the Company established for meeting the power sector growth in 11th and 12th plans.

The Company entered a new segment of long-terms Operations and Maintenance of newly installed power plants, particularly targeted in the private sector. I am happy to state that we are working across about 53400MW of power plants through long-term

Even as the general economic outlook was weak, the Company performed better than the sectoral average on account of a complement of its rich experience, professional workplace culture, hands-on engagement with ground realities, benchmarking project deliveries in line with the most demanding standards and the passion to embrace technically challenging projects.

Another major feature of business growth and diversification is the restructuring process started 2 years back and today your company has 7 business verticals for better accountability for operations and also focused marketing and “Go to Market” approach.



2X500 MW New Neyveli TPP

O&M contracts. Your company has emerged as the leader in this market, which has generated revenue and profitability growth. This business has become a bed rock of our operations and a recurring part of our business model based on a renewal of contracts on a sustained basis.

Your company is continuously focusing on the new investments taking place in non-power sector especially the Oil and Gas Sector involving cross-country gas pipe lines and refinery expansions. The Company is also addressing investments in the steel and petrochemical sectors coupled with large investments of Rs 100 lac crore in the next five years being planned in the Infrastructure sector. In the Railways sector, more than Rs 1 lac cr is being invested each year. Even though there has been a downtrend in capacity addition of new coal-based units, around Rs 1.4 lac crore investments are being planned in the next five years in emission reduction technologies for existing coal-based plants of 166GW. In the Middle East and Bangladesh where we are working in about 10 projects, sustained energy investments are a reality with the installed base in the Middle East expected to go up to 499 GW and in Bangladesh to 61 GW by 2035 and 2041 respectively.

The installed base in India of 225GW of coal & gas-based power plants (out of the total installed base of 359GW) also represents opportunities for long-term O&M contracts with a focus on power plants of Centre and States where your Company has achieved initial breakthroughs.

The result is that we foresee a widening of opportunities, given our willingness to embrace technically challenging projects marked by relatively low competition. The result is that we enjoy the unique advantage of being able to pick and choose projects that offer attractive margins, credit

worthy customer profiles and growing volumes.

I am happy to state that new business segments in Oil & Gas sector, Railways, Infra works, and Steel, Electrical works in T&D, Railway Electrification, ETC, Structural and Civil works across various new segments of business are doing well and this gives me the satisfaction that our efforts in market diversification is bearing fruits for sustained business growth and we are on the right path.

Our optimism is derived from our broadbased presence across States, countries, multiple fields, diversified service profile and diverse infrastructure segments. As a focused strategy, we will aggressively seek O&M projects in non-power sectors (Petrochemicals, Process industry, Steel, Electricals and Overseas Business etc.). In doing so, we expect to capitalise on our deep expertise and experience in O&M projects for power plants across two decades, leveraging on their synergies and similarities.

The time has come for our Company to build on volumes and generate superior organisational value. The Company is deepening its focus on businesses segmentwise to enhance operating efficiencies, financials and cash flows, making the Company debt-free. A more frequent engagement between SBU and profit centre heads is strengthening control, execution, profits and liquidity.

The result is that we are confident of strengthening our performance during this challenging economic phase.

During FY2018-19, the Company completed unique and prestigious projects with speed, strengthening its credentials. The AMTZ project in Andhra Pradesh was a first of its kind in the country; the Company played a significant role in its execution, completion and commissioning, a feather in its cap.

The other significant project being executed is the 2x660 MW Maitree project in Bangladesh, a collaborative Indo-Bangladesh engagement.

By the close of the year under review, your Company was concurrently working on 55 projects and 41 operational facilities including 10 projects in Middle East, Nigeria, Bangladesh and Bhutan. The new challenge for your Company is to fully utilize the organizational infrastructure created for sustained business growth, profitability and customer satisfaction.

The other major feature of business growth and diversification was the restructuring process started two years ago. Today your Company has seven business verticals resulting in higher operational accountability, focused marketing and a 'go to market' approach.

Your Company is making fundamental changes to enhance global visibility and attract international business, even as it endeavours to deepen its presence in the domestic market, strengthening its geographically-dispersed personality across the next five years. To make this aspiration a reality, the Company intends to recruit skilled and experienced professionals to enhance execution capabilities.

Navigating the large organization through sectoral unpredictability has been possible due to the robust support of our stakeholders. I am thankful to all of them. I am also indebted to shareholders for their faith and support. I must specifically mention the role of State/Central government departments and financial institutions for their cooperation. I am grateful to my colleagues in the Board for their guidance. My sincere thanks are due also to our employees across levels for making the growth a reality. I must also thank the Directors and employees of our subsidiary and joint venture companies who contributed significantly.

S. Kishore Babu

Chairman & Managing Director

The installed base in India of 225GW of coal & gas-based power plants (out of the total installed base of 359GW) also represents opportunities for long-term O&M contracts with a focus on power plants of Centre and States where your Company has achieved initial breakthroughs.



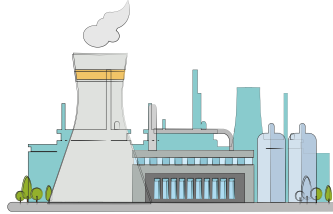
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years of value creation through successful project completion

UMPP contributor

The Company was a major contributor to the successful completion of India's two Ultra Mega Power projects -

4000^{mW} **3960^{mW}**
Mundra Sasan



ETC leadership

The Company maintained leadership in the ETC business within India for large power plants including the advanced technology super critical high efficiency boilers and turbines of 660-800 MW units. The Company stayed way ahead of competition in terms of timely project completion.

The Company forayed into the FGD (new emission control technology retrofits) business with the completion of the Vindhyaachal project (500MW for NTPC at UP), strengthening its credentials to address growing investments in this segment

Power Mech successfully completed 800MW combined ETC, structural and civil works, providing an integrated single point construction for projects such as KPCL (Raichur project, Karnataka), showcasing expertise.

21

Super critical units completed so far, ahead of competitors

Long-term O&M expertise

The Company is operating 41 power plants on a long-term basis, accounting for the largest segmental market share in excess of 50%

Electrical

The Company completed its first Rural Electrification Work at Hoshangabad, Madhya Pradesh (as a part of its diversification into the electrical business segment) ahead of schedule

International presence

The Company completed three major export projects on schedule in Saudi Arabia, Bangladesh and Oman.



Andhra Pradesh Med Tech Zone, Vizag, A.P.

10

International projects under execution



Management bandwidth

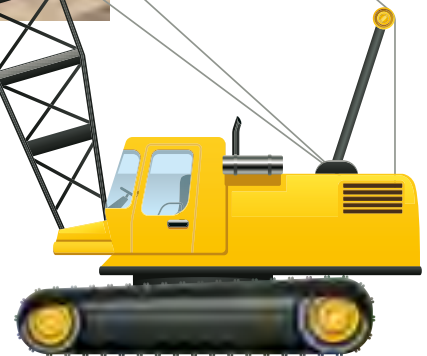
The Company invested in new business and operation teams to address diversification and organizational strengthening; its SBU-based structure enhanced execution efficiency.

Equipment ownership

The Company built a large base of more than 300 cranes and heavy construction equipment items, strengthening timely project completion across civil, structural and mechanical projects.

Technology parks

The Company forayed into the engineering and construction of technology parks, completing the challenging AMTZ in Andhra Pradesh on schedule.



Steel sector

The Company completed its first steel plant works for the 3 MTPA plant of JSPL in Angul.

Railway track doubling


The Company is successfully executing a major railway track doubling project (from Gudiwada to Machilipattanam, A.P.), a major initiative that can open large opportunities in the railway track business.

Cross-country pipelines

Foray into cross-country pipeline by completing 22.5 km pipeline work at Ennore, TN for Indian Oil Corporation.

Eco-system

The Company complemented its rich management and execution experience with a strong backup through supply chain management across specialized segments, resulting in timely project completion.



How Power Mech intends to strengthen business sustainability



1

O&M focus

The Company intends to strengthen its O&M business across sectors and geographies, strengthening revenue visibility. The Company will address growing long-term O&M needs in the State, captive, export and non-power sectors.



2

New segments

The Company intends to consolidate and grow new business segments (cross-country pipe lines, steel plant construction, technology parks, small segment hydro EPCs and STPs, railway works, oil and gas works).



3

Capacity utilisation

The Company intends to enhance the capacity utilisation of plants, people and processes, enhancing O&M synergy business and adding new products and packages. Also strengthening its manufacturing business.



4

Business architecture

The Company implemented new organization structures, coupled with prudent recruitment, strengthening business diversification, delivery and customer satisfaction.



5

Safety

Implementation of stringent safety standards across all verticals, with emphasis on oil & gas sector, steel plant works and O&M

6

Benchmarking

The Company will benchmark expertise derived in new non-power initiatives, strengthening direct qualifications and order inflows.

7

Margins focus

The Company intends to enhance operating margins through productivity gains and tighter control of operation costs.

8

Risk management

Creating a robust risk management structure covering contract management and project execution across a diversified service profile.

9

Review

Focused periodic business reviews, strengthening SBU performance around business targets.

10

Volume

The Company has focused on volume-based jobs to enhance asset and resource utilization, strengthening the integration of civil and ETC projects.

11

Cash flows

The Company has prioritised cash flows with its focus on early realisation of retention money & security deposits.

12

Profitability

The Company will leverage growing volumes to generate superior margins, RoCE and RoE.



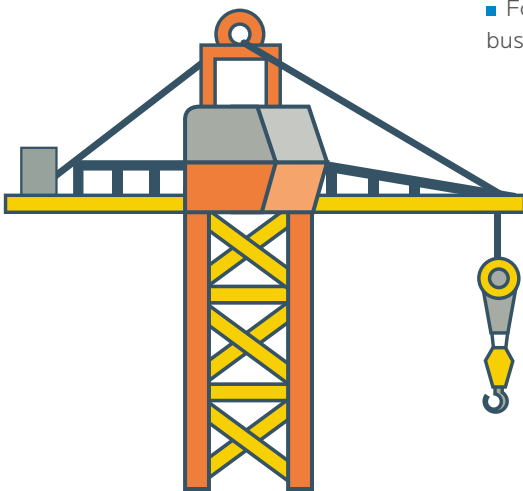
How we have grown
the Company
in the last

20

years

1999

- Incorporation of the Company
- Foray into the power sector business



2640 MW Shuqaiq Power Plant

2002-04

- First ETC project of 1x63 TPH and 2x165 TPH AFBC Boilers, 20.85 MW and 55 MW in Raigarh, BHEL
- First AMC of 655 MW Combined Cycle Dual Fuel IPP Power Plant at Paguthan for GPEC

2007-09

- Private equity investment in Power Mech
- First major international project in Libya, 2x157 MW erection of two Gas Turbines for BHEL
- First ETC of 1x500 MW Boiler and Auxiliaries including ESP at Mejia, BHEL
- Erection of Structural, Steam Generator & Auxiliaries of three boilers for India's two UMPP 800 MW units (Tata Power in Gujarat and Doosan) and 6x660 MW unit (Reliance Infra, Sasan)



2010-12

- Bagged major orders of super critical projects of 660 MW comprising Erection and Structural Fabrication works for Sepco, Adani, BGR and CLP
- First major civil work assignment of 2x520 MW for HNPCL in Vizag and BHEL
- Entry into the industrial sector mechanical and piping projects in refineries (at Dahej for ONGC and at Paradeep for Indian Oil Corporation Limited)
- First major erection project of Gas Turbine & Civil Work, 4x100 MW in Marib (Yemen) for BHEL
- Entry in hydro power O&M and mini-EPC

2014-16

- Listing on BSE and NSE; overwhelming response; issue over-subscribed 38 times
- Bagged major O&M of 4x600 MW at Jharsuguda for Vedanta
- Commenced a manufacturing facility in Noida
- Entered the steel sector comprising the erection and fabrication work for 3.0 MTPA and 2.7 MTPA projects at Nagarnar (for NMDC) and at Angul (for JSPL)
- First FGD project of 500 MW at Vindhyachal for GE

2017 onwards

- Completed major international projects at Shuqaiq in Saudi Arabia (4x660MW, SEC) and at Bheramara in Bangladesh (360 MW) for L&T
- Entered Oman, Saudi Arabia, Bahrain and Nigeria
- Bagged the first O&M project in the public sector (2x600 MW) for Singareni Collieries
- Strategic foray into Railway, RVNL, composite package (37 Km, AP) and Rural Electrification projects (33/11 KV) at Hoshangabad for MPMKVCL
- Major breakthrough in the Railway Electrification segment (comprising OHE, TSS, Civil and Signal & Telecom) covering 727 TKM
- Entered the cross-country laying of pipelines for Indian Oil Corporation and Adani Group
- Embarked on a prestigious infrastructure development project for Med Tech Zone, Andhra Pradesh
- Bagged major steel plant works of JSW expansion programme at Dolvi & Vijayanagar
- Breakthrough in bagging AMC jobs from NTPC

Our business model

Solutions provider

The Company is a solutions provider with an extensive value chain – for project execution, manufacturing and O&M – that has strengthened margins, competitiveness and flexibility. The manufacturing vertical was added with the objective to service O&M, spares and product development needs.



Profitable growth

The focus of the Company continues to be topline and bottomline growth. The Company bid for projects where the scope and scale provides desired margins. The desired hurdle rate enhanced the Company's projects selectivity and business sustainability.



Deliverables and responsibility clarity

The Company possesses a clarity of what the customer wants (right down to sub projects that make up the project whole), when the customer wants (overall deadline and milestone deadlines) and how the customer wants (process discipline). This minimises gaps between contracts and delivery; the completed plant must run at a high utilisation following commissioning; the O&M projects must ensure high operating uptime.

Order book

The Company recognises that controlled growth is the only way to succeed in a business where the cost of strategic errors can set the Company back by years. As a discipline, the Company balances its order book at 2.5x-3x of its turnover.



Select verticals focus & diversification

The Company has selected to focus on industrial segments that represent the core of this country's progress and where substantial investments are likely to be made well into the long-term. In view of this, the Company has selected to address projects in the power, steel, petroleum, water, irrigation, hydro-energy, infrastructure and railway (track laying and signalling) sectors. The Company's revenues will progressively broaden from the Mechanical and O&M sector, which accounted for the largest proportion of revenues in 2018-19.



Revenue terms

The Company differentiated its revenue model by entering into contracts woven around periodic monthly payment as opposed to the conventional milestone-based payment system. The result is that the Company's cash flows were sustained predictably through the construction life-cycle, protecting the financials.

Bidding discipline & project preference

The Company has strengthened its bidding discipline. The Company bids for projects that have already achieved financial closure or where the client is part of a larger group with a demonstrated track record in financial and business integrity.

The Company has selected to embrace complex projects, marked by relatively low bidding competition on the one hand and higher margins on the other.



Wallet share

The Company selects to acquire a larger wallet share of existing customers, leveraging the power of existing relationships. Besides, existing customers also seek to work with an existing vendor like Power Mech, who has demonstrated a track record for timely and responsible project delivery.

Proactive capacity building

The Company maps the country's prospects, vertical by vertical, at least four quarters in advance. This proactive insight into the proposed capital expenditure at least a year in advance provides the Company with clarity on proactive capacity building and preparedness. This enhances business development activity resulting in better market penetration.



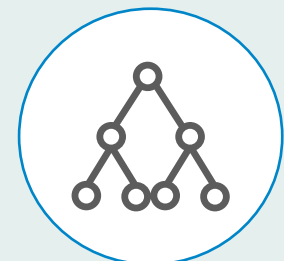
Effective knowledge leverage

The Company has progressively widened its presence across a growing number of verticals through the prudent leverage of knowledge. The ability to leverage knowledge and experience derived in one vertical for onward application while entering another vertical has sustained business growth.



Fiscal discipline

The Company's business is driven by the over-riding priority of fiscal discipline: margins and cash flows generated from the business need to be higher than the quantum required to be invested to sustain desired growth.



SBU-based structure

The Company is treating its presence in each vertical as an independent strategic business unit. This SBU-based structure is driving target setting, performance-orientation and accountability for better customer focus. The result is that most verticals addressed by the Company have performed higher than their respective sectoral averages.

STRATEGIC BUSINESS UNITS

Industrial construction business (Power)



6X660 MW UMPP, Boiler & STG, Sasan

Status

Power Mech is India's leading large coal-based power plant construction services company with a 35% market share

Initial growth

The Company's initial growth and consolidation in this segment was driven by a growing presence in the core business area (where it continues to play a leading role)

Leadership

The Company established its segment leadership through its engagement in landmark Ultra Mega Projects at Mundra and Sasan

Solution provider

The Company positioned itself as the total construction solution provider for

the main plant and Balance of Plant up to 800 MW for coal-fired and combined cycle plants

Scale

The Company is executing India's tallest tower type lignite fired boiler of BHEL make 500MW & 125 metre height at Neyveli, TN for Neyveli Lignite Corporation.

Diversification

The Company established FGD and SCR initiatives following the completion of a 500 MW FGD retrofit at Vindhyachal

Projects completed

57 Boilers & 95 Steam & Gas Turbines completed so far aggregating 65,000MW

Projects on hand

7

500-660 MW boilers

7

660 MW TCs

11

Projects under progress

STRATEGIC BUSINESS UNITS

Industrial construction business (Non-power)



Ennore - IOCL Station Piping

Diversification

- The Company successfully extended into the cross-country pipeline business for gas and LNG transportation & completed and operationalized the first 22.5 km Ennore pipeline project for IOCL.
- The Company forayed into major steel plant construction projects at Dolvi and Vijayanagar for JSW limited.
- The Company completed the JSPL expansion project at Angul comprising of blast furnace, castor shop work and auxiliaries

Competence

The Company possesses the ability to undertake major projects in the metal industry (iron, steel, aluminium and zinc).

Strength

The Company reinforced its ability to undertake large pipe welding and laying works with the deployment of pipe-laying machines and also established heavy fabrication facility for structural works.

Additional capability

The Company demonstrated its ability to undertake projects related to tankages and fuel storage systems.

Projects on hand

514 km

Extent of piping projects being executed for Indian Oil Corporation and Adani Group

50000 MT

Structural work for JSW Limited

STRATEGIC BUSINESS UNITS

Infrastructure construction business



2X8000 MW, YTPS, Civil, Structural and Architectural works , Raichur

Organisation & Assets

Senior management and capital asset investments to undertake major civil works

Growth

The Company has reported major growth in this segment in recent years coupled with timely diversification

Positioning

The Company is a comprehensive service provider for a range of civil works (BTG and BOP) for power plants

Diversification

- The Company diversified into Railways (earth work, bridges, track-laying, OHE foundations, ballast works, soil filling and blanketing)

- The Company is engaged in irrigation works in Ramayanpet in Telangana (earthwork and filling, drains, , concrete and steel works, cement concrete lining works etc.)

- The Company completed fast track project for AMTZ at Vizag (Andhra Pradesh) covering 1.6mn sq ft; the Company developed the engineering capability of technology parks

- The Company is engaged in projects related to sewage treatment plants, WTP, plant & industrial buildings, among others.

Capability

Ability to carry out >2.5 lac m3 of concreting in a year.

Number of projects

10

Number of power projects currently engaged in

4

Number of infrastructure projects engaged in

STRATEGIC BUSINESS UNITS

Electrical business



Railway Electrification works

Recent SBU

The Company has been successful in implementing projects as recent SBU setup in the organisation.

EPC capability

The Company can undertake EPC jobs of transmission lines & sub-stations upto 765 kv

Rural electrification

The Company engages in rural electrification schemes in line with the Government priority for 100% village electrification.

Railway electrification

The Company engages in railway electrification, signaling

telecommunication projects & traction sub-stations

Successful project completion

Completed its first rural electrical works of Hoshangabad for MKVVCL, M.P.

Marquee clients

The Company is working for PowerGrid Corporation of India, Indian Railways and various distribution companies across the country.

Number of projects

2

Transmission lines

1

Railway overhead electrification work

2

Grid Sub-stations

STRATEGIC BUSINESS UNITS

International operations



Bhola Phase-II 220 MW Combined Cycle Power Project

Projects focus

The Company undertakes projects related to ETC of advanced technology gas turbines, STGs, HRSGs, piping of gas-based power projects, captive power plants and multiple trains of plant capacity up to 2000 MW in combined cycle plants

Capability

The Company engages in projects related to utility boilers and steam turbines up to 660 MW / 800 MW. The Company possesses capabilities in electrical and instrumentation works; installation of hydro turbine generators; desalination plant works, tanks and vessels

Completion

The Company engaged in the successful completion of projects at Suqaiq (2x600MW), Bheramera (380MW) and Oman (440MW)

Deep presence

The Company established a deep presence in Middle East and Bangladesh

Projects working on

10

Projects in Middle East, Bhutan, Bangladesh and Nigeria

510

Rs cr, major industrial project for Dangote Refinery, Nigeria

STRATEGIC BUSINESS UNITS

Industrial services



Leadership

The Company is a leading O&M service provider for the Utilities segment (operating in 53400 MW and 41 plants)

One-stop service

The Company possesses the ability to undertake AMC support services from 50 MW to 800MW in the power sector

Diversification

The Company forayed into non-power AMC and O&M engagements for customers and extended into non-power O&M projects across the petroleum, oil & gas and iron ore material handling sectors

Assurance

The Company provides a plant availability guarantee up to 95% for sustained power generation

State sector

The Company reported a major breakthrough in addressing State

sector jobs (KPCL, TGenco and NTPC clients)

New assignments

The Company is engaged in long-term O&M projects for NTPC (Solapur, Gadawara, Lara and Khandwa) and captive segment projects for Hindalco and Vedanta

Responsiveness

The Company is respected for its responsiveness during plant downtime with the objective to enhance the client's productivity

Knowledge

The Company employs skilled O&M professionals

Global exports

The Company has provided a thrust in deepening its presence in O&M contracts in the Middle East

Ongoing Projects

26

Boiler-related shutdown jobs

31

TG jobs

41

Long-term O&M contracts

Our skills

Focused planning



Monitoring



Data collection



Analysis



Implementing safety standards

STRATEGIC BUSINESS UNITS

Hydro & water business



Hydro business

Focus

The Company engaged in hydro-mechanical and electro-mechanical packages and EPC projects of small hydro units

Services

Renovation, modernization and upgrading of old plants

The Company undertook major repairs and modifications of hydro components

Studies

The Company engaged in residual life assessment and uprating studies of old hydro plants

Analysis

The Company engaged in the root cause analysis of perennial problems and resolutions

Long-term O&M contracts

The Company engaged in long-term

O&M contracts covering operations and maintenance

Support

The Company provides spares and comprehensive after-sales service

Alliances

The Company collaborated with reputed hydro equipment manufacturers (including Litostroj, Koletor, Rosatum and CKD) to enhance credentials

Projects working on

8

Projects including Upper Kallar, Kishan Ganga and O&M projects of Alakanada

Water business

Diversification

The Company entered the Sewage Treatment Plant (STP) segment through EPC projects

Support

The Company engaged in the O&M support of STP plants following their commissioning

Number of projects

3

Number of projects under execution (Karnal, Gudivada and Palwal)

STRATEGIC BUSINESS UNITS

Manufacturing business



Backward integration

The Company has invested in modern workshop for high-end manufacturing as part of backward integration for synergy of O&M market related to spares, manufacturing components for industrial use under wide spectrum of opportunities.

Machinery

The Company invested in advanced CNC lathes, Plano millers, CNC plate cutting and Plasma cutting, Heavy duty lathes and plate bending machines

The Company invested in a balancing facility for HP, IP and LP rotors of up to 600 MW turbines; repair and rectification of Rotor and Stator coils for generators and re-blading turbine rotors

Capability

The Company is equipped to undertake all kinds of welding (SMAW, MIG, TIG and SAW)

The Company possesses competence in runner repairs for all sizes of hydro turbines, repair of valves, fans and pumps and reconditioning of heat exchangers and compressors

The Company possess a competence in the manufacture of stationary and rotating labyrinths

The Company engages in the supply of bearings, bearings reconditioning and fabrication draft tube gates

The Company is engaged in the manufacture of spares and components for steam, Gas turbine spares, Pipe

specials, Pump spares, compressor spares, coal mills, fans, blowers, CHP and AHP

The Company manufactures spiral casing assembly, machining journal assembly and shafts

Reverse-engineered spares for steam turbines and turbine embedded parts with a 3D scanner facility

The Company has developed the capability to manufacture railway electrification components

Facilities

The Company has facility for shot blasting, painting and heat treatment furnace

Board of Directors



Sajja Kishore Babu, Chairman and Managing Director,

Founder of the Company. Holds Bachelor's degree in Mechanical Engineering. Possesses 35 years of experience in the power and infrastructure sector. Able administrator and dynamic leader. Serves on the Board of subsidiary and joint venture companies.

Vivek Paranjpe, Independent Director, B. Sc (Honors), Post Graduate from XLRI. Possesses more than 40 years of experience. Served as Group President of Reliance Industries. Currently Strategic HR advisor to Reliance Industries and Independent Director of Motilal Oswal Financial Services.



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



GDV Prasada Rao, Independent Director, M.E(Chem). Retired as General Manager in Andhra Bank after ~28 years. Now Vice President of HEAL, an NGO working with orphans and less-privileged children.



Sajja Lakshmi, Non-Executive Director,

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



T. Sankaralingam, Independent Director, B.E (Elec).

Around 40 years of experience in the power sector. Served as Chairman-Managing Director of NTPC and Managing Director of BGR Energy. Worked at BHEL

Power Mech's commitment to Health, Safety and Environment

Power Mech's health, safety and environmental (HSE) culture is driven by a high commitment.

The Company's HSE commitment reconciles principles and knowledge distilled across the decades.

Safety is the Company's first core value, resulting in commitment to the development of a caring, preventive safety culture. The result is that safety drives employee actions at every location every single day.

This is the result of a conviction that our people deserve the highest safety standard, our clients demand it and our performance depends on it.

In view of this, 'safer together' is the Power Mech way.

Successfully managing health and safety issues at to the lowest possible risk levels is integral to the way the Company does business.

The Company is recognized as one of the safest contractors in the country's engineering and construction sectors.

The Company is committed to comprehensively evaluate unintended mishaps with the objectives to immediately identify improvement areas and non-recurrence.

The Company's HSE goals

- Zero accidents
- No harm to any person
- No harm to the property

- No harm to the environment
- No harm to the community
- Complete compliance with the legal framework
- 100% waste management
- Positive & proactive project social responsibility with respect to the neighboring communities throughout project duration
- Power Mech's excellence in HSE leadership
- Power Mech is widely recognized for its commitment to Health, Safety and the environment.



CSR: Caring for the society

Vision statement

Power Mech Foundation shall be remembered for anything nobly connected with the poor, the needy and the downtrodden in society and be an instrument of providing solace to the one in need and make a difference in life thereafter.

Overview

Power Mech Foundation, the CSR arm of Power Mech, is headed by Mr. Sajja Kishore Babu, the Chairman of Power Mech Group of Companies and the Managing Trustee of the Charity Trust. The Trust was founded in 2010 with operations in Vijayawada, Andhra Pradesh.

The Foundation has evolved to focus on three basic needs of society: Education, Healthcare and Environment without confining to the three.

In its journey of nearly a decade, the Foundation has helped towards the contribution of higher studies of poor children, encouraged meritorious students with awards and accolades, gifted curriculum materials to schools in remote villages, fulfilled the needs of orphanage inmates, conducted health camps, assisted the poor for medical treatment to name a few.

The motto 'Be Generous and Be Prudent' is visible in the Company's actions and support activities.



Company Information

Board of Directors

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 Sankarlingam – Independent Director
Mr. Vivek Paranjpe – Independent Director
Mr. J. Satish – Chief Financial Officer
Mr. Rohit Tibrewal – Company Secretary

Audit Committee:

Mr. G D V Prasada Rao – Chairman
Mr. T Sankarlingam – Member
Mr. M Rajiv Kumar – Member

Nomination and Remuneration Committee

Mr. Vivek Paranjpe – Chairman
Mr. G D V Prasada Rao – Member
Mr. T. Sankarlingam – 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 Sankarlingam – Chairman
Mr. G D V Prasada Rao – Member
Mr. M. Rajiv Kumar – Member

Registered & Corporate Office

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

Statutory Auditors

M/s. Brahmayya & Co.
Chartered Accountants
D. No: 33-25-33/B
Govindarajulunaidu Street
Suryaraopet, Vijayawada – 520 002
Andhra Pradesh

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 - 500 082.

Internal Auditors

M/s. Ramesh & Co
Chartered Accountants
Plot No: 78, 6-3-661/B/1,
Sangeethnagar, Somajiguda,
Hyderabad-500 082, Telangana.

Bankers

State Bank of India
Standard Chartered Bank
RBL Bank Ltd
Axis Bank Limited
HDFC Bank Ltd
IDFC Bank Ltd
OBC Bank
Bank of Bahrain and Kuwait

Registrar & Share Transfer Agent

Karvy Fintech Private Limited
Karvy Selenium Tower B, 6TH Floor,
Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032.

Our Offices

India

Eastern Region

Unit No. 3-6A, 6th Floor
PS Magnum, VIP Road
Opp Haldiram, Kaikhali
Kolkata, West Bengal - 700052
Tel: +91 8420768819
E-mail: kolkata@powermech.net

Western Region

402, Swastik Pride
Opp ICICI Bank Chembur (E)
Mumbai, Maharashtra - 400074
Tel: +91 99678869372
+91 22 25282266
E-mail: mumbai@powermech.net

Central Region

Old Nanda Colony,
Kamptee Talaka
Koradi Post, Nagpur Dist.
Maharashtra - 441111
Tel: +91 7103663000
Fax: +91 7103663030
E-mail: nagpur@powermech.net

Northern Region

H-113, Sector-63, 2nd Floor
Gautam Budh Nagar
Noida, Uttar Pradesh - 201301
Tel: +91 120 4809900
E-mail: delhi@powermech.net

Subsidiary Companies and joint ventures

Hydro Magus Pvt. Ltd.

H-113, Sector-63, 3rd Floor Gautam
Budh Nagar Noida Uttar Pradesh -
201301 Tel: +91-120-4622555 E-mail:
info@hydromagus.com Power Mech
Industri Private Limited Plot # A-8,
Sector 80 Noida Uttar Pradesh - 201301
Tel: +91 8800993328,
+91 9533583241
E-mail: info@pmidustri.com

Power Mech BSCPL Consortium Private Limited

Plot No: 77, Jubilee Enclave Road
Opp: Hitex, Madhapur
Hyderabad-500 081

Power Mech SSA Structures Private Limited

Plot No: 77, Jubilee Enclave Road
Opp: Hitex, Madhapur
Hyderabad-500 081

Aashm Avenues Private Limited

Plot No: 77, Jubilee Enclave Road
Opp: Hitex, Madhapur
Hyderabad-500 081

Mas Power Mech Arabia

Suit No.19, Second Floor
Dabbab Commercial Center
Al-Sulaimaniah
PO Box 66403, Riyadh 11576, KSA
Tel: +966 11 4610359,
+966 11 4650076
E-mail: info@mpa.com.sa

GTA Powermech Nigeria Ltd

Abel-Abu Point, Ebute-Igbogbo Road
Ikorodu, Lagos-104101
Nigeria
Tel: +234 0815 6161217
+234 09071003872
E-mail: financenigeria@powermech.net

Power Mech Projects Limited LLC

Al Abri Centre, Al Hail North
Oman
Tel: +96824420528
E-mail: bala@powermech.net

GTA Power Mech DMCC

Almas tower, Jumeirah Lakes towers,
Sheikh Zayed Road,
P.O. Box 48800
Dubai, UAE

Power Mech Projects (BR) FZE

DIFZ, Lekki Coastal Road Ibeju-Lekki
Lagos, Nigeria

International Offices

UAE

Dubai - Regional Headquarters
2006, Citadel Tower
Business Bay
Dubai, P.O Box: 215452, UAE
Tel: +9714 4565948
+9715 04431833
Fax: +9714 4565938
E-mail: dubai@powermech.net

Abu Dhabi

4th Floor, Sheraton Building
Zayed 1st Street, Al Khalidiya
P.O Box: 29915, Abu Dhabi, U.A.E
Tel: +97126675555
Fax: +97126675123
E-mail: projects@powermech.net

Kuwait

M/s Nouri Industrial Est. Co,
P.B No:2829, Safat-13029, Area-2
Building No:86
Ardiya Industrial Area, Kuwait
Tel: +965 24333355
Fax: +965 24344085
E-mail: kuwait@powermech.net

NOTICE

Notice is hereby given that the 20th Annual General Meeting (AGM) of the members of Power Mech Projects Limited will be held on Wednesday, the 25th day of September, 2019 at 11:00 A.M. at Hotel Novotel, Hitex, Madhapur, Hyderabad – 500081 to transact the following business:

Ordinary Business:

1. Adoption of financial statements

To consider and adopt the audited financial statements (both standalone and consolidated) of the Company for the financial year ended 31st March, 2019 together with the reports of the Board of Directors and auditors thereon.

2. Declaration of dividend

To declare a final dividend of Re 1/- per equity share of Rs 10/- each for the financial year ended 31st March, 2019.

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

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

4. Appointment of Statutory Auditors of the Company.

To appoint M/s. K. S. Rao & Co., Chartered Accountants as Statutory Auditors of the Company from the conclusion of this annual general meeting till the conclusion of 25th annual general meeting of the Company.

"RESOLVED THAT pursuant to the provisions of section 139, 141, 142 of the Companies Act, 2013 and the rules

made there under, and pursuant to the recommendation of the Audit Committee, M/s. K. S. Rao & Co., Chartered Accountants (Registration Number 003109S) be and are hereby appointed as statutory auditors of the Company, to hold office from the conclusion of this AGM till the conclusion of 25th AGM of the Company at a total remuneration of Rs. 12,00,000/- p.a. plus goods and service tax as applicable and out of pocket expenses if any."

Special Business:

5. Revision in remuneration of Mr. S Kishore Babu, Chairman & Managing Director.

To consider and if thought fit, to pass with or without modification, if any, the following resolution as 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 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) (Amendment) Regulations, 2018 and as recommended by the Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded, to the revision in remuneration by way of salary, allowances and perquisites payable to Mr. S Kishore Babu, Chairman & Managing Director w.e.f 01st August, 2019 for remainder of duration of appointment upto 31.03. 2021 on the following terms and conditions as detailed below:

1.	Basic Salary	Rs 4,63,670/- per month
2.	HRA	Rs 1,85,468/- 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 Chauffeur 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.

Salary, perquisites and allowances: In the scale of Rs. 12, 00, 000/- to Rs. 15, 00,000/- per month.

FURTHER RESOLVED THAT the Board of Directors (the "Board", which term shall be deemed to include its "Committee of Directors") thereof be and is hereby authorized to vary, alter or modify the different components of remuneration of Mr. S. Kihore Babu as may be agreed by and between the Board and Mr. S Kishore Babu within the overall limits of 5% of the net profits of the Company computed as per section 198 of the Companies Act, 2013."

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 total pay scale mentioned above including all perquisites and allowances, during the tenure of his appointment.

6. Reappointment of Mr. T. Sankarlingam (DIN:00015954) as an Independent Non Executive Director.

To consider and if thought fit, to pass with or without modification, if any, the following resolution as 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 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, Mr. T. Sankarlingam (DIN:00015954), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of four consecutive years with effect from 22nd May, 2019 to 21st May, 2023 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines 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 acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

7. Reappointment of Mr. GDV Prasada Rao (DIN:02754904) as an Independent Non Executive Director.

To consider and if thought fit, to pass with or without modification, if any, the following resolution as 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 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, Mr. GDV Prasada Rao (DIN: 02754904), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of four consecutive years with effect from 27th July, 2019 to 26th July, 2023 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines 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 acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

8. 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 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 thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and on the basis of recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of

the members of the Company be and is hereby accorded to pay Rs 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 payment of sitting fees and other reimbursement of expenses for participation in the Board, Committee and other meetings) for the FY 2019-20.

9. Approval for Material Related Party Transaction(s) with PMPL-ACPL, JV.

To consider and if thought fit, to pass with or without modification, if any, the following resolution as Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Rules framed thereunder under (including any statutory modification(s) or re-enactment 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)/ arrangement(s)/ transaction(s) with PMPL-ACPL, JV, 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 Rs. 400 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 give effect to the aforesaid resolution."

10. Approval for Material Related Party Transaction(s) with PMPL-STs, JV.

To consider and if thought fit, to pass with or without modification, if any, the following resolution as Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Rules framed thereunder under (including any statutory modification(s) or re-enactment 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)/ arrangement(s)/ transaction(s) with PMPL-STs, JV, 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 Rs. 400 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 give effect to the aforesaid resolution."

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

Place: Hyderabad
Date: 27.07.2019

Sd/-
Rohit Tibrewal
Company Secretary

NOTES FOR MEMBERS

- i. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business under Item No 5, 6, 7, 8,9 & 10 is annexed hereto.
- ii. 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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable.
- iii. The register of members and share transfer books of the Company will remain closed from 23rd September, 2019 to 25th September, 2019 (both days inclusive) for annual closing.
- iv. The Final dividend on Equity shares, if declared at the Meeting, will be dispatched / credited to those members whose names shall appear on the Company's Register of Members upto the close of business hours on 21st September, 2019 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] as beneficial owners as at the close of the business hours on 21st September, 2019.
- 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. Karvy Fintech 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 dematerialized 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 Karvy Fintech Private Limited, Hyderabad, for the purpose of payment of Dividend declared at the AGM.
- 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 namely M/s. Karvy Fintech 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 dematerialized 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. Electronic copy of the Notice of the 20th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 20th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- xii. Pursuant to Regulation 36(3) of the Listing Regulations, 2015, the information about the Directors proposed to be appointed /re- appointed is given in the Annexure -1 to the notice.

- xiii. 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.
- xiv. Members are requested to carry their copies of Annual Report to the AGM and are requested to sign the Attendance Slip and hand it over at the entrance of the AGM. No Annual Report copies will be given at the AGM.
- xv. All the documents referred to in the Notice and explanatory statement will be available to the members at the registered office of the Company between 10.30 A.M to 12.30 P.M on all working days from the date hereof up to the date of the 20th AGM.
- xvi. Members may also note that the Notice of the 20th Annual General Meeting and the Annual Report for FY 2018-19 will also be available on the Company's website www.powermechprojects.in for their download. The physical copies of the aforesaid documents will also be available at the Company's registered office in Hyderabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: cs@powermech.net
- xvii. Attention is invited to the statement on the accompanying notice that the Company is pleased to provide e-voting facility through Karvy Fintech Private Limited for all shareholders of the Company to enable them to cast their votes electronically on the resolution mentioned in the Notice of the 20th Annual General Meeting of the Company dated 27th July, 2019.
- iii. Enter the login credentials. The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
- iv. After entering the details appropriately, click on LOGIN.
- v. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (e-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e., Laurus Labs Limited.
- viii. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/ AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
- ix. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- x. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- xi. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- xii. The Portal will be open for voting from 9.00 a.m. on 22nd September, 2019 to 5.00 p.m. on 24th September, 2019.
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and

Procedure and instructions for e-voting

1. Procedure of E-Voting – In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and as per the requirements of the SEBI (LODR) Regulations 2015, your Company is pleased to provide members facility to exercise their right to vote at the 20th AGM by electronic means and the business may be transacted through e-Voting Services provided by Karvy Fintech Private Limited

The instructions for E-voting are as follows:

- i. To use the following URL for e-voting:
<https://evoting.karvy.com>
- ii. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.

xiii. 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 <http://evoting.karvy.com> or contact Toll Free No. 18003454001.

- xiv. **Corporate / Institutional Members** (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: rao_ds@yahoo.co.in. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."
17. The facility for voting through polling paper shall be made available at the Annual General Meeting (the "meeting") and the members attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right to vote at the meeting.
18. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
19. The Board of Directors of the Company has appointed Mr. D. S. Rao a Practicing Company Secretary, as scrutinizer to scrutinize the remote e-voting process and voting at the meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
20. The voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 18th September, 2019.
21. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 18th September, 2019 only shall be entitled to avail the facility of remote e-voting/ voting at the meeting.
22. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date may obtain the USER ID and Password in the manner as mentioned below:
- If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> E-Voting Event number+ Folio No. or DP ID Client ID to 9212993399
 Example for NSDL : MYEPWD <SPACE> IN12345612345678
 Example for CDSL : MYEPWD <SPACE> 1402345612345678
 Example for Physical : MYEPWD <SPACE> XXX1234567890
 - If e-mail address or mobile number of the member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - Member may call Karvy's toll free number 1-800-3454-001
 - Member may send an e-mail request to einward.ris@karvy.com
23. If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
24. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than 48 hours from conclusion of the meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.powermechprojects.in and on the website of the Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.

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

Sd/-

Rohit Tibrewal
Company Secretary

Place: Hyderabad
Date: 27.07.2019

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

Item No. 4

As per the provisions of section 139 (2) of the Companies Act, 2013, no auditor firm shall be appointed for more than two terms of five consecutive years. Accordingly, M/s. Brahmayya & Co., Chartered Accountants who were appointed in the FY 2009-10 has completed their two consecutive terms of five years and are not eligible for reappointment.

On the basis of the recommendation of the Audit Committee, the Board of Directors has appointed M/s. K. S. Rao & Co. Chartered Accountants as Statutory Auditors of the Company from the conclusion of this AGM till the conclusion of the 25th AGM of the Company subject to the approval of the members of the Company.

As required under Regulation 36(5) of the SEBI (Listing Regulations) the details pertaining to the credentials of the new auditors and fees payable to the new auditors in comparison with the fees paid to the outgoing auditors are given below.

K. S. Rao & Co., Chartered Accountants firm was started in the year 1976 in Hyderabad. Presently they are having offices at Hyderabad, Vijayawada, Bengaluru and Chennai with almost 10-15 Chartered Accountants in their firm.

Their services include statutory audit, internal audit, systems audit, management audit etc. They are also having expertise in taxation advisory and assurance, risk advisory, corporate advisory etc.

The fees proposed to be paid to the new auditors and paid to the outgoing auditors are as follows:

S No.	Name of the Auditors	Fees
1.	M/s. Brahmayya & Co.	Rs 12 Lakhs per annum
2.	M/s. K. S. Rao & Co.	Rs 12 Lakhs per annum

The Board recommends this Resolution for your approval.

Item No. 5

Mr. S Kishore Babu was reappointed and designated as Chairman and Managing Director of the Company by the Board of Directors at their meeting held on 13th February, 2016 and subsequently his appointment was approved by the members of the Company at their meeting held on 30th September, 2016.

Further, In terms of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on 9th May, 2018 ("Amended Listing Regulations"), the fees or compensation payable to Executive Directors who are Promoters or members of the Promoter group, shall be subject to the approval of the shareholders by Special Resolution in general meeting, if:

- The annual remuneration payable to such Executive Director exceeds rupees 5 crore or 2.5 per cent of the net profits of the Listed Entity, whichever is higher; or

- Where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the Listed Entity

Provided that the approval of the Members under this provision shall be valid only till the expiry of the term of such Director.

Considering the contribution, hard work and leadership of Mr. S Kishore Babu under which the Company is making significant progress in terms of strong order book, increasing profitability, turnover etc. and as per the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on 27th July, 2019 approved the revision in the remuneration by way of salary, allowances and perquisites payable to Mr. S Kishore Babu upto the remainder term of his appointment i.e. 31st March, 2021 effective from 01st August, 2019 as per the terms and conditions enumerated in the Resolution.

Remuneration payable to Mr. S Kishore Babu as Chairman & Managing Director requires approval of the shareholders in general meeting by way of special resolution. The members are requested to consider the revision in remuneration of Mr. S Kishore Babu, Chairman & Managing Director.

Hence the resolution is commended for your approval by way of a Special Resolution.

Except Mr. S Kishore Babu, Mrs. S Lakshmi, Director and their relatives none of the other Directors, Key Managerial Personnel of the Company are concerned or interested in passing the aforesaid resolution.

Item No. 6

Mr. T. Sankarlingam (DIN: 00015954) was appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. He hold office as Independent Director of the Company up to 25th June, 2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

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

Accordingly, it is proposed to re-appoint Mr. T. Sankarlingam as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 4 (four) consecutive years or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines on the Board of the Company.

Section 149 of the Companies Act, 2013 and provisions of the 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 in its Board's report.

Section 149(11) further provides that an Independent Director may hold office for up to two consecutive terms.

Mr. T. Sankarlingam is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as an Independent Director.

The Company has also received declaration from Mr. T. Sankarlingam that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. T. Sankarlingam fulfils the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations.

Additional information of Mr. T. Sankarlingam, whose re-appointment as Independent Directors is proposed at Item No. 6, 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 Mr. T Sankarlingam 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 Resolutions set out at Item No. 6 of the Notice for approval by the members.

Item No. 7

Mr. GDV Prasada Rao (DIN: 02754904) was appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. He hold office as Independent Director of the Company up to 29th September, 2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Board, based on the performance evaluation of Mr. GDV Prasada Rao and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. GDV Prasada Rao would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

Accordingly, it is proposed to re-appoint Mr. GDV Prasada Rao as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 4 (four) consecutive years or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines on the Board of the Company.

Section 149 of the Companies Act, 2013 and provisions of the 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 in its Board's report.

Section 149(11) further provides that an Independent Director may hold office for up to two consecutive terms.

Mr. GDV Prasada Rao is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as an Independent Director.

The Company has also received declaration from Mr. GDV Prasada Rao that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. GDV Prasada Rao fulfils the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations.

Additional information of Mr. GDV Prasada Rao whose re-appointment as Independent Directors is proposed at Item No. 7, 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 Mr. GDV Prasada Rao 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 Resolutions set out at Item No. 7 of the Notice for approval by the members.

Item No. 8

The members of the Company by way of postal ballot on 30th January, 2016 had approved payment of remuneration to Non Executive Directors of the Company.

As per the 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 exceeding

50% of the total remuneration payable to all Non-Executive Directors of the Company.

At present, the Company is paying remuneration to Mr. M Rajiv Kumar, Non Executive Director by way of consultancy fees.

In the opinion of the Board of Directors of the Company, Mr. M 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 Sector 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. 8 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 Resolutions set out at Item No. 8 of the Notice for approval by the members.

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 transaction(s) with PMPL-ACPL, JV will exceed the said threshold limit and is expected to be around Rs. 400.00 crores. Hence 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-ACPL, JV
2.	Name of the Directors or KMP who are Related	None
3.	Nature of Relationship	PMPL-ACPL, JV is an unregistered JV formed by Power Mech Projects Limited with Amrutha Construction Pvt Ltd. The ratio of shareholding is 80:20 wherein Power Mech holds 80% and Amrutha Construction Pvt Ltd. holds 20% of the shareholding.
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	PMPL-ACPL, JV was formed to bid for the Kaleswaram Irrigation project for construction of canal systems along with distributory network system. The JV has offloaded the said contract worth Rs 373 crores to PMPL based on its vast experience. The said subcontract shall be on arms lengths basis. The total contract value including some future transactions can be to the tune of Rs 400 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 Ordinary Resolution. None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financially or otherwise in the aforesaid resolution.

Item No. 10

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 transaction(s) with PMPL- STS, JV will exceed the said threshold limit and is expected to be around Rs. 400.00 crores. Hence 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-ST, JV are as follows:

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

S No.	Particulars	Remarks
1.	Name of the Related Party	PMPL- STS, JV
2.	Name of the Directors or KMP who are Related	None
3.	Nature of Relationship	PMPL- STS, JV is an unregistered JV formed by Power Mech Projects Limited with Stroytech Services LLC. The ratio of shareholding is 74:26 wherein Power Mech holds 74% and STS holds 26% of the shareholding.
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	PMPL- STS, JV was formed to bid for the project of composite Railway Electrification of Rewari-Sadulpur-Hanumangarh, Sadulpur-Ratnagarh - Bikaner-Lalgarh in Bikaner Division. The JV has offloaded the said contract worth Rs 392 crores to PMPL based on its vast experience. The said subcontract shall be on arms lengths basis. The total contract value including some future transactions can be to the tune of Rs 400 Cr.

In view of the above, the Board of Directors recommends passing the resolution as set out in item no. 10 of this Notice as Ordinary Resolution. None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financially or otherwise in the aforesaid resolution.

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

Place: Hyderabad
Date: 27.07.2019

Sd/-
Rohit Tibrewal
Company Secretary

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	T Sankarlingam	G D V Prasada Rao	S Lakshmi
Date of Birth	15.04.1948	06.08.1948	20.11.1964
Date of appointment on the Board	26.06.2014	01.08.2009	24.11.2009
Qualification, Experience & Expertise	He holds a bachelor's degree in electrical engineering from Regional Engineering College (now known as National Institute Technology), Trichy, affiliated to Madras University. He joined BHEL in 1973 and later NTPC. He became the Director (Projects) of NTPC in August 2011 and served as Chairman and Managing Director from April, 2006 to April, 2008. He is the recipient of Eminent Engineer Award from Institution of Engineering and Technology, Delhi	He is a Post graduate in Chemical Engineering from Anna University, Chennai. He commenced his career in Fertilizer Industry and eventually joined a public sector bank as Technical officer for project appraisal. Having served in different capacities all over India he rose to the rank of General Manager of Andhra Bank. He is also serving as VP of HEAL, an NGO working with orphans & poor children.	She is a science graduate and holds place in HR management of the company & also member of CSR committee of the company.
Directorship in other Companies	1) D B Power Limited 2) D B Power (Madhya Pradesh) Limited 3) Diligent Power Private Limited 4) Adhunik Power and Natural Resources Limited 5) Decore Thermal Power Limited 6) Karaikal Port Private Limited	Nil	1) Power Mech Industri Private Limited 2) Power Mech Infra Limited 3) Bombay Avenue Developers Private Limited 4) True Rrav Marketing Private Limited
Number of Shares held	Nil	1120	2403626
Disclosure of Inter-se relationship between Directors and KMP's	No	No	Wife of Mr. S Kishore Babu, CMD
Membership of Committees in other Companies	1) Audit Committee: D B Power Limited and Karaikal Port Private Limited 2) Nomination & Remuneration Committee: D B Power Limited and Karaikal Port Private Limited	Nil	Nil
Chairmanships of Committees in other Companies	Nil	Nil	Nil
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Nil	Nil	Nil
Number of Board meetings attended during the year	4 of 4	4 of 4	4 of 4

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

Place: Hyderabad
Date: 27.07.2019

Sd/-
Rohit Tibrewal
Company Secretary

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, 2019.

FINANCIAL RESULTS

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

(Rs in Crores)

Sl. No.	Particulars	Standalone		Consolidated	
		Current Year (2018-19)	Previous Year (2017-2018)	Current Year (2018-19)	Previous Year (2017-2018)
1.	Revenue from Operations	1737	1310	2261	1548
2.	Other income	14	7	14	7
3.	Total Income	1751	1317	2275	1555
4.	Expenditure	1511	1146	1970	1346
5.	Profit before interest, depreciation and tax	240	171	305	209
6.	Depreciation	39	36	46	43
7.	Interest and Finance Charges	50	34	55	36
8.	Share of Profit from JV and Associates	-	-	1	-
9.	Profit before tax	151	101	205	130
10.	Provision for taxes (including DTL)	55	35	62	39
11.	Profit after tax	96	66	143	91
12.	Other Comprehensive Income	1	-	2	-
13.	Total Comprehensive Income	97	66	145	91
14.	Dividend for the year (including corporate dividend tax)	1.77	1.77	1.77	1.77
15.	Reserves(Excluding Revaluation reserves)	762	667	805	684
16.	EPS (Rs) on face value of Rs. 10/- each share\	65.08	44.80	82.68	54.01
17.	Book value (Rs.) on face value of Rs. 10/- each share	528	463	557	474

OPERATING RESULTS AND BUSINESS

Your Company has achieved operational turnover of Rs. 1737 crores and profit after tax of Rs. 97 crores during FY 18-19 as against previous year FY 17-18 operational turnover of Rs. 1310 crores and profit after tax of Rs. 66 crores respectively.

Further your Company has achieved consolidated operational turnover of Rs 2261 crores and profit after tax of Rs. 145 crores during FY 18-19 as against previous year consolidated operational turnover of Rs. 1548 crores and profit after tax of Rs. 91crores respectively.

DIVIDEND

Your Directors are pleased to recommend a final dividend at Re 1/- per equity share of face value of Rs 10/- each for the year ended 31st March, 2019. The Final Dividend is subject to the approval of members at the ensuing annual general meeting of the Company to be held on 25th September, 2019. The total dividend for the financial year will absorb Rs 1.77 crores, including Dividend Distribution Tax of Rs 0.30 crores.

SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

As on 31st March, 2019 your Company has 7 (seven) 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) and Power Mech Projects BR FZE (Nigeria).

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

During the FY 2018-19, your Company had divested its 2 (two) percent of shareholding in Mas Power Mech Arabia (Saudi Arabia) and as on 31st March, 2019, your Company holds 49 % of the shareholding in Mas Power Mech Arabia.

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.

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 profits to the reserves for the fiscal 2019.

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.in. 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 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.in.

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

As per the provisions of section 139 of Companies Act, 2013 and rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the Companies Act, 2013 and rules made thereunder.

Accordingly, M/s. Brahmayya & Co., Chartered Accountants who were appointed in the FY 2009-10 has completed their two consecutive terms of five years and hence they will not be eligible for re-appointment.

In line with the requirements of the Companies Act, 2013, the Board of Directors of your Company has proposed to appoint M/s. K. S Rao & Co. Chartered Accountants as Statutory Auditors of the Company from the conclusion of this AGM till the conclusion of the 25th AGM of the Company.

M/s. K. S. Rao & Co. has confirmed that they satisfy the criteria of appointment as statutory auditors as specified under the Companies Act, 2013 and your Company has obtained necessary certificates from the statutory auditors in this regards.

Accordingly the appointment of M/s. K. S. Rao & Co. as statutory auditors of the Company is placed before the members of the Company for their approval.

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s. Brahmayya & Co, Chartered Accountants, Statutory Auditors, in their report for the financial year ended March 31st, 2019.

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

The Board of Directors based on the recommendation of the Audit Committee, re-appointed M/s. Ramesh & Co., Chartered Accountants, Hyderabad, as an Internal Auditors of your Company for fiscal 2019.

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 2019.

The Secretarial Audit Report for the FY 2018-19 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.

The Secretarial Audit Report for the FY 2018-19 does not contain any qualification, reservation, adverse remark.

DIRECTOR'S & 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. Sajja Lakshmi, Director retires by rotation and being eligible, offers herself for reappointment at the ensuing Annual General Meeting. The Board recommends her reappointment.

Retirements & Resignations

Mr. N Bhupesh Chowdary, CEO & Wholetime Director, resigned as CEO and member of the Board with effect from July 01st, 2018, due to personal reasons.

Mr. Sutanu Behuria, an Independent Director, resigned as member of the Board, effectively August 21st, 2018 due to preoccupation.

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.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

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

BOARD MEETINGS

The Board of Directors of the Company duly met 4 (four 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.
Investment Committee	1. Mr. T Sankarlingam (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 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 March 31st, 2019, 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 2018-19 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 2018-19 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 effectively mentioned under various heads of the departments which are in then reporting to the Chairman & Managing Director.

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 formalized the process and institutionalized '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 is posted on the website of the Company www.powermechprojects.in

RISK MANAGEMENT

The Company has risk management mechanism in place which mitigates the risk at appropriate situations and there are no elements of risk, which in the opinion of Board of Directors may threaten the existence of the Company. A detailed description of the risks & threats has been disclosed in the Management Discussion Analysis Report forming part of the Annual Report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the details forming part of the extract of the Annual Return in Form MGT- 9 is annexed herewith as Annexure-5 to this report.

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 Rs 14,71,07,640/- divided into 1,47,10,764 equity shares of Rs 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.

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.

CORPORATE SOCIAL RESPONSIBILITY

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

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.in

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.in

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
Power Mech Projects Limited

Sd/-

S Kishore Babu

Chairman & Managing Director

DIN: 00971313

Place: Hyderabad

Date: 27.07.2019

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, 2019).

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

Part "A": Subsidiaries

(Information in respect of each subsidiary)

(Rs. in Cr)

Sl. No	Particulars	Details						
		Hydro Magus Pvt Ltd	Power Mech Industri Pvt Ltd	Power Mech Projects LLC	Power Mech BSCPL Consortium Private Limited	Power Mech SSA Structures Private Limited	Aashm Avenues Private Limited	Power Mech Projects (BR) FZE
1	Name of the subsidiary							
2	The date since when subsidiary was acquired	24.09.2012	17.10.2013	20.04.2016	20.12.2017	01.10.2018	16.10.2018	28.01.2019
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	INR	INR	Omani Riyal (180.18)	INR	INR	INR	Nigerian Naira
5	Share capital	0.21	0.02	4.50	0.01	0.10	0.10	0.69
6	Reserves & surplus	8.16	0.03	16.34	1.65	0	0	(0.14)
7	Total assets	42.13	46.57	35.96	84.54	2.37	0.10	7.49
8	Total Liabilities	33.76	46.52	15.11	82.89	2.27	0	7.62
9	Investments	0	0	0	0	0	0	0
10	Turnover	46.20	12.03	59.89	286.80	0	0	0
11	Profit before taxation	2.67	(0.19)	4.30	1.74	0	0	(0.14)
12	Provision for taxation	0.77	(0.14)	0.82	0.48	0	0	0
13	Profit after taxation including OCI	1.86	(0.05)	3.47	1.25	0	0	(0.14)
14	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
15	Extent of shareholding	88.10%	100%	70%	51%	100%	100%	100%

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

There are no subsidiaries which are yet to commence operations

Part “B”: Associates and Joint Ventures

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

(Rs in Cr)

Sl. No	Name of associates/Joint Ventures	GTA Power Mech DMCC	Mas Power Mech Arabia	GTA Power Mech Nigeria Limited
1	Latest audited Balance Sheet Date	31.03.2019	31.03.2019	31.03.2019
2	Date on which the Associate or Joint Venture was associated or acquired	07.05.2018	23.02.2015	08.03.2016
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	-	0.31
(iii)	Extend of Holding%	50%	49%	50%
4	Description of how there is significant influence	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 the Company.
5	Reason why the associate/joint venture is not consolidated	NA	NA	NA
6	Networth Attributable to shareholding as per latest audited Balance Sheet	0.06	70.68	0.17
7	Profit/Loss for the year	-0.12	2.98	0.05
(i)	Considered in Consolidation	-0.06	1.46	0.02
(ii)	Not Considered in Consolidation	-0.06	1.52	0.02

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

There are no Associate /Joint Ventures which are yet to commence operations

Note: Conversion Rate taken at NGN = INR 0.19as on 31.03.2019

Note: Conversion Rate taken at SAR = INR 18.48 as on 31.03.2019

For and on behalf of the Board of Directors of

Power Mech Projects Limited

Sd/-

S Kishore Babu

Chairman & Managing Director

DIN: 00971313

Place: Hyderabad

Date: 27.07.2019

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 FY 18-19 (Rs. in crores)
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	01.11.2015 to 31.10.2018	0.08
4	S.Rohit	Lease Rents paid	on going	0.11
5	Power Mech Infra Limited	Lease Rents paid	01.01.2016 to 31.12.2020	1.60
6	S. Kishore Babu	Remuneration Paid	on going	8.04
7	S.Rohit	Remuneration Paid	on going	0.16
8	Power Mech Infra Limited	Sub-Contract Expenses & Hire charges Paid	on going	0.48
9	Hydro Magus Private Limited	Sub-Contract Expenses & Hire charges Paid	on going	1.15
10	Power Mech Industri Private Limited	Sub-Contract Expenses & Hire charges Paid	on going	2.34
13	Power Mech Industri Private Limited	Stores Material Purchased from	on goong	1.40
14	Power Mech Infra Limited	Assets purchased from	on goong	9.52
15	Power Mech Industri Private Limited	Receipts from Sale of assets	on goong	0.03
16	Power Mech Projects Limited LLC	Receipts from Sale of assets	on goong	1.50
17	Power Mech Projects (BR) FZE	Receipts from Sale of assets	on goong	0.24
18	GTA Power Mech FZE	Receipts from Sale of assets	on goong	1.21
19	Power Mech Projects Limited LLC	Contract receipts from sale of services	on goong	4.87
20	MAS Power Mech Arabia	Contract receipts from sale of services	on goong	6.61
21	Power Mech BSCPL Consortium Private Limited	Contract receipts from sale of services	on goong	144.81
22	M/s. Power Mech - M/s. ACPL JV	Contract receipts from sale of services	on goong	43.47

Sl No.	Particulars	Nature of contract/Arrangements/ Transactions	Duration of the contracts/ arrangements/ transaction	Amount paid during FY 18-19 (Rs. in crores)
23	Power Mech-STS-JV	Contract receipts from sale of services	on goong	38.98
24	GTA Power Mech FZE	Contract receipts from sale of services	on goong	0.51
25	Power Mech Projects (BR) FZE	Contract receipts from sale of services	on goong	0.75
26	Power Mech Projects Limited LLC	Contract receipts from supply of material	on goong	0.19
27	MAS Power Mech Arabia	Contract receipts from supply of material	on goong	2.59
28	Hydro Magus Private Limited	Contract receipts from supply of material	on goong	6.19
29	GTA Power Mech FZE	Contract receipts from supply of material	on goong	1.25
30	Power Mech Projects Limited LLC	Crane hire charges received	on goong	2.47
31	Power Mech foundation	Donations paid	on goong	1.38
32	G D V Prasada Rao	Sitting fee paid to directors	on goong	0.03
33	T Sankaralingam	Sitting fee paid to directors	on goong	0.03
34	Vivek Paranjpe	Sitting fee paid to directors	on goong	0.02

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

Rs in Cr

S. No	Name of the Subsidiary	Loans / Advances/ Investments	Amounts at the year ended 2018 -19	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2018-19
i	Hydro Magus Private Limited	Loan	0	0
ii	Power Mech Industri Private Limited	Loan	32.36	32.36
lii	MAS Power mech Arabia	Loan	0	0
Iv	Power Mech projects Ltd. LLC -OMAN	Loan	0	0
V	Power Mech SSA Structures	Loan	2.26	2.26
Vi	Hydro Magus Private Limited	investment	2.94	2.94
Vii	Power Mech Industri Private Limited	Investment	4.31	4.31
Viii	MAS Power mech Arabia	Investment	2.26	2.26
Ix	Power Mech projects Ltd. LLC -OMAN	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 Projects (BR) FZE	Investment	0.69	0.69

2 Loans and advances in the nature of loans to Associates by name and amount

Rs in Cr

S. No	Name of the Subsidiary	Loans / Advances/ Investments	Amounts at the year ended 2018 -19	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2018-19
i	GTA – Power Mech Nigeria Ltd.	Investment	0.32	0.32
ii	GTA Power Mech DMCC	Investment	0.09	0.09

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

Rs in Cr

S. No	Name of the Subsidiary	Loans / Advances/ Investments	Amounts at the year ended 2018 -19	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2018-19
	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

Rs in Cr

S. No	Name of the Subsidiary	Loans / Advances/ Investments	Amounts at the year ended 2018 -19	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2018-19
	NIL	-	-	-

For and on behalf of the Board of Directors of
Power Mech Projects Limited

Sd/-

S Kishore Babu

Chairman & Managing Director

DIN: 00971313

Place: Hyderabad

Date: 27.07.2019

Annexure-4

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
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 conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended **31st March, 2019**, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2019 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 thereunder by the Securities and Exchange Board of India (SEBI);
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
- (vi) 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 and Listing of Debt Securities) Regulations, 2008;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (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;

(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;
- c) Inter-state Migrant Workmen (Regulation of Employment and condition of service) Act, 1979.

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

- a. 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.

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, as specified above, applicable to the industry of the Company.

We further report that

The Board of Directors of the Company is duly constituted with a proper balance of Executive, Non-Executive and Independent Directors. During the year under review:

S.No.	Name of the Director	Appointment/ Cessation/ Reappointment	Our Comments
1	Mr. Bhupesh Nagineni Chowdary	Cessation	Resigned as Whole Time Director & CEO of the Company w.e.f. 01.07.2018
2	Mr. Sutanu Behuria	Cessation	Resigned as Independent Director of the Company w.e.f. 21.08.2018

Adequate notice has been 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 prosecutions were initiated and no fines or penalties were imposed for the year, under the Companies Act, FEMA, SEBI Act, SCRA or other SEBI Regulations, on the Company or its directors and officers during the period under review.

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

For P.S. Rao & Associates
Company Secretaries

P.S. RAO
Company Secretary
FCS No: 10322
C P No: 3829

Place: Hyderabad
Date: 27th July, 2019

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 the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The 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.

For P.S. Rao & Associates
Company Secretaries

Place: Hyderabad
Date: 27th July, 2019

P.S. RAO
Company Secretary
FCS No: 10322
C P No: 3829

Annexure-5**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2019

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

1	CIN	CIN : L74140TG1999PLC032156
2	Registration Date	22/07/1999
3	Name of the Company	POWER MECH PROJECTS LIMITED
4	Category/Sub-category of the Company	Company limited by shares
5	Address of the Registered office & contact details	Plot No:77, Jubilee Enclave, Opp: Hitex, Madhapur, Hyderabad, Telangana-500081, Email: cs@powermech.net, Ph:+9140 30444418, Fax:+9140 30444400
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Pvt Ltd Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, Telangana, India, Ph:+91(40) 6716 2222, Fascimile: +91(40)2300 1153, Email: nageswara.raop@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Description of main products/ services	CIN/Registration Number	Holding / subsidiary / Associates / JV	% of share holding as at 31st March 2019	Applicable section
1	Hydro Magus Private Limited	U40106TG2012PTC083246	Subsidiary	88%	2(87)
2	Power Mech Industri Private Limited	U29230TG2006PTC099985	Subsidiary	100%	2(87)
3	Power Mech BSCPL Consortium Private Limited	U45309TG2017PTC121349	Subsidiary	51%	2(87)
4	Mas Power Mech Arabia	1010430705	Associate	49%	2(87)
5	GTA Power Mech Nigeria Ltd	1320877	JV	50%	2(6)
6	Power Mech Projects LLC	1253331	Subsidiary	70%	2(87)
7	Power Mech SSA Structures Pvt Ltd	U45500TG2018PTC127305	Subsidiary	100%	2(87)
8	Aashm Avenues Pvt Ltd	U45309TG2018PTC127666	Subsidiary	100%	2(87)
9	GTA Power Mech DMCC	DMCC121672	JV	50%	2(6)
10	Power Mech Projects BR FZE	0930	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01st-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	9393223	-	9393223	63.85	9195048	-	9195048	62.51	-1.35
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total (A) (1)	9393223	-	9393223	63.85	9195048	-	9195048	62.51	-1.35
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	9393223	-	9393223	63.85	9195048	-	9195048	62.51	-1.35
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1864783	-	1864783	12.68	2596406	-	2596406	17.65	4.97
b) Banks / FI	2192	-	2192	0.01	3420	-	3420	0.02	0.01
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	1025510	0	1025510	6.97	488012	-	488012	3.32	-3.65
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Sub Total (B)(1)	2892485	-	2892485	19.66	3087838	-	3087838	20.99	1.33
2. Non-Institutions									
a) Bodies Corp.	340633	0	340633	2.32	395258	0	395258	2.69	0.37
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1514823	33439	1548262	10.52	1810972	22868	1833840	12.47	1.94
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	21640	0	21640	0.15	65105	0	65105	0.44	0.30
iii) NBFC Registered with RBI									
c) Others (specify)									
Directors	1120	0.01	1120	0.01	1648	0	1648	0.01	0.00
Non Resident Indians	78859	-	78859	0.54	101304	0	101304	0.69	0.15
Overseas Corporate Bodies	187773	0	187773	1.28	0	0	0	0.00	-1.28
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	2814	-	2814	0.02	2246	0	2246	0.02	0.00

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01st-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
NRI Non-Repatriation	17496	-	17496	0.12	18337	0	18337	0.12	0
Trusts	226459	-	226459	1.54	9626	0	9626	0.07	-1.47
Sub-total (B)(2):-	2391617	33439	2425056	16.48	2405010	22868	2427878	16.50	0.02
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5284102	33439	5317541	36.15	5492848	22868	5515716	37.49	1.35
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	14677325	33439	14710764	100.00	14687896	22868	14710764	100.00	0

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year *
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	S Kishore Babu	3634942	24.71	-	3634942	24.71	-	0.00
2	Sireesha Gogineni	3360	0.02	-	3360	0.02	-	0.00
3	Lakshmi Sajja	2403626	16.34	-	2403626	16.34	-	0.00
4	Sivaramakrishna Prasad Sajja	3230	0.02	-	3130	0.02	-	0.00
5	Sekhar Gogineni	1300	0.01	-	400	0.00	-	-0.01
6	Gogineni Babu	24708	0.17	-	24708	0.17	-	0.00
7	S Kishore Babu(Huf)	1344000	9.14	-	1244000	8.46	-	-0.86
8	Sajja Rohit	1570688	10.68	-	1574413	10.70	-	0.02
9	Subhashini Kanteti	2520	0.02	-	2520	0.02	-	0.00
10	Uma Devi Koyi	5600	0.04	-	5600	0.04	-	0.00
11	Sajja Vignatha	398894	2.71	-	298094	2.03	-	-0.68
12	Sai Malleswara Rao Sajja	355	0.00	-	255	0.00	-	0.00
	Total	9393223	63.85	-	9195048	62.51	-	-1.35

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

S No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sajja Rohit						
	At the beginning of the year			1573296	10.68		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	10-08-2018	Purchase	3725	0.02	1574413	10.70
	At the end of the year					1574413	10.70
2	Sajja Vignatha						
	At the beginning of the year			398894	2.71		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	06-04-2018	Sale	(52272)	(0.35)	346622	2.36
		13-04-2018	Sale	(28528)	(0.20)	318094	2.16
		27-04-2018	Sale	(20000)	(0.14)	298094	2.03
	At the end of the year					298094	2.03

S No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Sajja Kishore Babu (HUF)						
	At the beginning of the year			1344000	9.14		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	15-03-2019	Sale	(100000)	(0.68)	1244000	8.46
	At the end of the year					1244000	8.46
4	Sivaramakrishna Prasad Sajja						
	At the beginning of the year			3230	0.02		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	03-11-2017	Sale	(100)	(0.00)	3130	0.02
	At the end of the year					3130	0.02
5	Sekhar Gogineni						
	At the beginning of the year			1300	0.01		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	18.05.2018	Purchase	449	0.00	1749	0.01
		03.08.2018	Purchase	71	0.00	1820	0.01
		31.08.2018	Sale	900	(0.00)	920	0.01
		14.09.2018	Sale	520	(0.00)	400	0.00
	At the end of the year					400	0.00
6	Sai Malleswara Rao Sajja						
	At the beginning of the year			355	0.00		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	15-03-2019	Sale	(100)	(0.00)	255	0.00
	At the end of the year					255	0.00

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S N	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	VANTAGE EQUITY FUND						
	At the beginning of the year						
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease :	20-07-2018	Purchase	40226	0.27	40226	0.27
		27-07-2018	Purchase	3971	0.03	44197	0.30
		03-08-2018	Purchase	18405	0.13	62602	0.43
		10-08-2018	Purchase	76647	0.52	139249	0.95
		17-08-2018	Purchase	114365	0.77	253614	1.72
		24-08-2018	Purchase	24543	0.17	278157	1.89
		31-08-2018	Purchase	141473	0.96	419630	2.85
		07-09-2018	Purchase	32349	0.22	451979	3.07
		21-09-2018	Purchase	5449	0.04	457428	3.11
		28-09-2018	Purchase	8585	0.06	466013	3.17
		05-10-2018	Purchase	16853	0.11	482866	3.28
		12-10-2018	Purchase	115134	0.79	598000	4.07
		09-11-2018	Purchase	5000	0.03	603000	4.10
		14-12-2018	Purchase	1200	0.01	604200	4.11
		22-03-2019	Purchase	90800	0.61	695000	4.72
	At the end of the year					695000	4.72

S N	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	HDFC SMALL CAP FUND						
	At the beginning of the year			623211	4.24		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease	06-04-2018	Buy	400	0.00	623611	4.24
		13-04-2018	Buy	110000	0.75	733611	4.99
		20-04-2018	Buy	103786	0.7	837397	5.69
		08-06-2018	Buy	6800	0.05	844197	5.74
		22-06-2018	Buy	50655	0.34	894852	6.08
	At the end of the year					894852	6.08
3	BANYANTREE GROWTH CAPITAL II L.L.C						
	At the beginning of the year			614894	4.18		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease :	20-04-2018	Sale	(86230)	(0.59)	528664	3.59
		02-03-2018	Sale	(87323)	(0.59)	441341	3.00
			Sale	(9161)	(0.06)	432180	2.94
			Sale	(2567)	(0.02)	429613	2.92
			Sale	(30000)	(0.20)	399613	2.72
			Sale	(10000)	(0.07)	389613	2.65
			Sale	(1272)	(0.01)	388341	2.64
			Sale	(25232)	(0.17)	363109	2.47
			Sale	(7058)	(0.05)	356051	2.42
	At the end of the year					356051	2.42
4	IDFC PREMIER EQUITY FUND						
	At the beginning of the year			491222	3.34		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease	13-04-2018	Sale	(141036)	(0.96)	350186	2.38
		14-12-2018	Purchase	399	0.00	350585	2.38
		21-12-2018	Purchase	1827	0.02	352412	2.40
		28-12-2018	Purchase	3515	0.02	355927	2.42
		31-12-2018	Purchase	10000	0.07	365927	2.49
		04-01-2019	Purchase	15000	0.10	380927	2.59
		18-01-2019	Purchase	1499	0.01	382426	2.60
		25-01-2019	Purchase	12021	0.08	394447	2.68
		01-03-2019	Purchase	6531	0.05	400978	2.73
		08-03-2019	Purchase	1061	0.00	402039	2.73
	At the end of the year					402039	2.73
5	SBI SMALL AND MIDCAP FUND						
	At the beginning of the year			439269	2.99		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease	13-04-2018	Sale	(70000)	(0.48)	369269	2.51
		12-10-2018	Sale	(207519)	(1.41)	161750	1.10
		19-10-2018	Sale	(7971)	(0.05)	419969	1.05
		26-10-2018	Sale	(63690)	(0.44)	431169	0.61
		02-11-2018	Sale	(48115)	(0.32)	443269	0.29
		23-11-2018	Sale	(33874)	(0.23)	439269	0.06
		30-11-2018	Sale	(8100)	(0.06)	0	0.00
	At the end of the year				0	0	0
6	HSBC GLOBAL INVESTMENT FUNDS - ASIA EX JAPAN EQUIT						
	At the beginning of the year			338599	2.30		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease:	13-04-2018	Sell	(148330)	(1.01)	190269	1.29
		20-04-2018	Sell	(190269)	(1.29)	0	0.00
	At the end of the year					0	0

S N	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	DSP BLACKROCK INDIA T.I.G.E.R. FUND						
	At the beginning of the year			189368	1.29		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease :	20-04-2018	Sale	(17266)	(0.12)	172102	1.17
		11-05-2018	Sale	(1137)	(0.01)	170965	1.16
		18-05-2018	Sale	(8135)	(0.05)	162830	1.11
		25-05-2018	Sale	(2889)	(0.02)	159941	1.09
		29-06-2018	Sale	(13986)	(0.10)	145955	0.99
		27-07-2018	Purchase	13986	0.10	159821	1.09
		01-02-2019	Sale	(176)	(0.00)	159645	1.09
		08-02-2019	Sale	(505)	(0.01)	159140	1.08
		29-03-2019	Sale	(315)	(0.00)	158825	1.08
	At the end of the year					158825	1.08
8	INDIA BUSINESS EXCELLENCE FUND I						
	At the beginning of the year			187773	1.28		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease :		Sale	(30000)	(0.21)	157773	1.07
			Sale	(25000)	(0.17)	132773	0.90
			Sale	(25000)	(0.17)	107773	0.73
			Sale	(50000)	(0.34)	57773	0.39
			Sale	(3100)	(0.02)	54673	0.37
			Sale	(54673)	(0.37)	0	0
	At the end of the year					0	0
9	IL AND FS TRUST COMPANY LTD (TRUSTEES OF BUSINESS						
	At the beginning of the year			186991	1.27		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease :	13-04-2018	Sale	(995)	(0.01)	185996	1.26
		20-04-2018	Sale	(30000)	(0.20)	155996	1.06
		15-06-2018	Sale	(25000)	(0.17)	130996	0.89
		10-08-2018	Sale	(25000)	(0.17)	105996	0.72
		24-08-2018	Sale	(50000)	(0.34)	55996	0.38
		07-09-2018	Sale	(3100)	(0.02)	52896	0.36
		12-10-2018	Sale	(52896)	(0.36)	0	0
	At the end of the year					0	0
10	IIFL RE ORGANIZE INDIA EQUITY FUND						
	At the beginning of the year			0	0.00		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease :	29-06-2018	Purchase	76764	0.52	76764	0.52
		06-07-2018	Purchase	5468	0.04	82232	0.56
		13-07-2018	Purchase	37768	0.26	120000	0.82
		07-09-2018	Purchase	8552	0.05	128552	0.87
		14-09-2018	Purchase	870	0.01	129422	0.88
		21-09-2018	Purchase	3818	0.03	133240	0.91
		28-09-2018	Purchase	20327	0.13	153567	1.04
		05-10-2018	Purchase	6456	0.05	160023	1.09
		09-11-2018	Purchase	3000	0.02	163023	1.11
		07-12-2018	Purchase	5368	0.03	168391	1.14
		14-12-2018	Purchase	6374	0.05	174765	1.19
		21-12-2018	Purchase	1270	0.01	176035	1.20
		11-01-2019	Purchase	2533	0.01	178568	1.21
		18-01-2019	Purchase	3314	0.03	181882	1.24
		25-01-2019	Purchase	505	0.00	182387	1.24
	At the end of the year					182387	1.24

S N	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	ADESH VENTURES LLP						
	At the beginning of the year			94251	0.64		
	At the end of the year					94251	0.64
12	IA ALL CAP FUND						
	At the beginning of the year			19021	0.13		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease :	01-06-2018	Buy	6000	0.04	25021	0.17
		22-06-2018	Buy	5870	0.04	30891	0.21
		13-07-2018	Buy	5412	0.04	36303	0.25
		17-08-2018	Buy	25463	0.17	61766	0.42
		24-08-2018	Buy	4722	0.03	66488	0.45
		31-08-2018	Buy	886	0.01	67374	0.46
		19-10-2018	Buy	22691	0.15	90065	0.61
	At the end of the year					90065	0.61
13	ADITYA BIRLA SUN LIFE TRUSTEE PVT LTD A/C						
	At the beginning of the year			55100	0.37		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease :	02-11-2018	Buy	24847	0.17	79947	0.54
	At the end of the year					79947	0.54
14	POLARIS BANYAN HOLDING PRIVATE LIMITED						
	At the beginning of the year			55401	0.38		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease :	16-11-2018	Sale	(25220)	(0.17)	30181	0.21
	At the end of the year					30181	0.21
15	VEC STRATEGIC GROWTH FUND 2						
	At the beginning of the year			42559	0.29		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease :	02-11-18	Sale	(6000)	(0.04)	36559	0.25
	At the end of the year					36559	0.25

E) Shareholding of Directors and Key Managerial Personnel:

S N	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	S. Kishore Babu						
	At the beginning of the year			3634942	24.71	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	-	-	-	-	-	-
	At the end of the year					3634942	24.71
2	Lakshmi Sajja						
	At the beginning of the year			2403626	16.34		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):						
	At the end of the year					2403626	16.34

S N	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	N. Bhupesh Chowdary, Wholetime Director & CEO						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):						
	At the end of the year					Nil	Nil
4	GDV Prasada Rao						
	At the beginning of the year			1120	0.01		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):						
	At the end of the year					1120	0.01
5	T. Sankarlingam						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):						
	At the end of the year					Nil	Nil
6	Sutanu Behuria						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):						
	At the end of the year					Nil	Nil
7	Vivek Paranjpe						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):						
	At the end of the year					Nil	Nil
8	M. Rajiv Kumar						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):						
	At the end of the year					Nil	Nil
9	J. Satish						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):						
	At the end of the year					Nil	Nil
10	Rohit Tibrewal						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):						
	At the end of the year					Nil	Nil

V. INDEBTEDNESS

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

(Amount in Rs crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	234.96	43.41	-	278.37
ii) Interest due but not paid	0.01	-	-	0.01
iii) Interest accrued but not due	0.04	-	-	0.04
Total (i+ii+iii)	235.01	43.41		278.42
Change in Indebtedness during the financial year				
* Addition	73.90	31.56	-	105.46
* Reduction	27.37	-	-	27.37
Net Change	46.53	31.56		78.09
Indebtedness at the end of the financial year				
i) Principal Amount	281.40	74.97	-	356.37
ii) Interest due but not paid	0.11	-	-	0.11
iii) Interest accrued but not due	0.03	-	-	0.03
Total (i+ii+iii)	281.54	74.97		356.51

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in Rs crores)

S N.	Particulars of Remuneration	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	Shri S Kishore Babu	*Shri N Bhupeshn Chowdary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.30	0.18	1.48
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit- others, specify	6.74		6.74
5	Others, please specify	-	-	-
	Total (A)	8.04	0.18	8.22
	Ceiling as per the Act			

* Mr. N. Bhupesh Chowdary resigned as Wholetime Director w.e.f 01.07.2018.

B. Remuneration to other directors

(Amount in Rs. crores)

S N.	Particulars of Remuneration	Name of Directors						Total
		Smt. S Lakshmi	Shri. T Shankarlingam	Shri. Sutanu Behuria	Shri. M Rajiv Kumar	Shri GDV Prasada Rao	Shri Vivek Paranjpe	
1	Independent Directors							
	Fee for attending board committee meetings	-	0.03	-	-	0.03	0.02	
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (1)		0.03			0.03	0.02	0.08

(Amount in Rs. crores)

S N.	Particulars of Remuneration	Name of Directors						Total
		Smt. S Lakshmi	Shri. T Shankarlingam	Shri. Sutanu Behuria	Shri. M Rajiv Kumar	Shri GDV Prasada Rao	Shri Vivek Paranjpe	
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	-	-	-	-	
	Commission	-	-	-	-	-	-	
	Others, please specify: Consultancy fees	-	-	-	-	-	-	
	Total (2)	-	-	-	0.61	-	-	0.61
	Total (B)=(1+2)	-	0.03	-	0.61	0.03	0.02	0.69
	Total Managerial Remuneration							
	Overall Ceiling as per the Act							

C. Remuneration to Key Managerial Personnel other than Md/Manager/Wtd

(Amount in Rs crores)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	0.09	0.50	0.59
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	0.09	0.50	0.59

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors of

Power Mech Projects Limited

Place: Hyderabad
Date: 27.07.2019

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

Annexure-6

Management Discussion & Analysis

Indian Economic & Industry Overview

India retained its position as the sixth-largest economy and the fastest-growing trillion-dollar economy through a major part of the year under review (except in the last quarter of 2018-19). After growing 7.2% in 2017-18, the Indian economy is estimated to have grown 6.8% in 2018-19 as per the Central Statistics Office release, May 2019.

The principal developments during the year under review comprised a sustained increase in per capita incomes, decline in national inflation, steadying interest rates and weakened consumer sentiment from the second half of the financial year. The weaker sentiment was on account of a large non-banking financial company announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment.

In 2018-19 the country attracted ~US\$ 42 billion in FDI inflows as per the World Investment Report, 2019. Driven by strong policy reforms, India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the 'Ease of Doing Business' that captured the performance of 190 countries.

Inflation (including food and energy prices) was estimated at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. Even though Rupee stabilized in the year under consideration at Rs. 69.44, it has shown lower rates off late touching Rs 71-72 and this can be cause for worry and also an opportunity. During the fiscal under review, the Indian Government continued to invest deeper in digitization, renewable energy capacity generation and infrastructure building.

Key Government Initiatives

The Indian government continued to take a number of initiatives in strengthening national economy. Taking into account the various policy changes in the last year, and also some of the down trends in the GDP growth, it is essential to have a relook on the business down the line and the Industry overview keeping in mind many new initiatives in various segments of Power, Industry, Railways, Infra developments and various other sectors.

Expanding infrastructure

India's proposed expenditure of Rs. 5.97 trillion (US\$89.7 billion) towards infrastructural development In Union Budget 2018-19 is expected to strengthen the national economy. The Government has announced to invest Rs 100 lac crore (US\$ 1.5 trillion) in infrastructure over the next five years. (Source: IBEF)

Outlook

The Indian economy appears to be headed for sustained sluggishness in 2019-20. Even as a new government is expected to remain pro-investment and pro-business resulting in a larger spending on infrastructure build-out, an economic revival appears some quarters away. The long-term outlook of the country appears to be positive on account of the various economic reforms, increasing aspirations, sustained consumption momentum and a national under-consumption across a range of products appearing to correct. (Source: CSO, Business Standard)

Industry & Market Overview

The Company since its inception was predominantly driven by the opportunities in the power sector had fully utilized its potential during the growth periods of 11th and 12th plans, and also the massive capacity expansion which had taken place in the IPP sector, and the transformation was inevitable and essential when the down ward trend in the investments in the capacity expansion of coal fired units happened in the last couple of years, needing a relook into the business strategy for maintaining growth and profitability, and this obviously led to the need of a relook at opportunities in non power sector and other industry segments, and at the same time, maintaining its dominant position in the power sector business. It is a fact that annual capacity addition of Coal fired units has come down from 20000mw in 2016 to 4000mw in 2019.

The Company's growth in the last two years of achieving total income of Rs 1555 Cr in FY 2018 and Rs 2275 Cr in FY 2019, in spite of capacity addition in Thermal sector had nose-dived, has been result of opportunity consolidation and diversification into non power sector in various segments. The company having diversified into areas of business into non power sector related to Oil and Gas sector, Petrochemicals, Refineries, Railways, Rural electrification, Steel, and also in the infra sector related to Technology parks, Irrigation and roads, and in these sectors, the developments and investments are of considerable importance for the Company's growth.

The power sector in India is one of the most diversified in the world ranging from conventional sources of power generation like coal, natural gas, oil, hydro and nuclear power to renewable sources like wind, solar agricultural and domestic waste. India is the third largest producer of electricity globally and possesses the fifth largest electricity production capacity in the world. Total installed capacity of power stations in India was pegged at 359 GW as of June, 2019. The emphasis of the present Government is to increase the share of Renewables and reduction of emissions in keeping with the

Global commitments. The present share of Renewables is 22% of installed base and it is expected to go up to 36% by 2022, and 44% by 2030 with total installed base of 479GW and 619GW respectively. The lower growth of installed base in Fossil based power plants has been a reality, with more emphasis on Renewables. This is also impacting the PLF of coal based power plants in the last 6 years and the present PLF is around 60% when compared with about 70% in 2012-13. 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 total coal based plants of 166GW as of now (source CEA). The electricity demand in India has been rapidly rising and the growth has been catalyzed by government schemes like 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 is projected to drive the growth of power consumption to 1,894.7 terawatt hours. These schemes will have cascading and positive impact on the growth of the transmission and distribution business.

There are also growth and investments taking place in other sectors. The broad growth objectives has been to increase the Refining capacity to 320mt by 2030, Steel capacity to 300mt by 2030. A very brisk pace of expansion and investment is taking place in the case of Railways exceeding more than Rs 1 lac cr per year in all the segments of Railway infra

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 4 years with focus on Middle East, West Africa and Bangladesh.

The power generation capacity being planned for capacity addition to reach 499GW by 2035 in Middle East and huge investments are expected both in the MENA(Middle East and North Africa)Region and also GCC(Gulf Cooperation Council)Region. Africa is also poised for major investments. The investments are across the energy spectrum of Power, Oil, Gas and all the downstream needs. Bangladesh also is focusing its development agenda with major investments in the Power sector and the present capacity of about 19000mw and its augmentation to 60000mw 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 also Nuclear.

Energy demand of India is anticipated to grow faster than energy demand of all major economies, on the back of continuous robust economic growth. Consequently, India's energy demand as a percentage of global energy demand is expected to rise to 11 per cent in 2040 from 5.58 per cent in 2017.

Sectorial opportunities

I. ETC Business:

- a. **Domestic Power, FGD & SCR:** There is an opportunity of 10 GW of new projects which have been awarded to various EPC agencies, and the ETC share of opportunity can worth Rs 1500 Cr in Boiler, Turbine and Generator (BTG) and also some of the BOP packages. Approximately 5,000 MW of EPC tenders are in pipe line in Green & Brown field expansion.

Also, nearly 166000 Mw (As per latest CEA guidelines) is expected to be retrofitted with FGD & SCR (Flue-gas Desulphurization & Selective Catalytic Reduction) by 2024 with total Investment of Rs 1,000 Billion. A significant aspect of these investments is the thrust being provided by NTPC as a leading power utility in the country. A beginning has been made with the First FGD system of 500mw unit commissioned by NTPC at Vindhyachal , where in the Company executed this work for General Electric who were the EPC contractor. NTPC has plans for FGD conversion for about 42,920mw out of 66,973mw (as per the revised FGD plans drawn by CEA). It has already awarded contracts for 31,810 mw so far, and all these EPC contracts will come up for implementation in the next 2 to 3 years. The major players being BHEL, General Electric, L&T,MHPS. However for retrofitting works of FGD, there is not much of ordering which has taken place from other utilities and and it is expected, the pace of awarding EPC contracts to various EPC contractors will pick in this year and the coming year to meet the total implementation schedule by 2023-24.

In the case of SCR emission control related to reduction in NOx, the technology suitable for Indian coal is being validated and the ordering process for 1,66,000mw of units is also expected to pick up from here after wards. The total investment is expected to be Rs 400 Billion and 20% of the same is expected for site execution works which can be of interest to the company. At present the company is implementing FGD & SCR packages in Harduaganj (660mw).

In the case of Main plant ETC segment, projects are expected to come up for award at Khurja (2x660mw) by THDC, 2x800mw each at Lara and Singruli by NTPC as brown field expansions.

- b. **Rehab and Reconstruction:** Power Mech has gained experience in the Rehab business being partner with Doosan for the 200 MW Bandel plant up gradation and this work has been successfully completed. In the light of capacity additions in the thermal sector drastically coming down beyond 2022, the present

plan is to complete the projects on hand worth of 48,000 Mw by 2022. With this change with focus on renewables, the focus would also on the Rehab of older power plants and also Reconstruction of Plants which will be uneconomical to run.

In the case of Rehab business as per guidelines, it is estimated that Rs 200 Billion to Rs 300 Billion worth of investments are planned from 2017 to 2022. This investment is purely for the up gradation and modernization of plants with age of 15 to 25 years and more.

In the case of Reconstruction, this can be an entirely new business activity involving dismantling of the older and uneconomical power plants and augmenting the capacity with new generation supercritical units. NTPC, the leading developer has identified for reconstruction of 11,000 Mw and the first plant based on this philosophy is coming at Patratu 3x800 Mw units. This can help in emergence of two areas of business; one is related to the dismantling of the older power plants and the other is related to ETC of new plants coming in its place.

For particulate emission control all the old ESPs aggregating 220 units of 63000 MW are required to be compliant with new norms of 30 to 100mg per Nm³ for the installation of new ESPs by 2022-23.

- c. **Nuclear Power:** There has been renewed vigor in this segment with GOI approving investments for 10 units of total capacity of 7000 MW with an investment of Rs 70,000 cr in the next 5 years. The expertise of the Company in the ETC of turbo generator & structural works would come in handy in making efforts for the site installation works particularly in the turbine island works

II. Civil & Other works:

Major experience has been gained in the implementation of civil works in various power projects and also some of the Infra projects for the last 7 years and your Company has established an SBU with experienced organization structure for the implementation of Civil works. Also the advent into the non-power sector and infra areas also has boosted the civil share of the business, and currently it stands at 37 % of the total revenue in a hugely diversified service profile with various segments encompassing Power, Irrigation, Technology parks, Railways, Industry including Non Power segment etc. 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 expansion of civil business is being assessed for its viability and synergy with the Company's outlook and goal including maintaining margins apart from top line growth. It is also important to state that the synergy of Civil works with ETC works has been established in the power plant construction works and this has also enabled the company to execute major projects dovetailing the project needs and timely completion and obtaining better margins by cost optimization in undertaking ETC works also. A major example is the ongoing works at Maitree project in Bangladesh, where a mix of Civil works have also been augmented to undertake main ETC works of the main plant and some of the BOP packages involving about 649 Cr of work. Company on similar business philosophy had successfully completed mix of Civil and ETC jobs at Vizag (500mw), Raichur (800mw), Suratgarh (2x660mw). In fact your Company is a leading player in undertaking a mix of Civil and ETC jobs at the same project which has been well recognized by major EPC players in the Country.

This is also in the backdrop of hugely successful undertaking of Rs 357 Cr AMTZ technology park EPC job which is completed at Vizag for AP Government, which can provide a major reference for undertaking similar jobs in the future, and also under successful execution of Rs 260 cr of Railway civil works from Gudivada to Machilipattinam.

This policy will be continued as per the opportunities made available. Similar approach will also be adopted in the case of non-power sector related to Refineries, Steel Plants, Fertilizers and Cross Country pipe line works.

The various segments of Industry, Power, Infra sectors where in the opportunities and investments and developments taking place are as under

- a. **Power:** 10,000 Mw of projects under implementation by BHEL, L&T, GE etc and the total opportunity being pursued is around Rs 2400 Cr , and these works mainly pertain to the civil works of main plant and Balance of Plant. Also another 5000 mw of projects will be awarded in this year which will provide opportunities in the coming year. There is also the scope of civil works pertaining to FGD and SCR retrofits and this will be pursued based on the viability of undertaking the same.
- b. **Railways:** As it is seen, that the present Government is determined to make Indian Railway into a modern and fast moving vehicle for economic development and vastly improving the transportation infra needed for movement of public and freight. Railways are in the process of implementing huge investments exceeding Rs 8 lac cr in all segments of railway infra, related to track doubling, new railway lines, railway station modernization, maintenance workshops,

railway electrification, including signaling and telecommunication. The average investment of Rs <50,000 cr prior to 2014, has been enhanced to more than Rs 100,000 cr per year at present and the major areas of new investments which can be of interest to the Company are in the areas of Station development and Logistic parks (Rs 1,00,000 cr), Network expansion including Electrification (Rs 1,93,000cr), network decongestion including DFC, track doubling, Electrification (Rs 1,99,320 cr) and also investments for new railway workshops, maintenance depots. Company is also interested in the development investments taking place for the modernization of more than 100 railway stations. Also the plans to provide workshop for maintenance purpose of one workshop in each of the Zonal Railways can provide opportunities, and already the Company has made a head way in undertaking MEMU shed works at Kanpur of Rs 74 Cr.

- c. Non Power Industry areas related to Steel, Petrochemical, etc:** The company is also utilizing the available capacity to look into new civil opportunities related to investments taking in Steel, Petrochemicals, Fertilizers, Refineries, Cross country pipe lines. At present some opportunities are being pursued with the JSW expansion at Vijayanagar where in the Company has a foot hold in undertaking structural works, and there are about R 750 Cr of opportunities available in the civil segment.
- d. Irrigation:** The ongoing works of Irrigation canal work Rs 374 Cr in Telengana paves the way for future qualification of similar jobs in Irrigation sector, and these opportunities will be pursued on a selective basis in the states of Telengana, Orissa and Karnataka.
- e. Roads & Airports:** There are huge opportunities in both the 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.

In the case of Airports, the policy of the Government is to improve the 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 4 categories of A, B, C, D. The area of interest to the company is in the category C and D with investments in the range of Rs 300 to 1000 cr, and some opportunities have been identified

III. Operation & Maintenance (O&M):

Power major NTPC is providing new opportunities (4,000-5,000 MW per year) for newly commissioned units in the form of long term annual rate contracts. With state utilities looking at long term Annual Maintenance Contract (AMC) model to reduce O&M cost, there is an extended opportunity in IPP sector. Including hydro repair, rehab, overhauls & reverse engineering in spares manufacture & supply shall provide an extended base for growth. Also, there is a scope for O&M in Petroleum, Refinery, Steel & other non-power sectors. Installed base of 300 GW in Middle East with 80% of Oil & Gas fired units is expected to transform O&M space.

O&M business has become a very solid business segment of your Company's operations and recurring business model, substantially contributing to the top line with 25% of revenue share and higher returns with very low capital investment, and this segment of business has substantially undergone consolidation with long term contract of 3 to 5 years for operation which forms of the bulk of O&M business. The other part of the O&M business mainly relates to repair, maintenance, over hauls, rehab, and annual shutdowns etc which are need based services at the plants with better margins. Both the sub segments are rewarding and now have become the backbone of the Company's growth plan for top and also bottom line.

As on date the Company has established presence in about 53,4000 Mw for long term contracts out of the installed base of 2,25,000 MW(In Coal and Gas based plants in the domestic sector. IPP sector has taken the lead in out sourcing the long term O&M contracts in a big way and your company has established its strong presence with >50% market share of 90000mw installed base. A major development in the recent times, has been the foray into state sector, mainly by NTPC, KPCL and SCCL, and this breakthrough has enabled the company to foray into state sector which was all these days was doing O&M work on departmental basis. However 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 4000-5000mw based on the capacity addition planned by NTPC. This has resulted in undertaking AMC jobs of some packages at Solapur(2x660mw), Gadawara (2x660mw), Lara (2x660mw), Khargone(2x660mw).

Another feature has been entry of AMC into the captive power sector at Hindalco, Vendanta plants. It should be noted that there is an installed base of 65000mw in captive segment and this new entry need to be consolidated as the captive segment also most of the O&M works are being

done by the Plant owners. Since the unit capacities are not on par with the Power sector, there is a need to choose the optimum capacity of the units for AMC jobs meeting the customer needs and his budget.

Some progress has been made in undertaking O&M jobs in the non-power sector and the recent success has been the major job from NMDC where the Company is the lowest bidder for their Iron ore material handling package

.After the advent and presence of ETC business in the export sector, the Company is also in parallel establishing the O&M space in the Middle East and North Africa. The beginning has been made to address the needs of Over Hauls,

Repair, etc, and the focus is to expand the country wise profile in Middle East as first stage for similar works and then look for major opportunities for long term contracts. The present installed base of >300GW offers lot of scope for improving the export O&M business in the next 2/3 years.

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 IPP sector, foray into State sector, Captive sector, Hydro segment, Manufacture of spares and also increasing the footprint of O&M business in the export sector.

Another important factor in the growth of renewables and its share expected to be 44 % by 2030, the base load stability of the coal based power plants will have to undergo major operational changes for day, night operation, 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 particularly thermal power plants for reconfiguring to day/night operations for load management, frequency control, with shutdowns/starts on daily basis. Therefore these changes in the generation mix in the coming years with renewable portion going up to 44 % 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 IPP sector, > 40,000 Mw of coal based captive sector out of total installed base of 65 000 Mw. In the case of NTPC the leading generator in the Country, is trying to bring under the fold of long term 3 to 5 years for annual repair contracts where in the additional capacity addition is expected to be 4,000 Mw to 5,000 Mw p.a. In the case

of State utility sector of thermal power plants of about 72,000 MW, and efforts are under way for the penetration of long term O&M contracts.

Efforts are under way for entry into O&M business in non-power sector related to Refinery, Petrochemicals, Steel etc and some initial success has been achieved and the effort is to expand the opportunities in the coming years and this will add to overall business growth of O&M business. The synergy of expertise and experience in power sector O&M operations are being utilized for foraying into non-power sector O&M business.

The advantage of long term O&M contracts opens up opportunities for renewal options at the end of the contract period and thus consolidating secured recurring business.

On the O&M side also strides have been made to penetrate the O&M opportunities in the Middle east, with installed base of 157 GW of installed base in GCC area offers lot of opportunities to pursue the O&M business. It is heartening to note that about Rs 40 Cr of business has been procured in the year 2018-19 in the GCC area alone and there is more scope to expand the O&M profile in Middle East

IV. International operations:

The total opportunities in international business are expected at Rs 50 Billion. With the capacity ramp up of 299 GW to 493GW by 2035, there is a requirement for building power infrastructure.

The export initiatives had been commendable with the undertaking of projects in Middle East, Africa and Bangladesh and the export growth had been consistent with timely implementation of projects and your Company has big plans for consolidating and growth both in geographical reach and also make export business to contribute substantially for business growth of the Company. The success of timely completion of major projects in Shuqaiq (2x600mw) in Saudi Arabia, and Bheramara (380mw) in Bangladesh, and the IBRI project in Oman has given the company a strong foot hold in the International market with a very strong organization set up for marketing and also for its operations. Presently Company is carrying about 10 major contracts in about 7000mw of various Gas , Hydro and Coal based projects in Saudi Arabia, Bahrain, Kuwait, Bhutan, Nigeria, Bangladesh working for renowned EPC contractors like General Electric, Abener, Alghanim, Gama, Doosan, BHEL, Engineers India Ltd, Bisho Infra etc.

Export initiative 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 sector during this period. The presence has

been well established in Middle East and Bangladesh. There had been further geographical expansion into West Africa in Nigeria and also North Africa. The undertaking of a major captive power plant for a Refinery Project has been a major recent initiative with foot print established in West Africa for Dangote Refinery project. It is interesting to note that the Company is working on 23 Gas Turbines, 21 HRSGs & Boilers, and 12 Steam turbines and 2 large utility Boilers in several of the above projects.

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

a. Middle East , GCC and North Africa

In the case of Middle east, the installed generation capacity is planned to be augmented to 493 GW by 2035 and the continued pace of investments has been throwing up lot of opportunities for new units installation. As per the Arab Petroleum corporation Ltd(APICORP), between 2019 and 2023, the investments in the MENA region(Middle East and North Africa), is expected to be 1 trillion USD with investment in power sector alone planned at \$ 209 Billion spurred by the growing demand electricity demand. About 87GW of projects are under various stages of implementation in MENA Region of which 17% with S Arabia, 19% in UAE and 16% in Egypt.

In the GCC area, comprising S Arabia, UAE, Kuwait, Oman, Qatar, Bahrain, GCC represents 43% of 157GW of generating capacity, and about \$50 Billion of projects are under various stages of implantation and to be implemented by 2021 mainly for augmenting the generation capacity.

b. Bangladesh

The demand for power is expected to increase from the capacity of 19000mw to 61000mw by 2041. Bangladesh has embarked on various energy sources for augmenting this capacity and also has undertaken major thrust in augmenting the coal based capacity with Ramphal project (2x660mw) and many such projects are under the pipe line. Gas based projects are also major priority for the capacity expansion with availability of natural gas. Presently the Company is executing two major projects at Ramphal (2x660mw Coal based) and Bhola 220 mw Gas based projects.

At present the Company is pursuing opportunities of about Rs 50 Billion across most of the Middle East, West Africa and North Africa both in the Power Sector as well as Refinery and Oil & Gas Sector.

V. Oil & Gas sector:

Gas pipeline infrastructure in the country stood at 16,226 km in 2019 and 14,200kms of pipe line 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. According to Department for Promotion of Industry and Internal Trade Policy (DPIIT), the petroleum and natural gas sector attracted FDI worth US\$ 7.018 billion between April 2018 and March 2019.

New LNG terminals are expected to come up Dhamra Odisha and Jaigarh Maharastra each of 5 MMTPA capacity. 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 pipe line networks for LNG transportation(Source: Ministry of Petroleum and Natural Gas Government of India)

The Government of India is planning to set up around 5,000 compressed bio gas (CBG) plants by 2023. Government of India is planning to invest Rs 70,000 crore (US\$ 9.97 billion) to expand the gas pipeline network across the country. The Oil Ministry plans to set up bio-CNG (compressed natural gas) plants and allied infrastructure at a cost of Rs 7,000 crore (US\$ 1.10 billion) to promote the use of clean fuel. Crude oil consumption is expected to grow at a CAGR of 3.60 per cent to 500 million tonnes by 2040 from 221.76 million tonnes in 2017. Natural Gas consumption is forecasted to increase at a CAGR of 4.31 per cent to 143.08 million tonnes by 2040 from 54.20 million tonnes in 2017. The approximate current annual investment is in the range of Rs 600 Billion to Rs 800 Billion in oil and gas sector. The installed base is expected to expand from 252 Mn MT to 320 Mn MT by 2030-31 by way of brown field & green field refineries. The construction scope of the business is expected to be in the range of Rs 30 –Rs 40 Billion per year.

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 Barmar under HPCL.

The Company has been successful in taking up the cross country pipe line jobs in the last two years involving about 540 kms of cross country pipe laying for 4 major projects. One work of Ennore Manali of 22.5kms has already been completed and 3 major works are under execution of Koyali Ahemednagar Pipeline, Ramanathapuram-Tuticorin Pipeline and Mundra Kandla Pipe line projects, The Mundra-Kandla pipe line is meant for LNG transportation and being executed for Adani Group and rest of the pipe line projects are from IOCL. The total contract value of

all these projects is Rs 464 Cr and this has substantially enhanced the Company's ability in its diversification efforts for the high end pipe line business and also enables the company to acquire new skills and workman ship in cross country pipe laying work on fast track mode.

Oil and gas segment has become an important component of Company's diversification measures in the last couple of years and these efforts are paying dividends in its contribution for business and sales growth in the last two years in a significant way

VI. Steel Sector:

The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel. Rapid rise in production has resulted in India becoming the 2nd largest producer of crude steel during 2018, from its 3rd largest status in 2017. The country is also the largest producer of Sponge Iron or DRI in the world and the 3rd largest finished steel consumer in the world after China & USA. The country's crude steel capacity stood at 138 Mn mt by 2018-19 and the Government of India plans to expand this capacity to 300Mn MT by year 2030. New management control of stressed steel assets in private sector and rising opportunities to consolidate capacities, brown field expansion of steel plants with an estimated investment of Rs 500 Billion is expected to arise in near future. This is mainly happening in the private sector.

There are also long term plans of GOI to develop new green field steel plants in the states of Odissa, Jharkhand, Chattisgarh and Karnataka of 6mtpa capacity each, with a total investment of \$ 24 Billion.

Company also in its pursuit of diversification as a policy in various segments started the initiative for steel sector jobs in construction and initially completed Rs 30 Cr work in the expansion of JSPL steel plant of 3 mtpa capacity and 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 Rs 314 cr for about 8 packages and about 50000mt of structural works.

JSW expansion plans of Vijayanagr from 13mt to 18 mt has thrown up immediate opportunities of about Rs 1500 cr and all these opportunities are being aggressively pursued by the Company. It is also important to note that experience and references being established by the ongoing works at JSW would enable the Company to become a major player in the construction of steel plants in the coming years in the areas of civil, structural, equipment and piping works. The recent takeover of steel business and change of hands for Electro steel with Vedanta, Monnet Steel with JSW.

Bhushan Steel with Tata Steel, and the imminent takeover of Essar steel by Arcelor Mittal group can also bring new capacity additions.

Another area of interest is the opportunity available for material handling works related to Iron ore handling and some of the opportunities being pursued for NMDC and other companies.

VII. Electrical

It is interesting to note in the last 3 years the Company has made major strides in establishing the new SBU catering to the complete Electrical business segment comprising various sectors related to Rural Electrification, Transmission and Distribution, Railway electrification along with signaling and telecommunications, and the company has bagged orders worth of Rs 581 Cr involving Substation works, T &D works and Over Head Electrical works for Railway electrification. The Rs 350 Cr Railway electrification work of Rajasthan- Sadulpur involving about 650km of Railway electrification including S&T works has been major breakthrough in its business profile and the success of implementation of this project will open many more opportunities on the burgeoning capacity augmentation plans of Indian Railways for 100% Electrification of its Railway network, and the various investments and business opportunities are as under various segments

a. Transmission & Distribution Sector:

One of the major features enabling India to achieve this impressive feat has been the advancements made by the Power sector in terms of capacity and availability. It has been facilitating an efficient transition from labor to machine intensive production and constantly fuelling the energy requirements of various other industries. It remains one of the most critical components of infrastructure that affects economic growth.

Power transmission and distribution is perhaps as important as power generation. T&D in India is the 3rd largest in the world. Current installed transmission and distribution capacity is about 150 GW which is considerably low compared to generation capacity of 359GW. The power transmission and distribution sector is now receiving its due attention with investments from the Government in the form of higher share of allocated expenditure through some of its scheme such as Deendayal Upadhyaya Gram JyotiYojana (DDUGJY) and Integrated Power Development Scheme (IPDS).The new SOUBAGYA scheme of 100% house hold electrification obviously needs augmenting T&D capacity The Indian

Government planning to tender out transmission & distribution projects worth Rs 1,000 Billion and given the huge untapped potential in state-level & national level exist for Power transmission & distribution engineering with increasing demand. This can also a great opportunity for established construction Company's like yours to get a share of the business.

b. Electrical & Optical Fiber Cabling:

The Indian Government is planning to tender out transmission & distribution projects worth Rs 1,000 Billion. Demand for power transmission and distribution equipment correlates with investment in transmission and distribution network. India is on the verge of becoming a major power nation among developing economies, and increasing demand for electricity, new power generation capacity additions and expansion of Transmission and Distribution infrastructure have become major growth drivers for the sector. BharatNet, a digital connectivity initiative launched by the UPA government in 2011, is aimed at linking 2.5 lakh village blocks encompassing more than 6 lakh villages for seamless delivery of citizen-centric services. The government has connected 1.19 lakh village blocks in the first phase of its ambitious BharatNet program. In the phase two, the government targets connecting 1.25 lakh villages.

c. Railway Electrification:

The Indian Railway is among one of the largest railway networks in the world and is spread over 115,000 kms. Nearly 23 million people use railways on a daily basis. In the last 65 years, the investment had been less in Railways due to which the infrastructure increased by 30 per cent while freight and passenger traffic increased by 1500 percent. The Cabinet Committee for Economic affairs approved, in September 2018, the proposal for 100% electrification of un-electrified broad gauge routes by 2021-22. A yearly target was drawn up according to which it was projected to electrify 6,000 route km in 2018-19, 7,000 km in 2019-20 and 10,500 route km each in 2020-21 and 2021-22. The network decongestion, track doubling, setting up high speed networks & overhead equipment, development of stations, signal and telegraph (S&T) opportunities for railway electrification & signaling. The Government also intends to increase rail electrification target for FY20 and beyond and has committed a capex of around Rs 60,000 crore for next three years, and this will auger well for the sector.

VIII. Hydro Sector & Water:

Your Company is already carrying out Hydro plant installation works in Bhutan and with its subsidiary arm of Hydro Magus, has started into all segments of Hydro business in the areas of ETC, EPC (for small units), Repair,

Maintenance, Rehab & O&M and has established its foot print in the states of J&K, Uttarakhand, Kerala, MP etc. There are opportunities of Rs 9.25 Billion in Electro Mechanical packages, Rs 22.86 Billion in EPC packages of small units, across segments of Hydro Business in the next 4 years. The expansion of profile in these segments can auger well for the Hydro Business of the Company. There are major R&M jobs in the old hydro plants and about 15 projects have been identified involving about Rs 20 Billion of investments. Also the company is in dialogue with Rosatom, the Russian energy major for collaboration related to sourcing and tie ups needed for the main plant equipment and an MOU understanding has been reached for support from Rosatom of Russia. This should enable the Company to qualify for many of the major opportunities coming up in the Country. There are also existing agreements available with other International companies like Lithostraj of Slovenia for tie up on Hydro Turbine needs.

Also the company has taken initiative in the Water systems, particularly in the field of STP (Sewage Treatment Plant).

For the urban water treatment needs also increased focus on Sewage treatment on a large scale for improving the urban quality of life. At present still 65% of the Urban needs have to be brought under the STP scheme and this has thrown up huge opportunities across the country. Under AMRUT scheme for Rejuvenation and urban transformation of 500 cities have been selected.

In the last 3 years significant strides have been made in the market penetration of Hydro and water business, and as on date about Rs 230 cr of orders are being executed in the segments related to small EPC of Hydro plants, Rehab works, various O&M works related to hydro power plants, and Water related business, and out of these orders the new segment of water business related to Sewage Treatment Plants (STPs) at Karnal, Gudiwada and Palwal aggregates to about Rs 155 Cr.

IX. Manufacturing and Heavy Fabrication:

This is part of the new initiative for backward integration for the Service business (O&M) 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 entire range of services needed for Thermal and Hydro sector needs, with scope of enhancing the opportunity in other Industry sectors.

Major action has been taken to establish a heavy fabrication facility at Gachibowli in Hyderabad in 2018-19, mainly related to Structural needs of Steel sector based on the new opportunities made available for JSW structural works. 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 1500mt per month which can generate more than Rs 100 Cr of business per year.

The intent is to make the above facilities fully exploit the market needs in different segments and utilizing the capacities created for sustained business growth.

Financial review

Analysis of the profit and loss statement

Revenue: Revenue from operations reported 46.09% growth from Rs. 1,547.83 cr in 2017-18 to reach Rs. 2,261.30 cr in 2018-19 due to strong order book and change in business mix. Revenue from erection has gone up by 14.74%, Civil has gone up by 145.35%, O&M has gone up by 9.37% and Electrical business has gone up by 202.05%. Revenue from Power business has gone up by 7.70% and revenue from Non Power business has gone up by 444.16%.

Other income of the Company reported 110.12% growth from Rs. 6.72 cr in 2017-18 to reach Rs. 14.12 cr in 2018-19 due to increase in interest on deposits, profit on sale of assets and gain on foreign exchange fluctuation.

Expenses: Total expenses of the Company increased by 45.43 % from Rs. 1,424.28 cr in 2017-18 to Rs. 2,071.40 cr in 2018-19 with increase in the operational scale of the Company.

Raw materials cost accounting for 14.34% share of the Company's total income in 2018-19 & 12.63% of total income in 2017-18 increased by 66.17 % from Rs. 196.41cr in 2017-18 to Rs. 326.38 cr in 2018-19 on account of increase in railway, electrical & other civil business of the Company.

Contract execution expenses accounting for 53.40% share of the Company's total income in 2018-19 & 52.40% of total income in 2017-18 increased by 49.17% from Rs. 814.57 cr in 2017-18 to Rs.1,215.08 cr in 2018-19 because of increase in revenue of the Company & change in business mix both in power & non power business.

Employees expenses accounting for 17.28 % share of the Company's total income in 2018-19 & 20.08% of total income in 2017-18 increased by 25.95 % from Rs. 312.17 cr in 2017-18 to Rs. 393.18 cr in 2018-19 on account of increase in the number of projects, number of employees as well as the yearly revision of remunerations, though the increase in employee cost is not proportionate to the revenue growth which due to change in business mix and part of the cost is in the nature of fixed cost.

Depreciation on fixed assets increased by 6.96 % from Rs. 42.84 cr in 2017-18 to Rs. 45.82 cr in 2018-19 owing to an increase in fixed assets during the year.

Finance cost accounting for 2.42% share of the Company total income in 2018-19 & 2.31% of total income in 2017-18 increased by 53.53 % from Rs. 35.87 cr in 2017-18 to Rs. 55.07 cr in 2018-

19 due to increase in the utilization of limits both fund and non fund limits of the Company with increase of strong order book and operations of the Company.

Analysis of the Balance Sheet

Sources of funds

Total capital employed: The capital employed excluding minority interest increased by 20.32% from Rs. 996.89 cr as on 31st March 2018 to Rs. 1,199.44 cr as on 31st March 2019 owing to an increase in net worth and borrowings of the Company from Rs.298.43 cr on 31st Mar 2018 to Rs. 380.09 cr on 31st Mar 2019. Return on capital employed, a measurement of returns derived from every rupee invested in the business increased by 530 basis points from 18.4 % in 2017-18 to 23.7 % in 2018-19 due to an increase in the operations as well as margins of the Company.

Net worth: The net worth of the Company excluding minority interest increased by 17.31 % from Rs. 698.46 cr as on 31st March 2018 to Rs. 819.35 cr as on 31st March 2019 owing to increase in reserves and surplus. The Company's equity share capital comprising 1,47,10,764 equity shares of Rs. 10 each, remained unchanged during the year.

Debt: Borrowings of the Company increased by 27.36 % from Rs. 298.43 cr as on 31st March 2018 to 380.09 cr as on 31st Mar 2019 with increase of strong order book and operations of the Company. Net debt-equity ratio of the Company stood at 0.30 in 2018-19 compared to 0.23 in 2017-18.

Applications of funds

Fixed assets: Fixed assets of the Company increased by 7.32 % from Rs. 319.84 cr as on 31st March 2018 to Rs. 343.24 cr as on 31st March 2019 owing to addition of fixed assets under the head Cranes, Plant and Machinery and Motor vehicles to support growth of the Company.

Investments: Non-current investments of the Company increased from Rs. 0.13 cr as on 31st March 2018 to Rs. 31.34 cr as on 31st March 2019 due to MAS Power Mech Arabia a subsidiary company as on 31st Mar 2018 becomes an associate as on 31st Mar 2019 on account of sale of shares.

Working capital management

Current assets: Current assets of the Company increased by 23.04 % from Rs. 1,134.38 cr as on 31st March 2018 to Rs. 1,395.75 cr as on 31st March 2019 owing to the growing business scale of the Company. The current and quick ratios of the Company stood at 1.48 and 1.38, respectively in 2018-19 compared to 1.49 and 1.43, respectively in 2017-18.

Inventories: Inventories including raw materials, work-in-progress and finished goods, among others, increased by 96.38 % from Rs. 47.22 cr as on 31st March 2018 to Rs. 92.73 cr as on 31st March 2019 owing to railway, electrical & other civil business and increase in the operations of the Company. The inventory cycle stood at 11 days of turnover equivalent in 2017-18 to 15 days of turnover equivalent in 2018-19.

Receivables: Growing business volumes resulted in an increase of 26.10 % in trade receivables from Rs. 308.60 cr as on 31st March 2018 to Rs. 389.15 cr as on 31st March 2019. The Company contained its debtor turnover cycle within 62 days of turnover equivalent in 2018-19 compared to 72 days in 2017-18.

Margins

A robust business strategy and cost control mechanism helped the Company to report better margins during the year under review. The EBIDTA margin of the Company remained healthy at 13.4% and PAT margin of the Company increased from 5.11% during 2017-18 to 5.34% during 2018-19.

Key ratios

Particulars	2018-19	2017-18
EBIDTA / Turnover (%)	13.40%	13.44%
EBIDTA / Net interest ratio (x)	6.35	6.94
Net debt equity ratio(x)	0.30	0.23
Return on equity (%)	16.03%	12.03%
Return on capital employed (%)	23.73%	18.38%
Book value per share (Rs.)	557	474
Earnings per share (Rs.)	82.68	54.01

Risk management

Economic risk: A slowdown in the economy may impact the industry

Mitigation: India has retained its position as the fastest growing major economy by growing 6.8% in FY2018-19. The per capita income for FY2018-19 stood at Rs 1,26,406, a rise of 10% over previous year. Further, it took India 60 years to add USD 1 trillion and seven years to add next but it is expected to add a trillion dollar every 18 months to become USD 5 trillion economy by 2025. This will help in development of economy in general and Power Mech in particular.

Competition risk: Intense competition could impact the Company's profitability and project winning capabilities.

Mitigation: The Company has transformed the business model through diversification into non-power sector, including metals, petrochemicals, refineries, fertilizers, etc, which helps it in keeping healthy project mix and while bidding for profitable projects.

Liquidity risk: A liquidity crunch could adversely affect day-to-day operations.

Mitigation: The Company strengthened its cash flow and improved its working capital cycle during 2018-19 compared to 2017-18. The selection of company to reduce receivable cycle and steady revenues helped the Company in financing day-to-day operations.

Costs risk: Delays in project would lead to an increase in the overall project costs and stretch debt burden.

Mitigation: The Company forecasts and analyses the outcomes in different scenarios and accordingly bids for a project which provides a plan of action for different expected scenario.

Pre-qualification risk: The bidding for infrastructural projects can be very competitive and needs focused risk assessment.

Mitigation: The Company executed large number of projects since its inception and particularly in the last 10 years many complex and high value contracts under different segments of business have been executed. The experience gained in executing these projects is enabling the Company to meet pre-qualification requirements for larger share markets.

Human resources

The Company believes that the quality of employees is key to success. It is committed to equip them with skills, enabling them to grow with technological advancements. The Company provides competitive compensation, amicable work environment and merit-based reward and recognition. The Company aims to create a workplace where every person can achieve his or her potential. The Company encourages individuals to extend beyond the scope of their work, undertake voluntary learning projects and devise innovative ideas.

Internal control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Cautionary statement

The Management Discussion and Analysis report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.

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	48.20
2	#Mr. N Bhupesh Chowdary (Resigned w.e.f 01.07.2018)	Wholetime Director & CEO	-
3	Mrs. S Lakshmi	Non Executive Director	-
4	Mr. T Sankarlingam	Independent Director	-
5	Mr. GDV PrasadaRao	Independent Director	-
6	Mr. SutanuBehuria	Independent Director	-
7	Mr. M Rajiv Kumar	Non Executive Director	-
8	Mr. Vivek Paranjpe	Independent Director	-

The ratio of remuneration of Mr. Bhupesh Chowdary, Wholetime Director & CEO cannot be considered as he served the Company only for part of year i.e. till 30th June, 2018.

* In the above calculation, the commission paid to MD is not considered

ii. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19:

S. No.	Name of Director/KMP and Designation	Designation	% increase in Remuneration in the FY 2018-19
1	Mr. S Kishore Babu	Chairman and Managing Director	Nil
2	Mr. J Satish	CFO	Nil
3	Mr. Rohit Tibrewal	Company Secretary	20

* In the above calculation, the commission paid to MD is not considered

iii. The median remuneration of employees of the Company during FY 2018-19 was Rs 2,68,800 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 March 31, 2019 was 5.57%.

v. The number of permanent employees on the rolls of Company as at March 31, 2019:

There were 5850 permanent employees on the rolls of Company as on 31 March, 2019.

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 6.86 % 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.

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 (Rs. In Lacs) Per Month	Previous Employment	Relative of Director If any
Satish Jami	42 Y	CA & MBA	CFO	20.10.2014	18	Full Time	2.73	Indu Projects	No
Ajay Kumar Kantheti,	43 Y	B.Tech	Sr. Vice President	20.11.1999	23	Full Time	2.59	-	No
Biswajit Das	55 Y	BSC – Electrical	Vice President	05.12.2017	30+	Full Time	2.50	Lanco Infratech Ltd	No
C. V. K. Prasad	54 Y	BE – Industrial Engg	Sr.VP	28.12.2017	28+	Full Time	2.47	KSK Mahanadi Power Company Ltd.	No
Prakash Chandra Joshi	47 Y	B. Tech	Associate Vice President	10.11.2014	25	Full Time	2.00	-	No
Srinivasulu Gudipati	53 Y	M.E	Executive Director – HR	22.07.1999	31	Full Time	1.53	Indwell Constructions Private Limited	No
Anil Kumar Shahi	57 Y	A.M.I.E	Associate VP	29.08.2015	35	Full Time	1.50	Jindal	No
Naseem Akthar Khan	53 Y	B. Tech	General Manager	16.06.2015	31	Full Time	1.47	Shree Shakambari Ferro Alloys Pvt. Ltd.	No
Anantha Reddy Kotlobudde	47 Y	B.E	Vice President	01.08.2016	26	Full Time	1.32	Lanarsy Infra Ltd.	No
Gyanendra Kumar	45 Y	M.E	Asst. General Manager	12.12.2015	19	Full Time	1.27	Adhunik Power & Natural Resources Ltd.	No

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

Name	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years) Remuneration	Nature of employment	*Remuneration in Rs. Crores per Annum	Previous Employment	Relative of Director If any
S. Kishore Babu	56	B Tech (Mechanical)	CMD	22.07.1999	34	Full time	8.04	Jt. Md, Indwell Constructions Private Limited-	Spouse of S Lakshmi, Director

*Remuneration Includes Salary and Commission.

- D) The are no other employees drawing Rs 8.50 Lacs per month or Rs 102.00 Lacs per annum, whether employed throughout the year or part of the Financial year.
- E) 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
Power Mech Projects Limited

Place: Hyderabad
Date: 27.07.2019

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

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 organization. The Company cautiously utilizes power and fuel to reduce the cost of maintenance.
- (ii) **Steps taken by the Company for utilizing alternate sources of energy:** 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	Rs. in Crs	
		2018-2019	2017-2018
1	Earnings	167.75	109.91
2	Outgo	145.55	78.05

For and on behalf of the Board of Directors of
Power Mech Projects Limited

Place: Hyderabad
Date: 27.07.2019

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

Annexure-9

REPORT ON CORPORATE GOVERNANCE

A. Company's Philosophy on Corporate Governance

Corporate Governance is needed to create a corporate culture of consciousness, transparency and openness. It refers to combination of laws, rules, regulation, procedures and voluntary practices to enable the companies to maximize the shareholders long term values. A good Corporate Governance regime are centered for the efficient use of corporate capital and also ensure, that corporation take into account the interest of wide range of constituencies including the communities within which they operate.

Corporate Governance is not simply a matter of creating checks and balances; it is about creating an out performing organization which leads to increasing customer satisfaction and shareholders' value.

Power Mech always believe that in order to establish ensuring relationship with its stakeholders and optimize its growth paradigm, good corporate governance should be the intrinsic part of the Company's fiduciary responsibility and emphasis shall be on transparency of operations.

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 March 31st, 2019, our Board comprised of 6 members, consisting of one Executive Chairman & Managing Director who is also a Promoter, two Non-Executive Directors out of which one is Promoter and three 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. Four (4) Board meetings were held during the financial year 2018-19 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	25.05.2018
02	11.08.2018
03	14.11.2018
04	09.02.2019

- iv. Attendance of the Directors at the Board meeting and Annual General Meeting during fiscal 2019 and number of shares held by them in the Company.

Name of the Director	Number of Board meetings held during the FY 2018-19	Number of Board meetings attended	% of attendance	Attended the last AGM	Number of shares held
S. Kishore Babu DIN - 00971313	4	4	100	Yes	36,34,942
N. Bhupesh Chowdary DIN - 06750590 Resigned w.e.f. (01.07.2018)	4	1	100	No	Nil
S. Lakshmi DIN - 00068991	4	4	100	Yes	24,03,626
Thiagarajan Sankaralingam DIN - 00015954	4	4	100	No	Nil
G D V Prasada Rao DIN - 02754904	4	4	100	Yes	1,120
Sutanu Behuria DIN - 00051668 Resigned w.e.f. (21.08.2018)	4	0	0	No	Nil
M Rajiv Kumar DIN - 07336483	4	4	100	Yes	Nil
Vivek Paranjpe DIN - 03378566	4	4	100	No	Nil

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.
- 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.

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 as on the date of the report 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	5	1	-
Thiagarajan Sankaralingam DIN - 00015954	Power Mech Projects Limited	Independent Non Executive Director	7	6	-
G D V Prasada Rao DIN - 02754904	Power Mech Projects Limited	Independent Non Executive Director	1	2	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	2	1	2
	Motilal Oswal Financial Services Limited	Independent Non- Executive Director			

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, Nomination and Remuneration Committee and Stakeholders Relationship Committees in all Public Limited companies has been considered.
- 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, 2019, 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, 2019. The members possess sound knowledge of accounts, finance, audit and legal matters.

The Company Secretary acts as a Secretary to the Committee.

The primary responsibilities 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 Committees also discharge 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.in.

During the year under review, 4 (four) meetings of the Committee were held on 25.05.2018, 11.08.2018, 14.11.2018 and 09.02.2019.

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
Sutnau Behuria (resigned w.e.f. 17.08.2018)	Chairman	Independent, Non- Executive Director	4	0
G D V Prasada Rao (appointed as Chairman w.e.f. 14.11.2018)	Chairman	Independent, Non- Executive Director	4	4
T. Sankarlingam	Member	Independent Non- Executive Director	4	4
M Rajiv Kumar (appointed w.e.f. 14.11.2018)	Member	Non-Executive Director	4	1

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 two Independent Directors and one Non Executive Director as on 31.03.2019.

However subsequent to the end of the financial year March 31st, 2019, there was change in composition of the Committee and one more Independent Director was inducted into the Committee in place of the Non Executive Director.

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.in.

During the year under review, 2 (two) meetings of the Committee were held on 11.08.2018 and 14.11.2018

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
Thiagarajan Sankaralingam	Independent, Non-Executive Director	Chairman	2	2
S Lakshmi	Non – Executive Director	Member	2	2
G D V Prasada Rao	Independent, Non- Executive Director	Member	2	2

However subsequent to the end of the financial year, the Board of Directors at their meeting held on 22.05.2019, reconstituted the Nomination and Remuneration Committee as per the details below:

Mr. Vivek Paranjpe, Independent Non Executive Director was inducted into the Committee as Chairman.

Mrs. S Lakshmi, Non Executive Director resigned as member of the Committee.

As on the date of this report, the composition of the Nomination and Remuneration Committee is given below:

Name	Category of Directorship	Designation
Vivek Paranjpe	Independent, Non-Executive Director	Chairman
Thiagarajan Sankaralingam	Independent, Non-Executive Director	Member
G D V Prasada Rao	Independent, Non- Executive Director	Member

Remunerations paid to the Directors

I. Details of remunerations paid/payable to Non executive & Independent Non Executive Directors for the year ended 31st March, 2019 is as under:

Name of the Director	Sitting Fees (Rs. in Crores)
Mr. G D V PrasadaRao	0.03
Mr. T. Sankaralingam	0.03
Mr. SutanuBehuria	Nil
Mr. Vivek Paranjpe	0.02

Mr. M Rajiv Kumar, Non Executive Director was paid consultancy fees of Rs. 60,76,800/- including travelling and conveyance charges and out of pocket expenses during the Financial year 2018-19.

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

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

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

(in Rs crores)

Name of the Director	Salary	Bonus	Benefits	Commission (Rs)	Sitting Fees (Rs.)	Loans from the Company (Rs)	Total (Rs)
S Kishore Babu	1.30	-	-	6.74	-	-	8.04
N. Bhupesh Chowdary*	0.18	-	-	-	-	-	0.18

* Mr. N. Bhupesh Chowdary resigned as Wholetime Director w.e.f 01.07.2018.

The Chairman & Managing Director and Whole time Directors are 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.

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.in.

During the year under review, 4 meetings of the committee were held on 25.05.2018, 11.08.2018, 14.11.2018 and 09.02.2019.

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

Mr. Rohit Tibrewal, Company Secretary of the Company act as Compliance officer of the Company

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 Dividend Warrant (Electronic Credit)	4	4	0
2	Miscellaneous (Refund orders of IPO)	5	5	0
3	Non Receipt of Annual Reports	1	1	0
	Total	10	10	0

There were no pending transfers as on 31st March 2019.

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.in.

During the year under review, 2 meetings of the Committee were held on 11.08.2018 & 08.02.2019

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	2	2
Mrs. S Lakshmi	Member	Non Executive Director	2	2
Mr. G D V Prasada Rao	Member	Non Executive Independent Director	2	2

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.in

D. Meeting of Independent Directors

During the year under review, there was a separate meeting of Independent Directors of the Company held on February 08th, 2019, 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.

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. Familiarization 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 Director as well the Board to have an in-depth understanding and keep them updated on regular basis about the every aspect of the Company.

The details of the familiarization programme are also available on the website of the Company www.powermechprojects.in.

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
2017-18	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
2016-17	18th AGM	Hotel Avasa, Madhapur, Hyderabad - 500081	Thursday 28th September, 2017.	11:00 A.M.	Nil
2015-16	17th AGM	Hotel Avasa, Madhapur, Hyderabad - 500081	Thursday 30th September, 2016.	11:00 A.M.	Nil

No Special Resolution was passed during the last financial year through Postal ballot.

H. DISCLOSURES

- 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.
- There were no pecuniary transactions with any of the Non-Executive Directors, except payment of commission.
- No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities on any matter related to Capital Markets during the last three years.
- 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.
- f) Material subsidiary policy is hosted in our website www.powermechprojects.in.
- g) Related party transaction policy is hosted in our website www.powermechprojects.in.
- h) 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.

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.
- b) 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.in.
- c) During FY 2018- 19, 4 (Four) conference calls with analysts/investors & presentations were made for each quarter as follows:

FY 2018-19	Date
01st Quarter	14.08.2018
02nd Quarter	20.11.2018
03rd Quarter	14.02.2019
04th Quarter	28.05.2019

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

- d) 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
- e) The Company's website www.powermechprojects.in contains separate dedicated section 'Investors' where in full Annual Report is also available in a user- friendly and downloadable format.

J. GENERAL SHAREHOLDER INFORMATION

i. 20th Annual General Meeting

Date and Time	25th September, 2019 at 11.00 AM
Venue	Hotel Novotel, Hitex, Madhapur, Hyderabad – 500081

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

iii. Date of Book Closure

The register of members shall be closed from Monday, 23rd September, 2019 to Wednesday, 25th September, 2019 (both days inclusive).

iv. Dividend

During the year the Board of Directors of the Company has recommended dividend of Re1/- per equity share of Rs.10/- each. The Dividend, if declared at the ensuing annual general meeting, shall be paid within five working days from the date of the annual general meeting. Dividend shall be remitted electronically i.e. through NECS/NEFT etc., wherever bank details of shareholders are available with the Company, and in other cases, through physical warrants, payable at par.

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 2019-2020 to both the above Stock Exchanges.

vi. Market Price Data

The closing market price of the equity shares as on 29th March, 2019, being the last trading day for the FY 2018-19 on NSE was Rs. 931.70/- and on BSE was Rs. 920.10/-.

The monthly movement of the equity share price during the year 2018-19 on BSE and NSE are summarized herein below.

BSE

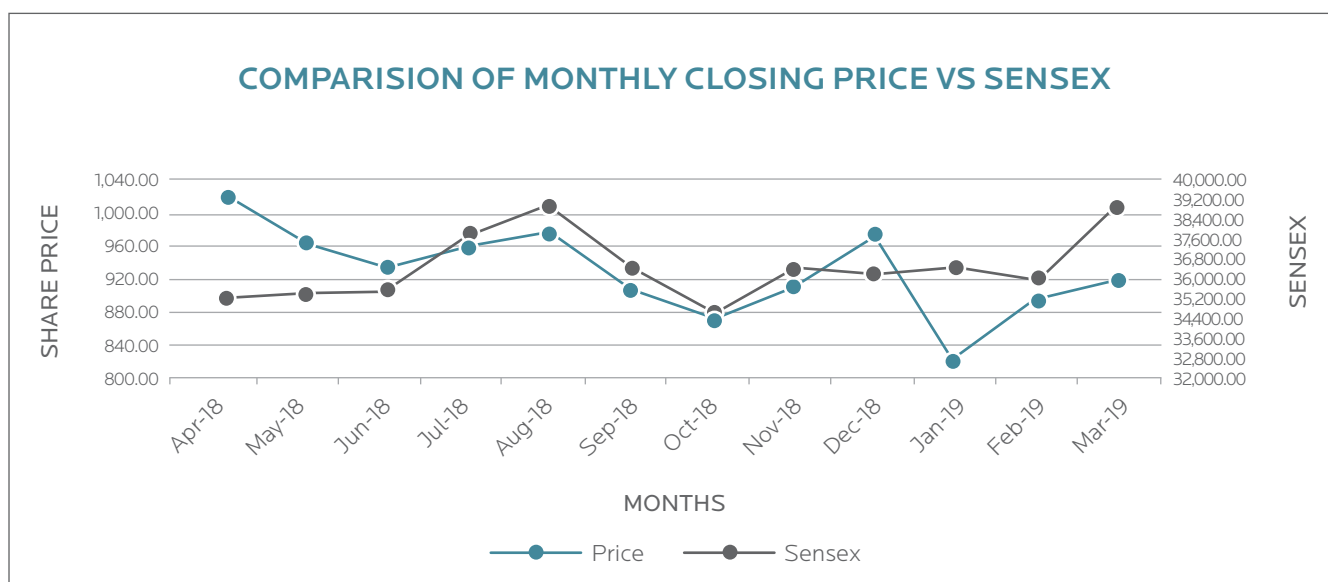
Month	Open	High	Low	Close
Apr 18	858.00	1,078.65	853.30	1,016.10
May 18	1,041.40	1,084.00	940.00	962.85
June 18	967.45	1,005.00	877.95	930.20
July 18	939.00	980.20	911.10	961.60
Aug 18	968.85	1,021.00	919.25	974.35
Sep 18	973.00	1,070.00	865.05	906.40
Oct 18	886.85	904.00	775.35	873.75
Nov 18	880.15	960.00	830.20	910.65
Dec 18	910.00	985.00	848.35	974.60
Jan 19	978.00	978.00	802.40	820.00
Feb 19	834.85	903.95	785.00	895.10
Mar 19	911.35	1,000.20	884.00	920.10

NSE

Month	Open	High	Low	Close
Apr 18	847.00	1,078.00	847.00	1,019.05
May 18	1,033.90	1,057.00	947.20	968.50
June 18	985.00	1,000.00	877.85	933.15
July 18	940.00	985.35	914.00	969.20
Aug 18	979.95	1,016.00	920.00	975.25
Sep 18	989.50	1,074.00	862.80	905.45
Oct 18	905.00	905.00	777.05	876.10
Nov 18	875.95	947.80	830.00	919.70
Dec 18	914.50	974.30	838.55	971.60
Jan 19	973.00	984.05	795.75	837.75
Feb 19	824.40	899.00	780.05	894.85
Mar 19	893.90	1,021.00	893.90	931.70

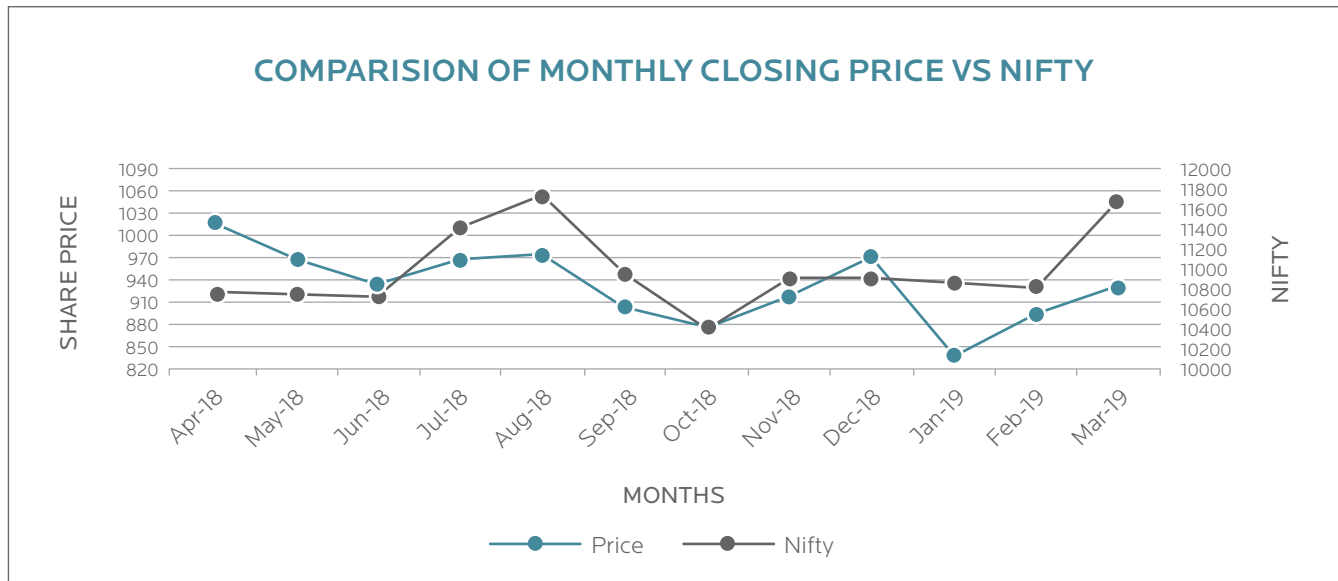
vii. Performance in comparison to broad based indices such as BSE Sensex, CRISIL index etc

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

PRICE VS SENSEX

Performance of the scrip of the Company in comparison to NSE S&P CNX NIFTY is as follows

SHARE PRICE VS NIFTY



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

ix. Registrar and Share Transfer Agents:

Karvy Fintech 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 April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized 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, 2019

POWER MECH PROJECTS LIMITED

Distribution of Shareholding as on 31.03.2019

Sl. No.	Category (No. of Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 500	10530	92.27	424526	2.89
2	501 - 1000	298	2.61	225837	1.54
3	1001 - 2000	318	2.79	420052	2.86
4	2001 - 3000	85	0.74	207688	1.41
5	3001 - 4000	43	0.38	149744	1.02
6	4001 - 5000	29	0.25	135371	0.92
7	5001 - 10000	58	0.51	396205	2.69
8	10001 and above	51	0.45	12751341	86.68
	TOTAL	11412	100.00	14710764	100.00

xii. Dematerialization

99.84% of the Company's paid-up equity share capital has been dematerialized as on 31st March, 2019. 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	43,53,523	29.59
CDSL	1,03,34,373	70.25
PHYSICAL	22,868	0.16
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

Rohit Tibrewal
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. 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.in.

All the Board members and senior management personnel have affirmed compliance to the code as on March 31st, 2019.

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

xx. 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:

Type of Service	FY 18-19	FY 17-18
Audit Fees	0.14	0.13
Tax Fees	0.01	0.01
Others	-	-

(Rs in Crs)

xxi. Code for Prevention of Insider Trading

On December 31, 2018, Securities and Exchange Board of India amended the Prohibition of Insider Trading Regulations, 2015, prescribing various new requirements with effect from April 1, 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.in.

xxii. Credit Ratings

During the FY 2018-19, the Company has obtained revised credit rating from Care Ratings as CARE A; Stable for Long-term Bank Facilities (Fund based Limits) and CARE A; Stable/CARE A1 for Long-term/Short-term Bank Facilities (Non Fund based Limits).

xxiii. 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- 01-04-2018.	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 – 31.03.2019.	Nil	Nil
The voting rights on these shares shall remain frozen till rightful owners of such shares claim the shares.		

xxiv. 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.

xxv. 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	NA
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

For and on behalf of the Board of Directors of
Power Mech Projects Limited

Place: Hyderabad
Date: 27.07.2019

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

Annexure-10

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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. Stakeholders are changing the way they assess Companies' performance, and are making decisions based on criteria that include ethical concerns.

Business institutions are created by the society for certain society's goal and therefore it is very much essential to adopt the principles of CSR in a fairly and honest manner.

Power Mech is discharging its Corporate Social Responsibilities over the last several years by way of engaging it into various initiatives and programmes which are helpful for the needy and poor's in the society.

CSR committee

We have a board committee (CSR committee) that provides oversight of CSR policy execution to ensure that the CSR

objectives of the Company are met. Our CSR committee comprises:

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

Our objectives

The Company primarily operates its CSR activities through trust in the name of Power Mech Foundation. The trust was formed by Mr. Sajja Kishore Babu, CMD of the Company and he is the managing trustee of the Foundation. In its journey of nearly a decade, the Foundation has helped scores of poor, fulfilled the needs of the orphanage inmates, conducted health camps, assisted the poor for medical treatments etc.

Focus Areas of Engagement

The main focus of the Foundation is more on the three basic needs of the society at large:

- Healthcare
- Education
- Environment

(Rs in crores)

Average net profit of the Company for last three financial years	: Rs. 82.58
Prescribed CSR Expenditure (2% of the above amount)	: Rs. 1.65
Details of CSR spent during the financial year	
• Total amount spent for the financial year	: Rs. 1.38
• Amount unspent, if any	: Rs. 0.27
• Manner in which the amount spent during the financial year is detailed below	: Annexure A of this report
In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount	: During the financial year 2018-19 your Company endeavoured to meet the budgeted expenditure by contributing in various eligible CSR activities and has committed to incur expenditure for CSR initiatives in the coming years through structured events or programs and projects.

Our CSR responsibilities

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

Annexure A

S. No	CSR Project/ Activity/ beneficiary	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
1	Health Checkup and Blood donation camps	Health	Vijayawada, Repalle, Chirala, Nandigama Nellore, Guntur and adjoining areas	1.40	1.38	1.38	Implementing Agency
2	Promoting primary and secondary education in rural and socially/ economically backward communities by way distributing books, curriculum materials, reimbursement of fees etc.	Education					
3	Water and Meals distribution camps	Social Service					

Implementing Agency

Power Mech Foundation, is a trust formed on May 13, 2009 under the (Indian) Trust Act, 1882. The Foundation generally focuses on education, health care and rehabilitation. It also undertakes projects for providing shelters, buildings for schools etc. At regular intervals, the Foundation conducts blood donation camps, health check-ups camps and other social awareness camps.

For and on behalf of the Board of Directors of
Power Mech Projects Limited

Place: Hyderabad
Date: 27.07.2019

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

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 2018 -2019 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 2018-2019, 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 2018-19
 - (ii) Significant changes in accounting policies during the year 2018 - 2019 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.

S Kishore Babu

Chairman & Managing Director

DIN: 00971313

J Satish

Chief Financial Officer

Place: Hyderabad

Date: 22.05.2019

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 March 31st, 2019 as envisaged in the Chapter IV of the Securities Exchange board of India (Listing Obligations and Disclosures Regulations) 2015.

S Kishore Babu

Chairman & Managing Director

DIN: 00971313

Place: Hyderabad

Date: 27.07.2019

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Shareholders,
Power Mech Projects Limited,
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by Power Mech Projects Limited for the year ended 31st March, 2019 as stipulated in the Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015.

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

For P.S. Rao & Associates
Company Secretaries

P.S. RAO
Company Secretary
FCS No: 10322
C P No: 3829

Place: Hyderabad
Date: 27th July, 2019

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, 2019 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	Sajja 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	Bhupesh Nagineni Chowdary ¹	Whole Time Director & CEO	06750590
8	Sutanu Behuria ²	Independent Director	00051668

¹Ceased to be Director w.e.f. 01st July, 2018

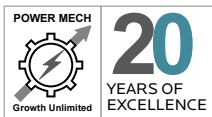
²Ceased to be Director w.e.f. 21st August, 2018

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

P.S. RAO
Company Secretary
FCS No: 10322
C P No: 3829

Place: Hyderabad
Date: 27th July, 2019



Financial Statements

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 March 31, 2019, 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 March 31, 2019 and its Profit, total comprehensive Income, 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	<p>Revenue recognition of long term contracts</p> <p>The company has revenue from construction contracts and long term operating and maintenance agreements.</p> <p>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.</p> <p>We focussed this area because of significant management judgement required in:</p> <p>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.</p>	<p>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.</p> <p>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.</p>

Sl. No	Key Audit matter	How the matter was addressed in our audit
2	<p>Trade receivables</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>We considered this matter to be significant to our audit due to the quantum of the receivables and their period of outstanding.</p>	<p>Our audit procedures in relation to the recoverability of trade receivables included</p> <ul style="list-style-type: none"> • 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 credibility in making payments since most of the customers are government organisations. <p>Considering all these, we found that the judgment made by the management in assessment of recoverability of receivables are found to be appropriate.</p>

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 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 financial statements and our auditor's report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the Standalone 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 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, 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 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.

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 account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, the remuneration paid by the Company 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 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 Brahmaya & Co
Chartered Accountants
Firm Registration No. 000513S

Sd/-
(Karumanchi Rajaj)

Place: Camp: Hyderabad
Date: 22.5.2019

Partner
(Membership No: 202309)

Annexure-A to the Independent Auditor's 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 March 31, 2019.

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, certain 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 during the year covering nearly 80% value of its inventories. The discrepancies noticed on verification between the physical stocks and the book records, to the extent verified, were not material and have been dealt with in the books of accounts. 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, Provident fund, ESI, GST etc.,
 - 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 Rs. in crores (net of amounts paid under protest)	Period to which it relates	Forum where dispute is pending
VAT Acts of various states	VAT	2.94	2012-13	Petition filed before High court of Calcutta against rejection of admission of appeal by Addl. Comm. of Commercial taxes, West Bengal
		1.26 (net of payment of 0.55)	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.
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 has provided remuneration for managerial personnel in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.
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 Brahmaya & Co
Chartered Accountants
Firm Registration No. 000513S

Sd/-
(Karumanchi Rajaj)
Partner
(Membership No: 202309)

Place: Camp: Hyderabad
Date: 22.5.2019

Annexure-B to the Independent Auditor's 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, 2019 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.

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 31 March 2019, 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 Brahmayya & Co
Chartered Accountants
Firm Registration No. 000513S

Sd/-
(Karumanchi Rajaj)
Partner
(Membership No: 202309)

Place: Camp: Hyderabad
Date: 22.5.2019

All amounts are in ₹ Crores, except share data and where otherwise stated

Balance Sheet as at 31st March, 2019

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	154.66	148.34
(b) Capital Work-in-progress		3.24	5.65
(c) Intangible Assets	5	0.35	0.25
(d) Financial Assets			
(i) Investments	6	13.86	11.08
(ii) Loans	7	20.50	20.17
(iii) Other financial assets	8	240.19	207.17
(e) Deferred Tax Asset (Net)	18	4.75	1.82
(f) Other Non-current Assets	9	12.58	1.24
Total Non-Current assets		450.13	395.72
2 Current Assets			
(a) Inventories	10	79.26	33.39
(b) Financial Assets			
(i) Trade receivables	11	388.57	315.02
(ii) Cash and cash equivalents	12	13.75	30.86
(iii) Other bank balances	12	71.51	41.51
(iv) Loans	7	39.04	30.95
(v) Other financial assets	8	355.96	329.83
(c) Other Current assets	9	387.37	263.83
Total Current assets		1,335.46	1,045.39
Total Assets		1,785.59	1,441.11
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	13	14.71	14.71
(b) Other Equity	14	761.51	666.54
Total Equity		776.22	681.25
Liabilities			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Long-term borrowings	15	52.98	22.93
(ii) Other financial liabilities	16	68.06	51.48
(b) Provisions	17	2.60	2.27
(c) Other non-current liabilities	19	19.80	21.39
Total non-current liabilities		143.44	98.07
3 Current liabilities			
(a) Financial Liabilities			
(i) Short-term borrowings	20	272.18	239.11
(ii) Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises		0.36	0.87
b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		403.94	287.44
(iii) Other financial liabilities	16	110.26	73.02
(b) Other current liabilities	19	57.49	50.41
(c) Provisions	17	0.23	0.77
(d) Current tax Liabilities (Net)	22	21.47	10.17
Total current liabilities		865.93	661.79
Total Liabilities		1,009.37	759.86
Total Equity and Liabilities		1,785.59	1,441.11

Note: The accompanying notes form an integral part of the financial statements.

As per our report of even date

For BRAHMAYYA & CO

Chartered Accountants

Firm's Registration Number: 000513S

Sd/-

(Karumanchi Rajaj)

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 22.05.2019

For and on behalf of the Board

Sd/-

S.Kishore Babu

Chairman and Managing Director

DIN (00971313)

Sd/-

Rohit Tibrewal

Company Secretary

Sd/-

J Satish

CFO

All amounts are in ₹ Crores, except share data and where otherwise stated

Statement of Profit and Loss for the Year ended 31st March, 2019

Particulars	Note No.	Year ended	Year ended
		31st March, 2019	31st March, 2018
I Revenue from Operations	23	1,736.57	1,310.11
II Other Income	24	14.36	7.35
III Total Income (I+II)		1,750.93	1,317.46
IV Expenses			
Cost of Material Consumed	25	289.74	167.41
(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	26	(0.33)	(0.41)
Contract execution expense	27	947.95	735.55
Employee benefits expense	28	247.05	219.47
Finance cost	29	50.17	33.44
Depreciation and Amortization expense	30	38.56	36.39
Other expense	31	26.80	24.40
Total Expenses (IV)		1,599.94	1,216.25
V Profit before exceptional items and tax (III-IV)		150.99	101.21
VI Exceptional Items	-	-	-
VII Profit before tax (V-VI)		150.99	101.21
VIII Tax expense:			
Current tax		58.18	39.25
Deferred tax credit		(2.93)	(3.94)
IX Profit after tax for the Period (VII-VIII)		95.74	65.90
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		(0.00)	0.00
b) Remeasurement of defined employee benefit plans		1.00	(0.04)
Total Other Comprehensive income		1.00	(0.04)
XI Total Comprehensive Income for the year (IX+X)		96.74	65.86
XII Earnings per Share - Basic and Diluted (in ₹)		65.08	44.80

Note: The accompanying notes form an integral part of the financial statements.

As per our report of even date

For BRAHMAYYA & CO

Chartered Accountants

Firm's Registration Number: 000513S

Sd/-

(Karumanchi Rajaj)

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 22.05.2019

Sd/-

J Satish

CFO

For and on behalf of the Board

Sd/-

S.Kishore Babu

Chairman and Managing Director

DIN (00971313)

Sd/-

Rohit Tibrewal

Company Secretary

All amounts are in ₹ Crores, except share data and where otherwise stated

Cash Flow Statement for the Year ended 31st March, 2019

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	150.99	101.21
Add/Less: Adjustments for :		
Depreciation	38.56	36.39
Interest and Finance charges	50.17	33.44
Loss on sale of assets	0.12	0.02
Net loss arising on financial assets measured at FVTPL	(0.08)	0.01
Interest income	(6.98)	(5.67)
Profit on sale of assets	(1.89)	(0.47)
Profit on disposal of investment in Joint venture Company	(0.70)	(0.93)
Amortisation of Deferred Government grants	(0.08)	-
Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income	1.00	(0.04)
Operating profit before working capital changes	231.11	163.96
Movements in Working Capital		
Adjustments for (increase)/decrease in operating assets:		
- Trade Receivables	(73.55)	(49.55)
- Inventories	(45.87)	8.42
- Other Assets	(207.10)	(107.70)
Adjustments for increase/(decrease) in operating liabilities:		
- Trade Payables	115.99	48.31
- Other Liabilities and Provisions	38.70	(24.47)
Cash generated from operations	59.28	38.97
Less: Direct taxes paid	(46.89)	(38.04)
Net cash from Operating activities (A)	12.39	0.93
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets/Capital work in progress	(47.04)	(21.95)
Proceeds from sale of fixed assets	6.24	1.01
Investment in equity shares of Subsidiary company	(2.09)	(3.98)
Redemption of preference shares in subsidiary company	-	2.38
Disposal of Investment in Subsidiary/Joint venture Company	0.70	0.93
Margin money deposits with banks and other balances	(25.19)	(15.16)
Interest received	6.98	5.67
Net cash used in Investing activities (B)	(60.40)	(31.10)
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	82.85	89.03
Interest and Finance charges paid	(50.17)	(33.44)
Dividends and dividend tax paid	(1.77)	(1.77)
Net cash from financing activities (C)	30.91	53.82
Net Increase in cash and cash equivalents (A+B+C)	(17.10)	23.65
Cash and cash equivalents at the beginning of the period	30.85	7.21
Cash and cash equivalents at the end of the period	13.75	30.85
Net Increase in cash and cash equivalents	(17.10)	23.65

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.

All amounts are in ₹ Crores, except share data and where otherwise stated

Cash Flow Statement for the Year ended 31st March, 2019

Components of cash and cash equivalents

Particulars	2018-19	2017-18
Cash on hand	1.39	0.64
Cheques, Drafts on Hand	-	12.39
In Current accounts	12.21	17.82
Deposits having maturity period for less than 3months	0.15	-
	13.75	30.85

Changes in Liability arising from Financing activities

Particulars	Opening	Non-Cash changes (forex)	Net Cash flow	Closing
Long term borrowings (including Current maturities of Long Term Debt)	43.14	0.87	48.91	92.92
Short term borrowings	239.12	-	33.06	272.18

Note: The accompanying notes form an integral part of the financial statements.

As per our report of even date

For BRAHMAYYA & CO

Chartered Accountants

Firm's Registration Number: 000513S

Sd/-

(Karumanchi Rajaj)

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 22.05.2019

Sd/-

J Satish

CFO

For and on behalf of the Board

Sd/-

S.Kishore Babu

Chairman and Managing Director

DIN (00971313)

Sd/-

Rohit Tibrewal

Company Secretary

All amounts are in ₹ Crores, except share data and where otherwise stated

Statement of Changes in Equity for the Year ended 31st March, 2019

A. Equity share capital

Particulars	No's	Amount
As at 31st March, 2017	1.47	14.71
Changes in equity during the year	-	-
As at 31st March, 2018	1.47	14.71
Changes in equity during the year	-	-
As at 31st March, 2019	1.47	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	Actuarial Gains/ (Losses)	
Balance at the end of reporting period - 31st March 2017	160.93	36.96	403.84	0.01	0.71	602.45
Profit for the period	-	-	65.90	-	-	65.90
Other Comprehensive Income	-	-	-	0.00	(0.04)	(0.04)
Total Comprehensive Income for the year	-	-	65.90	0.00	(0.04)	65.86
Less: Appropriations						
Less: Final Dividend and tax thereon for the Financial year 2016-17 proposed & paid during the year	-	-	1.77	-	-	1.77
Balance at the end of reporting period - 31st March 2018	160.93	36.96	467.97	0.01	0.67	666.54
Profit for the period	-	-	95.74	-	-	95.74
Other Comprehensive Income	-	-	-	(0.00)	1.00	1.00
Total Comprehensive Income for the year	-	-	95.74	(0.00)	1.00	96.74
Less: Appropriations						
Less: Final Dividend and tax thereon for the Financial year 2017-18 proposed & paid during the year	-	-	1.77	-	-	1.77
Balance at the end of reporting period - 31st March 2019	160.93	36.96	561.94	0.01	1.67	761.51

Note: The accompanying notes form an integral part of the financial statements.

As per our report of even date

For BRAHMAYYA & CO

Chartered Accountants

Firm's Registration Number: 000513S

Sd/-

(Karumanchi Rajaj)

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 22.05.2019

For and on behalf of the Board

Sd/-

S.Kishore Babu

Chairman and Managing Director

DIN (00971313)

Sd/-

Rohit Tibrewal

Company Secretary

Sd/-

J Satish

CFO

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 fluidized bed combustion steam generator, gas turbine generator, hydro electric plants, maintenance, renovation, modernization 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, 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.

The financial statements for the year ended 31.03.2019 were approved for issue by company's Board of Directors at their meeting held on 22.05.2019.

Note 2. Basis of preparation and significant accounting policies

2.1 a) Basis of preparation of financial statements

These 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') 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 recognized 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 recognized 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 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 recognized 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 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 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.

2.2 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 capitalized 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 capitalized 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 recognized in the statement of profit and loss when incurred. Items of spare parts are recognized 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 recognized in statement of profit and loss.

b) Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortization. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis from the date they are available for use.

c) Depreciation and Amortization

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

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

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

Depreciation and amortization methods, useful lives and residual values are reviewed periodically at the end of each financial year with the effect of any change in estimate accounted for on a prospective basis.

d) Government Grants

Government grants are not recognized 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 recognized 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 recognized 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 recognized 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 capitalized 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 recognized 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 recognized in the statement of profit and loss.

h) 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, mobilization 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 recognized 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 recognized 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 customization 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 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 recognized 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 recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

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

Revenue is recognized 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 recognized using the effective interest method.

Dividend income is recognized 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 recognized 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 recognized.

Transaction gains or losses realized 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 recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized 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 recognized 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 recognized as income or expense in the year of enactment. A deferred income tax asset is recognized 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 utilized.

m) Provisions, Contingent Liabilities and Contingent assets

Provisions are recognized 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 recognized in the financial statements since this may result in the recognition of income that may never be realized.

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

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

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 recognized 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 recognized 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 amortized cost:

A financial asset is subsequently measured at amortized 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 recognized 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 recognized 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 recognized as a loss allowance. However, if the credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized 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 recognized earlier.
- (iv) Financial liabilities
Financial liabilities are subsequently carried at amortized cost using the effective interest method. The effective method is a method of calculating the amortization 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 recognized in the statement of profit and loss over the contractual terms using the effective interest method.

Note 3. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided in the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalizing changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from April 1, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortization change for the right-to-use asset, and (b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation:

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement:

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures:

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements:

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

All the above amendments are effective from 1.4.2019. The company believes that the aforesaid amendments will not materially impact the financial statements of the company.

Notes to the Financial Statements

Note 4. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Carrying Amounts of:		
Land	4.15	4.15
Office Buildings	17.69	12.21
Plant and Equipment	13.27	12.00
Furniture and Fixtures	3.64	4.63
Computers	1.23	1.16
Office Equipment	3.26	3.54
Motor vehicles	14.83	16.67
Cranes	88.47	82.07
Temporary Sheds	8.12	11.91
	154.66	148.34
Capital Work-in-progress	3.24	5.65

Notes to the Financial Statements

Note 4. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	Land	Office Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Motor vehicles	Cranes	Temporary Sheds	Total
Gross Block										
As at 31st March, 2017	4.15	14.47	29.67	7.55	2.72	7.03	29.63	115.77	22.93	233.92
Additions	-	-	3.14	0.65	0.30	1.16	4.75	5.29	8.88	24.17
Disposals	-	-	0.75	-	-	-	0.13	0.20	-	1.08
As at 31st March, 2018	4.15	14.47	32.06	8.20	3.02	8.19	34.25	120.86	31.81	257.01
Additions	-	6.35	6.43	0.62	0.59	1.14	4.06	25.34	4.70	49.23
Disposals	-	-	0.69	-	-	0.00	0.36	6.87	0.04	7.96
As at 31st March, 2019	4.15	20.82	37.80	8.82	3.61	9.33	37.95	139.33	36.47	298.28
Accumulated Depreciation										
As at 31st March, 2017	-	1.49	14.65	2.11	1.28	3.21	11.73	25.63	12.93	73.03
Depreciation charge for the year	-	0.77	5.77	1.46	0.58	1.44	5.92	13.25	6.97	36.16
On disposals	-	-	0.36	-	-	-	0.07	0.09	-	0.52
As at 31st March, 2018	-	2.26	20.06	3.57	1.86	4.65	17.58	38.79	19.90	108.67
Depreciation charge for the year	-	0.87	4.93	1.61	0.52	1.42	5.86	14.79	8.45	38.45
On disposals	-	-	0.46	-	-	-	0.32	2.72	-	3.50
As at 31st March, 2019	-	3.13	24.53	5.18	2.38	6.07	23.12	50.86	28.35	143.62
Net Block										
As at 31st March, 2019	4.15	17.69	13.27	3.64	1.23	3.26	14.83	88.47	8.12	154.66
As at 31st March, 2018	4.15	12.21	12.00	4.63	1.16	3.54	16.67	82.07	11.91	148.34

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."

Notes to the Financial Statements

Capital Work-in-Progress

Particulars	Amount
At Cost	
As at 31st March, 2017	7.91
Additions	1.15
Capitalised during the year	(3.41)
As at 31st March, 2018	5.65
Additions	0.47
Capitalised during the year	(2.88)
As at 31st March, 2019	3.24

Note 5. INTANGIBLE ASSETS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Power Mech Brand	0.00	0.00
Computer Software	0.35	0.25
Total	0.35	0.25

Particulars	Power Mech Brand	Computer Software	Total
Gross Block			
As at 31st March, 2017	0.00	1.20	1.20
Additions	-	0.02	0.02
Disposals	-	-	-
As at 31st March, 2018	0.00	1.22	1.22
Additions	-	0.21	0.21
Disposals	-	-	-
As at 31st March, 2019	0.00	1.43	1.43
Accumulated Amortization			
As at 31st March, 2017	0.00	0.74	0.74
Depreciation charge for the year	-	0.23	0.23
On disposals	-	-	-
As at 31st March, 2018	0.00	0.97	0.97
Depreciation charge for the year	-	0.11	0.11
On disposals	-	-	-
As at 31st March, 2019	0.00	1.08	1.08
Net Block			
As at 31st March, 2019	0.00	0.35	0.35
As at 31st March, 2018	0.00	0.25	0.25

Notes to the Financial Statements

Note 6. INVESTMENTS (NON-CURRENT)

Particulars	As at 31st March, 2019	As at 31st March, 2018
A. Investment in Equity Instruments		
(a) (i) Quoted - Trade (Carried at fair value through OCI)		
a) 24 Equity shares of Rs.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 Rs.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 Rs.10 each in Hydro Magus Private Limited	2.94	2.94
b) 18,937 (18,937) Equity shares of Rs.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 Rs 10 each in Power Mech BSCPL Consortium Private Limited	0.01	0.01
e) 1,00,000 (Nil) Equity shares of Rs.10 each in Power Mech SSA Structures Private Limited (Wholly owned subsidiary)	0.10	-
f) 1,00,000 (Nil) Equity shares of Rs.10 each in Aashm Avenues Private Limited (Wholly owned subsidiary)	0.10	-
g) 1,00,000 (Nil) Ordinary shares of USD 1 each in Power Mech Projects (BR) FZE (Wholly owned subsidiary) (Investemnt by way of subscription of assets)	0.69	-
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 (NIL) Equity shares of AED 1000 each in GTA Power Mech DMCC (Company with limited liability)	0.09	-
c) Investment in PMPL-ACPL JV (Capital introduced Nil) **	-	-
d) Investment in PMPL-STC JV (Capital introduced Nil) **	-	-
e) Investment in PMPL-KHILARI Consortium JV (Capital introduced Nil) **	-	-
Investment in Associate (Carried at cost) :		
a) 332 (225) Equity shares of SAR 1000 each in MAS Power Mech Arabia ***	2.25	0.45
Total Investment in Un-Quoted Equity Instruments (b)	13.83	11.05
Total Investment in Equity Instruments (A)= (a+b)	13.83	11.05
B. Investment in Mutual Funds - Quoted: (Carried at fair value through OCI)		
a) Investments in mutual funds 20000 units of SBI Infra structure fund - I -Growth Rs.10/ each	0.03	0.03
Total Investment in Mutual Funds (B)	0.03	0.03
Total (A+B)	13.86	11.08
Aggregate amount of : Quoted investments -		
- At cost	0.02	0.02
- Market value	0.03	0.03
Aggregate amount of unquoted investments	13.83	11.05

* Amounts below ₹ 1 lakh

** The company has become a venturer in Joint Ventures incorporated during the year. However no investment has been made in the said JV's as on date of Balance Sheet.

*** During the year, the company disposed a stake of 2% in its subsidiary company MAS Power Mech Arabia resulting into the subsidiary company becoming an associate company

Notes to the Financial Statements

Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31 st March, 2019		As at 31 st March,2018	
	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 Rs.10/ each in Reliance Power Limited	0.00	-	0.00	-
b) 200 Equity shares of Rs.10/ each in Assam Company Limited	0.00	-	0.00	-
c) Investments in mutual funds 20,000 units of SBI Infra structure fund - I -Growth Rs.10/ each	0.03	-	0.03	-
(ii) Investment in Subsidiary Companies and Joint Venture (Carried at cost)	13.83	-	11.05	-
Total	13.86	-	11.08	-

Note 7. LOANS

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered Good				
a) Security deposits with Govt. authorities and others	10.85	14.35	-	-
b) EMD with customers	9.65	5.82	-	-
c) Employee related advances	-	-	3.87	3.81
d) Advances to related parties				
- Subsidiary Companies				
- Power Mech Industri Private Limited	-	-	32.36	26.71
- Power Mech SSA Structures Private Limited	-	-	2.26	-
e) Loans to Others	-	-	0.55	0.43
Total	20.50	20.17	39.04	30.95

The above Loans Receivables are sub-classified as :

a) Loans Receivables considered good - Secured	-	-	-	-
b) Loans Receivables considered good - Unsecured	20.50	20.17	39.04	30.95
c) Loans Receivables which have significant increase in Credit Risk	-	-	-	-
d) Loans Receivables - credit impaired	-	-	-	-
Total	20.50	20.17	39.04	30.95

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 or Private company in which any director is a partner, a director or a member.
- 2) All the above advances given to subsidiaries/joint ventures are utilised for their business purposes.

Notes to the Financial Statements

Note 8. OTHER FINANCIAL ASSETS

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
a) 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	39.70	44.51	-	-
b) Retention Money and Security Deposit with customers - Unsecured	202.64	162.66	86.33	84.15
Less: Provision for Contract assets	(2.15)	-	-	-
c) Uncertified Revenue	-	-	269.63	245.68
Total	240.19	207.17	355.96	329.83

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.

Note 9. OTHER ASSETS

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered Good				
a) Advances for Capital goods	7.35	1.24	-	-
b) Mobilisation advances to Sub - Contractors	5.23	-	4.95	4.07
c) Advances to creditors against supplies	-	-	21.19	9.75
d) Advances to sub-contractors against works				
Unsecured	-	-	336.84	232.05
Less: Provision for doubtful advances	-	-	(1.22)	-
e) Prepaid expenses	-	-	4.83	4.07
f) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	8.86	2.75
Works contract tax (TDS)	-	-	5.86	6.35
Taxes paid under protest	-	-	0.54	0.54
Sales Tax Refund Receivable	-	-	0.23	1.08
Duty credit scrip on hand	-	-	0.19	0.25
g) Other advances	-	-	4.32	2.92
h) Balance in Gratuity Fund (net of obligations)	-	-	0.78	-
Total	12.58	1.24	387.37	263.83

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 to the Financial Statements

Note 10. INVENTORIES

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Stores and spares	76.55	31.01
b) Work-in-progress	2.71	2.38
Total	79.26	33.39

Note:

- (i) The mode of valuation of inventories has been stated in Note 2.2(h) in Accounting Policies.
- (ii) The cost of inventories recognised as an expense for the year ended 31st March, 2019 was Rs. 289.74 Cr (for the year ended 31st March, 2018: Rs.167.41 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 recovered after more than twelve months.

Note 11. TRADE RECEIVABLES

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	388.57	315.02
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables -credit impaired	-	-
Total	388.57	315.02
*Includes receivables from Subsidiary Companies / Joint ventures :		
- Hydro Magus Private Limited	0.98	5.92
- Power Mech Industri Private Limited	0.18	0.15
- Power Mech BSCPL Consortium Private Limited	-	3.77
- Power Mech Projects ACPL JV	7.67	-
- Power Mech Projects STS JV	2.50	-
- Power Mech Projects Limited LLC	5.30	16.53
- MAS Power Mech Arabia	9.73	5.81
- GTA Power Mech Nigeria Ltd	0.15	-
- Power Mech Projects (BR) FZE	0.78	-

- 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, Rs. 109.86 Cr (as at March 31, 2018 : Rs. 100.96 Cr) is due from one of the Company's largest customer. Further, an amount of Rs. 40.63 Cr (as at March 31, 2018 : Rs. 34.81 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. Considering the above factors and outcome of negotiations, the management is of view that no provision for expected credit loss is required to be made.

Notes to the Financial Statements

Note 12. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2019	As at 31st March, 2018
i) Balances with banks		
a. In Current accounts	12.21	17.82
ii) Cash on hand	1.39	0.65
iii) Cheques, Drafts on Hand	-	12.39
iv) Fixed Deposits with original maturity period of less than 3 months	0.15	-
Total	13.75	30.86

OTHER BANK BALANCES

Particulars	As at 31st March, 2019	As at 31st March, 2018
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	71.50	41.50
b. Earmarked balances with banks towards unclaimed dividends	0.01	0.01
Total	71.51	41.51

Note: Bank Deposits with more than 12 months maturity from the date of Balance Sheet was disclosed under "Other Financial Assets"

Note 13. SHARE CAPITAL

Authorised Share Capital

Particulars	Equity	
	No's	Amount
As at 31st March, 2017	2.60	26.00
Changes during the year	-	-
As at 31st March, 2018	2.60	26.00
Changes during the year	-	-
As at 31st March, 2019	2.60	26.00

Issued Share Capital

Equity shares of Rs. 10/- each issued, subscribed and fully paid

Particulars	Equity	
	No's	Amount
As at 31st March, 2017	1.47	14.71
Changes during the year	-	-
As at 31st March, 2018	1.47	14.71
Changes during the year	-	-
As at 31st March, 2019	1.47	14.71

Rights, Preferences and restrictions attached to Equity shares

The Company has only one class of Equity shares having a face value of Rs.10/- each. Each holder of equity share is entitled to one vote per share held. The 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.

Notes to the Financial Statements

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

Name of the Share holder	As at 31st March, 2019		As at 31st March, 2018	
	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	0.36	24.71%	0.36	24.71%
S. Kishore Babu (HUF)	0.12	8.46%	0.13	9.14%
S. Lakshmi	0.24	16.34%	0.24	16.34%
S. Rohit	0.16	10.70%	0.16	10.68%
HDFC Small Cap Fund	0.09	6.08%	0.06	4.24%
	0.97	66.29%	0.95	65.10%

The Company is not a subsidiary Company to any of the Company. The Company had 5 Indian subsidiary companies Hydro Magus Private Limited , Power Mech Industri Private Limited, Power Mech BSCPL Consortium Private Limited , Aashm Avenues Private Limited and Power Mech SSA Structures 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 3 Indian Joint venture companies Power Mech ACPL JV ,Power Mech STS JV, Power Mech - KHILARI Consortium 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.

Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:

During the Financial Year 2014-15, the Company had allotted 1,080,000 equity shares as fully paid up bonus shares by capitalising part of securities premium.

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

Note 14. OTHER EQUITY

Securities Premium

Particulars	Amount
As at 31st March, 2017	160.93
Changes during the year	-
As at 31st March, 2018	160.93
Changes during the year	-
As at 31st March, 2019	160.93

General Reserve

Particulars	Amount
As at 31st March, 2017	36.96
Transfers during the year	-
As at 31st March, 2018	36.96
Transfers during the year	-
As at 31st March, 2019	36.96

Notes to the Financial Statements

Retained Earnings

Particulars	Amount
As at 31st March, 2017	404.56
Add: Total comprehensive income for the year transferred from statement of profit and loss	65.86
Less: Final Dividend and tax thereon for the Financial year 2016-17 proposed & paid during the year	1.77
As at 31st March, 2018	468.65
Add: Total comprehensive income for the year transferred from statement of profit and loss	96.74
Less: Final Dividend and tax thereon for the Financial year 2017-18 proposed & paid during the year	1.77
As at 31st March, 2019	563.62

Summary of Other Equity

Particulars	As at 31st March, 2019	As at 31st March, 2018
Securities Premium	160.93	160.93
General Reserve	36.96	36.96
Retained Earnings	563.62	468.65
Total	761.51	666.54

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 transfer 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.

Note 15. LONG TERM BORROWINGS

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
A. Secured				
i. Term loans				
a) From banks : (At amortised cost)				
i) Axis bank	18.16	9.42	14.29	5.21
ii) HDFC	0.91	1.89	2.14	2.21
iii) Standard Chartered bank	-	0.01	0.01	0.49
iv) Kotak Mahendra bank	6.22	-	4.22	-
v) Emirates Islamic bank	0.20	0.16	0.13	0.05
b) From Others : (At amortised cost)				
i) HDB Financial Services	2.31	5.65	4.00	3.44
ii) TATA Capital	16.45	5.80	15.15	4.92
Total (a)	44.25	22.93	39.94	16.32
B. Unsecured				
a) Deferred payment liabilities				
Due to suppliers on deferred credit basis (interest free)	8.73	-	-	3.89
Total (b)	8.73	-	-	3.89
Total (a+b)	52.98	22.93	39.94	20.21

Notes to the Financial Statements

- 1) The term loans from banks and others 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 10.65 %
- 3) The above loans are repayable in monthly/quarterly instalments.
- 4) Maturity pattern of above term loans (Non Current) is as follows.
Banks : 2020-21 – Rs. 19.00 Cr & 2021-2022 - Rs.6.45 Cr & 2022-2023-Rs.0.04 Cr
Others : 2020-21 – Rs. 12.67 Cr & 2021-2022 - Rs.6.09 Cr
- 5) No defaults were made in repayment of above term loan

Note 16. OTHER FINANCIAL LIABILITIES

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
a) Retention Money & Security deposits recovered from Sub-Contractors	68.06	51.48	5.51	4.67
b) Current maturities of long-term debt (Refer note no.15)	-	-	39.94	20.21
c) Creditors for capital goods	-	-	2.16	2.20
d) Interest accrued and due	-	-	0.11	0.01
e) Interest accrued but not due	-	-	0.03	0.04
f) Unclaimed dividend	-	-	0.01	0.01
g) Employee related payments	-	-	34.55	28.29
h) Share application money refundable	-	-	0.11	0.10
i) Other Liabilities	-	-	27.84	17.49
Total	68.06	51.48	110.26	73.02

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, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	-	0.20	-	0.29
- Leave Encashment (Unfunded)	2.60	2.07	0.23	0.48
Total	2.60	2.27	0.23	0.77

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 Rs. 8.93 Cr (Year ended March 31, 2018: Rs. 8.20 Cr) for provident fund contributions, and Rs. 1.11 Cr (Year ended March 31, 2018: Rs. 0.95 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

Notes to the Financial Statements

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.

(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, 2019	As at 31st March, 2018
Present value of obligation	6.61	6.28
Fair Value of plan assets	7.39	5.79
Net Liability recognised in the Balance Sheet	(0.78)	0.49

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Plan Obligation	Plan Assets	Deficit / (Surplus)
As at March 31, 2017	4.87	4.16	0.71
Current service cost	1.38	0.00	1.38
Past service cost	0.12	0.00	0.12
Interest cost	0.37	0.00	0.37
Interest income	0.00	0.39	(0.39)
Actuarial gain arising from changes in experience adjustments	(0.11)	0.00	(0.11)
Contributions by employer	0.00	1.74	(1.74)
Benefit payments	(0.35)	(0.35)	0.00
Return on plan assets, excluding interest income	0.00	(0.15)	0.15
As at March 31, 2018	6.28	5.79	0.49
Current service cost	1.30	0.00	1.30
Past service cost	0.00	0.00	0.00
Interest cost	0.49	0.00	0.49
Interest income	0.00	0.49	(0.49)
Actuarial gain arising from changes in experience adjustments	(0.47)	0.00	(0.47)
Actuarial gain arising from changes in Financial assumptions	(0.69)	0.00	(0.69)
Contributions by employer	0.00	1.57	(1.57)
Benefit payments	(0.30)	(0.30)	0.00
Return on plan assets, excluding interest income	0.00	(0.16)	0.16
As at March 31, 2019	6.61	7.39	(0.78)

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31st March, 2018
Employee Benefit Expenses	
Current service cost	1.38
Past Service cost	0.12
Interest cost	0.38
Interest income	(0.39)
Net impact on profit before tax	1.49
Remeasurement of the net defined benefit plans:	
Actuarial (gain)/loss arising from changes in Experience adjustments	(0.11)
Return on plan assets, excluding interest income	0.15
Net impact on other comprehensive income	0.04

Notes to the Financial Statements

Particulars	Year ended 31st March, 2019
Employee Benefit Expenses	
Current service cost	1.30
Past Service cost	0.00
Interest cost	0.49
Interest income	(0.49)
Net impact on profit before tax	1.30
Remeasurement of the net defined benefit plans:	
Actuarial gain arising from changes in Financial assumptions	(0.69)
Actuarial gain arising from changes in Experience adjustments	(0.47)
Return on plan assets, excluding interest income	0.16
Net impact on other comprehensive income	(1.00)

(iv) Assets

The major categories of plan assets as a % of the total plan assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Funded with Life Insurance Corporation of India	100%	100%

(v) Investment details

Particulars	As at 31st March, 2019	As at 31st March, 2018
Insurance Policies	7.38	5.79

(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, 2019	As at 31st March, 2018
Discount rate	7.65	8.00
Salary escalation rate	5.00	6.00

(vii) Sensivity 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 occurring 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 result of sensitivity analysis is given below.

Particulars	Defined benefit obligation As at 31st March, 2019
Salary Escalation - Up by 1%	7.62
Salary Escalation - Down by 1%	5.66
Withdrawal Rates - Up by 1%	6.80
Withdrawal Rates - Down by 1%	6.24
Discount Rates - Up by 1%	5.71
Discount Rates - Down by 1%	7.57

viii) Maturity profile of Defined Benefit Obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non Current
Defined Benefit Obligation	0.32	1.16	1.80

ix) Estimated contribution to plan assets by the company during the next year is Rs.0.39 Cr

Notes to the Financial Statements

Note 18. DEFERRED TAX

The following is the analysis of deferred tax assets/liabilities presented in the Balance Sheet

Particulars	As at 31st March, 2019	As at 31st March, 2018
Liability:		
Towards depreciation	-	-
Asset:		
Disallowances under Income-tax	1.82	0.89
Towards depreciation	2.93	0.93
Total	4.75	1.82

Movement in Deferred Tax Assets/Liabilities

Component	As at 31st March, 2017	Charge / (Credit) to Statement of P&L	As at 31st March, 2018	Charge / (Credit) to Statement of P&L	As at 31st March, 2019
Deferred tax Liability / (Asset) in relation to:					
Depreciation	2.73	(3.66)	(0.93)	(2.00)	(2.93)
Expenses allowable under Income tax when paid	(0.61)	(0.28)	(0.89)	(0.93)	(1.82)
	2.12	(3.94)	(1.82)	(2.93)	(4.75)

Note 19. OTHER LIABILITIES

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
a) Mobilisation advances received from customers	19.16	20.73	20.55	20.27
b) Advances received from customers against supplies or works	-	-	0.02	0.22
c) Statutory Liabilities	-	-	36.92	29.92
d) Deferred government grants (Refer note)	0.64	0.66	-	-
Total	19.80	21.39	57.49	50.41

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 utilized 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.

Notes to the Financial Statements

Note 20. SHORT TERM BORROWINGS

Particulars	As at 31st March, 2019	As at 31st March, 2018
A. Secured		
Loans repayable on demand :		
a) Working capital loans from banks		
i) State Bank of India	111.48	122.02
ii) Standard Chartered bank	29.76	25.00
iii) ICICI bank	-	4.69
iv) Ratnakar bank	17.88	23.70
v) Axis bank	4.96	0.05
vi) IDFC bank	20.16	20.14
vii) OBC bank	0.02	-
b) Over Draft from banks :		
i) State Bank of India	12.95	0.10
B. Un Secured		
Loans repayable on demand :		
a) Working capital loans from banks		
i) HDFC bank	15.00	25.17
ii) HDFC bill discounting	29.83	18.24
iii) Bank of Bahrain & Kuwait	30.14	-
Total	272.18	239.11

Note:

- Working capital loans from SBI, Standard Chartered bank, ICICI, Axis, IDFC, Ratnakar bank and OBC 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.
- Overdraft facility from banks is secured against fixed deposits with banks.
- All the above loans are guaranteed by Managing Director and a director in their personal capacities.
- The above loans carries interest varies from 8.25 % to 11.90 %

Notes to the Financial Statements

Note 21. TRADE PAYABLES

Particulars	As at 31st March, 2019	As at 31st March, 2018
Dues to : Small and Micro Enterprises	0.36	0.87
: Other than Small and Micro Enterprises	403.94	287.44
Total	404.30	288.31

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, 2019	As at 31st March, 2018
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	0.36	0.87
(b) Interest due there on	0.05	0.11
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date Interest there on in terms of Sec 16 of the Act	-	-
(b) Interest paid along with such payments during the year	0.18	-
(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	0.05	0.11
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.	0.43	0.56

Note 22. CURRENT INCOME-TAX LIABILITIES (Net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Income-tax	175.44	117.25
Less: Advance Income-tax and TDS	153.97	107.08
	21.47	10.17

Income-tax recognised in profit or loss

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Current Tax		
Tax expense in respect of current year Income	58.18	39.49
(Excess)/short provision of current tax in earlier years	0.00	(0.24)
	58.18	39.25
Deferred Tax		
Deferred Tax credit in respect of Current year	(2.93)	(3.94)
	(2.93)	(3.94)
Total Tax expense recognised	55.25	35.31

Notes to the Financial Statements

The current Tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit before tax (Including OCI)	151.99	101.17
Enacted Tax Rates in India	34.94%	34.61%
Computed Tax expense	53.11	35.01
Add: Tax effects of expenses which are not deductible in determining taxable profit		
- Depreciation difference	3.20	3.69
- Expenses(net of income) not deductible for tax purposes	2.22	0.80
Tax on Ind AS adjustments	(0.35)	(0.01)
Excess provision of income tax relating to earlier years	0.00	(0.25)
Current Tax Provision	(A) 58.18	39.24
Increase of Deferred tax Asset on account of Fixed Assets	(2.00)	(3.66)
Increase of Deferred tax Asset on account of other Assets	(0.93)	(0.28)
Deferred Tax Credit	(B) (2.93)	(3.94)
Total Tax Expense	(A+B) 55.25	35.31

Note 23. REVENUE FROM OPERATIONS

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Contract receipts:		
Income from contracts and services	1,729.48	1,297.81
Other operating revenue :		
Crane and equipment hire charges received	7.09	12.30
TOTAL	1,736.57	1,310.11

Note 24. OTHER INCOME

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest from banks and others (at amortized cost)	6.98	5.67
Interest on unwinding portion of Rental Deposits (at amortized cost)	0.08	0.07
Profit on sale of assets	1.89	0.47
Profit on sale of investments	0.70	0.93
Gain on exchange fluctuations	3.24	0.12
Sale of Duty credit scrip and deferment of govt. grants	1.47	0.09
TOTAL	14.36	7.35

Notes to the Financial Statements

Note 25. COST OF MATERIALS CONSUMED

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening Stock	31.01	39.84
Add:Purchases	335.28	158.58
	366.29	198.42
Less : Closing Stock	76.55	31.01
TOTAL	289.74	167.41

Note 26. CHANGES IN INVENTORIES OF WORK -IN- PROGRESS

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening work-in-progress	2.38	1.97
	2.38	1.97
Closing work-in-progress	2.71	2.38
	2.71	2.38
Increase / (Decrease) in inventories	0.33	0.41

Note 27. CONTRACT EXECUTION EXPENSE

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Sub-contract expenses	785.81	631.74
Radiography charges	16.03	8.51
Hire charges	39.27	19.68
Rent at Project sites	15.67	10.46
Power and fuel	5.99	5.03
Insurance	2.30	1.00
Vehicles movement and other freight expenses	25.45	11.37
Repairs and maintenance : Plant and machinery	8.83	5.76
Other assets	2.36	2.30
Fuel and vehicle maintenance	31.90	26.70
Travelling expenses at projects	14.34	13.00
TOTAL	947.95	735.55

Note 28. EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries and Wages	207.40	183.10
Remuneration to managerial personnel	8.22	5.94
Contribution to provident and other funds	10.04	9.15
Staff welfare expenses	20.09	19.79
Contribution towards group gratuity	1.30	1.49
TOTAL	247.05	219.47

Notes to the Financial Statements

Note 29. FINANCE COST

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest paid to banks and others	46.17	31.64
Loan Processing charges	2.62	1.43
Interest on Income-tax	0.51	0.37
Exchange fluctuations on deferred credit payment	0.87	0.00
TOTAL	50.17	33.44

Note 30. DEPRECIATION AND AMORTISATION

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation	38.45	36.16
Amortisation	0.11	0.23
TOTAL	38.56	36.39

Refer note no 2.2(c) given under Significant accounting policies for method of providing depreciation.

Note 31. OTHER EXPENSE

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Rents - Office	2.41	2.38
Directors Sitting Fee	0.08	0.12
Donations	0.06	0.71
Payments to auditors		
Towards Statutory audit	0.12	0.12
Towards tax audit and taxation matters	0.01	0.01
Rates and taxes	5.11	6.19
Miscellaneous expenses	14.14	12.34
Provision towards contract assets	3.37	0.00
CSR expenses	1.38	0.20
Loss on sale of assets	0.12	0.02
Loss on exchange fluctuations	0.00	2.31
TOTAL	26.80	24.40

Notes to the Financial Statements

Note 32. CATEGORIES OF FINANCIAL INSTRUMENTS

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2019 and 31st March, 2018 are as follows:

Particulars	Carrying value		Fair value	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Financial assets				
Measured at Amortised cost				
(i) Other financial assets	596.15	537.01	596.15	537.01
(ii) Loans and advances	59.78	51.44	59.54	51.11
Measured at FVTOCI				
(i) Investments in equity instruments	0.02	0.02	0.03	0.03
Total assets	655.95	588.47	655.72	588.15
Financial liabilities				
Measured at amortised cost				
(i) Borrowings (including current maturities of Long term borrowings)	92.92	43.14	92.92	43.14
(ii) Other financial liabilities	138.38	104.28	138.38	104.28
Total liabilities	231.30	147.42	231.30	147.42

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
	31st March, 2019	31st March, 2018		
1) Investments in Quoted Mutual Funds	0.03	0.03	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 bank borrowings, other financial assets and financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

Notes to the Financial Statements

Note: 34 Financial Risk Management

The Company financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company 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 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 continuous 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 company are from public sector and accounts more than 35% 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.

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Turnover from top Customer	321.48	377.15
Dues from top customer	239.10	193.09
Turnover from other top 4 customers	249.00	151.16
Dues from other top 4 customers	102.98	93.15

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 March 31, 2019, March 31, 2018 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:

Particulars	Currency	Year ended 31st March, 2019	Year ended 31st March, 2018
Letter of Credit	USD	8.73	3.89

Notes to the Financial Statements

- 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	As at
	31st March, 2019	31st March, 2018
Net Foreign currency exposure in		
USD - US Dollars	11.93	16.54
SAR - Saudi Arabian Riyals	4.19	(3.41)
AED - Arab Emirates Dirham	13.17	13.79
BDT - Bangladeshi Taka	19.74	2.63
LYD - Libyan Dinars	4.16	1.83
KWD - Kuwaiti Dinar	2.78	0.83
	55.97	32.21

The company does not have any risk of currency fluctuation since it's entire liability in foreign 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 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 March 31, 2019 and March 31, 2018. 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	As at
	31st March, 2019	31st March, 2018
Equity	776.22	681.25
Short Term Borrowings	272.18	239.11
Long Term Borrowings (including Current maturities of Long term debt)	92.92	43.14
Cash and Cash Equivalents (including other bank balances)	(124.96)	(116.89)
Net Debt	240.14	165.36
Total Capital (Equity+Net Debt)	1,016.36	846.61
Gearing Ratio	30.94%	24.27%

Notes to the Financial Statements

Note	Particulars	31.03.2019	31.03.2018
Note 35.	Contingent Liabilities and Commitments		
A.	Contingent Liabilities		
	a) Claims against the company not acknowledged as debts		
	VAT	4.75	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	11.00	8.43
	- Power Mech Industri Private Limited	8.48	12.27
B.	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	11.58	11.14
Note 36.	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.	791.16	663.62
Note 37.	CIF value of Imports made by the company during the year		
	a) Consumables & Spare parts	4.76	0.07
	b) Capital goods	13.17	0.79
Note 38.	Earnings in foreign currency		
	a) Contract receipts (Projects executed outside India)		
	Abu Dhabi	42.77	32.56
	Bheramara	53.96	26.13
	Kuwait	52.81	-
	Shuqaiq	-	8.55
	Libya	-	4.90
	IBRI	7.53	20.27
	Saudi	9.21	16.57
	Nigeria	0.75	-
	b) Consideration received on sale of shares		
	In CPNED	-	0.93
	In Mas Power Mech Arabia	0.72	-
Note 39.	Expenditure in foreign currency		
	a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
	Yemen	1.67	0.00
	Abu Dhabi	37.78	24.19
	Bheramara	54.65	25.87
	Kuwait	50.49	0.01
	Shuqaiq	0.02	23.86
	Libya	0.86	3.97
	b) Foreign travel	0.08	0.15

Note 40. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
a) Gross amount required to be spent by the company during the year	1.65	1.58
b) Amount spent during the year (Contribution paid to Power Mech Foundation)	1.38	0.20

Notes to the Financial Statements

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)director
	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
	v) Joint Venture	GTA Power Mech Nigeria Limited M/S POWER MECH-M/S ACPL JV PMPL-STIS-JV Power Mech-Khilari Consortium 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

Sl 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 (0.25)					
b)	S. Lakshmi		0.07 (0.07)				
c)	S. Kishore Babu (HUF)		0.08 (0.08)				
d)	S. Rohit		0.11 (0.11)				
e)	Power Mech Infra Limited			1.60 (1.52)			
ii)	Remuneration Paid						
a)	S. Kishore Babu	8.04 (5.38)					
b)	S. Rohit		0.16 (0.05)				

Notes to the Financial Statements

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
iii) Sub-Contract Expenses & Hire charges Paid							
a)	Power Mech Infra Limited			0.48 (5.08)			
b)	Hydro Magus Private Limited				1.15 (9.22)		
c)	Power Mech Industri Private Limited				2.34 (0.16)		
iv) Stores Material Purchased from							
a)	Power Mech Industri Private Limited				1.40 (1.40)		
v) Assets purchased from							
a)	Power Mech Infra Limited			9.52 -			
vi) Receipts from Sale of assets							
a)	Power Mech Industri Private Limited				0.03 -		
b)	Power Mech Projects Limited LLC				1.50 -		
c)	Power Mech Projects (BR) FZE				0.24 -		
d)	GTA Power Mech FZE					1.21 -	
vii) Contract receipts from sale of services							
a)	Hydro Magus Private Limited				- (0.32)		
b)	Power Mech Projects Limited LLC				4.87 (11.48)		
c)	MAS Power Mech Arabia						6.61 (15.42)
d)	GTA Power Mech Nigeria Limited					- (0.17)	
e)	Power Mech BSCPL Consortium Private Limited				144.81 (21.02)		
f)	M/s. Power Mech - M/s. ACPL JV				43.47 -		
g)	Power Mech-STS-JV				38.98 -		
h)	GTA Power Mech FZE					0.51 -	
i)	Power Mech Projects (BR) FZE				0.75 -		

Notes to the Financial Statements

Sl 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)	Power Mech Projects Limited LLC				0.19 (0.47)		
b)	MAS Power Mech Arabia						2.59 (3.13)
c)	Hydro Magus Private Limited				6.19 -		
d)	GTA Power Mech FZE					1.25 -	
ix) Crane hire charges received							
a)	Power Mech Projects Limited LLC				2.47 (8.32)		
x) Rent Received							
a)	Hydro Magus Private Limited				- (0.00)		
xi) Donations/CSR Contributon paid							
a)	Power Mech foundation			1.38 (0.14)			
xii) Sitting fee paid to directors							
a)	G D V Prasada Rao	0.03 (0.03)					
b)	T Sankaralingam	0.03 (0.03)					
c)	Vivek Paranjpe	0.02 (0.02)					
d)	Sutanu Behuria	- (0.03)					
C) Balances outstanding as on 31.03.2019							
i)	Investment in Hydro Magus Private Limited				2.94 (2.94)		
ii)	Investment in Power Mech Industri Private Limited				4.31 (4.31)		
iii)	Investment in MAS Power Mech Arabia						2.26 (0.45)
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 -		
vii)	Investment in Aashm Avenues Private Limited				0.10 -		
viii)	Investment in Power Mech Projects (BR) FZE				0.69 -		

Notes to the Financial Statements

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
ix)	Investment in GTA Power Mech Nigeria Limited					0.32 (0.32)	
x)	Investment in GTA Power Mech DMCC (Company with limited liability)					0.09 -	
xi)	Due to Power Mech Infra Limited			0.33 (3.99)			
xii)	Rental Deposit with Power Mech Infra Limited			0.89 (0.89)			
xiii)	Remuneration Payable	2.63 (1.65)					
xiv)	Rent Payable						
	S. Kishore Babu	0.03 (0.02)					
	S. Lakshmi		0.01 (0.01)				
	S. Kishore Babu (HUF)		0.01 (0.01)				
	S.Rohit		0.01 (0.01)				
xv)	Due from Power Mech Industri Private Limited				32.36 (26.71)		
xvi)	Due from Power Mech SSA Structures Private Limited				2.26 -		
xvii)	Due from GTA Power Mech FZE					0.55 -	
xviii)	Trade Receivable - Hydro Magus Private Limited (including Retention money and Security Deposits)				2.17 (7.11)		
xix)	Trade Receivable - Power Mech Industri Private Limited				0.15 (0.15)		
xx)	Trade Receivable - Power Mech Projects Limited LLC				5.30 (16.53)		
xxi)	Trade Receivable - Power Mech BSCPL Consortium Private Limited (including Retention money and Security Deposits)				14.00 (4.14)		
xxii)	Trade Receivable - MAS Power Mech Arabia						9.63 (5.81)
xxiii)	Trade Receivable - GTA Power Mech Nigeria Limited					0.15 (0.17)	
xxiv)	Trade Receivable -GTA Power Mech FZE					0.34 -	
xxv)	Trade Receivable -Power Mech Projects (BR) FZE				0.78 -		
xxvi)	Trade Receivable - M/s. Power Mech - M/s. ACPL JV				10.55 -		

Notes to the Financial Statements

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
xxvii)	Trade Receivable - Power Mech-STS-JV				6.13		
					-		
xxviii)	Mobilisation advance to Hydro Magus Private Limited				0.12		
					(0.20)		
xxix)	Mobilisation advance from Power Mech Projects (BR) FZE				5.22		
					-		
xxx)	Trade Payable to Hydro Magus Private Limited (including Retention money and Security Deposits)				0.41		
					(3.51)		
xxxi)	Trade Payable to Power Mech Industri Private Limited				0.04		
					-		
xxxii)	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 Rs.5.86 Cr (As on 31.03.2018 Rs. 6.35 Cr) being the Works contract tax deducted by the customers under local sales tax laws and outstanding as on 31.03.19 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 predominantly 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."

Note 45. CALCULATION OF EARNINGS PER SHARE:

Sl. No	Particulars	2018-19	2017-18
1	Basic and Diluted Earning per share		
	No. of shares at the beginning of the year	1.47	1.47
	Change in equity during the year	-	-
	Total Weighted average number of shares	1.47	1.47
	Profit after tax	95.74	65.90
	Basic and diluted Earning per share (in ₹)	65.08	44.80

Notes to the Financial Statements

Note 46. Transition impact of Ind AS 115 “Revenue from contracts with customers”

The company has no impact on its financial statements due to implementation of Ind AS 115 “Revenue from contracts with customers” which is effective from 01.04.2018

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	Advances given to sub contractors against works
Opening balance as at 01.04.2018	-	-
Changes in allowance for expected credit loss		
- Provision for expected credit loss	2.15	1.22
- Reversal of Provision for expected credit loss	-	-
Write off as baddebts	-	-
Closing balance as at 31.03.2019	2.15	1.22

b) Movement in contract balances :

Particulars	31.03.2019	31.03.2018	Net Increase/ Decrease
Contract Receivables			
Dues from customers	388.57	315.02	73.55
Contract assets			
Retention & SD amounts due from customers	288.97	246.81	42.16
Contract payables			
Due to Sub Contractors	234.95	202.14	32.80
Contract Liabilities			
Retention & SD amount due to Sub Contractors	73.57	56.14	17.43

c) Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price :

There is no difference in the contract price negotiated and the revenue recognized in the statement of profit and loss for the current year. There is no significant revenue recognized in the current year from performance obligations satisfied in the previous periods .

d) Performance obligation :

The transaction price allocated to the remaining performance obligations is Rs. 6,190 Cr which will be recognized as revenue over the respective project durations. Generally the project duration of contracts with customers will be 1-3 years.

Note No. 48. Dividend:

The board of Directors at its meeting held on 22.05.2019 have recommended a dividend of Rs. 1/- each per share of face value of Rs. 10/- each for the financial year ended 31st March, 2019. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as a liability.

Notes to the Financial Statements

Note No. 49. Disclosure as per Regulation 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

Name of the Company and relationship	Balance as on 31st March, 2019	Maximum Balance Outstanding for the year 2018-19	Balance as on 31st March, 2018	Maximum Balance Outstanding for the year 2017-18
Subsidiaries				
Power Mech Industri Private Limited	32.36	32.36	26.71	26.71
Power Mech SSA Structures Private Limited	2.26	2.26	-	-
Joint ventures				
Power Mech CPNED Services (Hongkong) Holding Co. Ltd.	-	-	-	0.03
Associates				
MAS Power Mech Arabia	-	-	-	0.52
Wholly owned subsidiary of Joint ventures				
GTA Power Mech FZE	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.

Note No. 50. Previous year figures have been regrouped wherever necessary to conform to current year classification.

As per our report of even date

For BRAHMAYYA & CO

Chartered Accountants

Firm's Registration Number: 000513S

Sd/-

(Karumanchi Rajaj)

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 22.05.2019

For and on behalf of the Board

Sd/-

S.Kishore Babu

Chairman and Managing Director
DIN (00971313)

Sd/-

J Satish

CFO

Sd/-

Rohit Tibrewal

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 controlled entities and associates comprising of the Consolidated Balance Sheet as at 31st March, 2019, 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, 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 March 31, 2019 and its Profit, total comprehensive Income, 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. 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	<p>Revenue recognition of long term contracts of the Holding company</p> <p>The holding company has revenue from construction contracts and long term operating and maintenance agreements.</p> <p>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.</p> <p>We focussed this area because of significant management judgement required in:</p>	<p>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.</p> <p>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.</p>

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.	
2	<p>Trade receivables of Holding company</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>We considered this matter to be significant to our audit due to the quantum of the receivables and their period of outstanding.</p>	<p>Our audit procedures in relation to the recoverability of trade receivables included</p> <ul style="list-style-type: none"> • 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. <p>Considering all these, we found that the judgment made by the management in assessment of recoverability of receivables are found to be appropriate.</p>

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 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 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 Matter

We did not audit the financial statements and other financial information of 2 overseas subsidiaries and 1 Indian subsidiary whose financial statements reflect total assets Rs.126.04 crores as at 31st March, 2019, total revenues Rs. 641.78 crores, total net profit tax Rs. 44.78 crores and Other comprehensive income Rs. 1.07 crores for the year ended on that date as considered in the consolidated financial results. The consolidated financial results also includes groups share of net profit Rs. 1.02 crores and other comprehensive income of Rs. Nil for the year ended on that date as considered in consolidated financial results in respect of 2 joint ventures and 1 associate whose financial information has not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results in so far as relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures is based on solely of the other auditors. Of above, two subsidiaries, one associate and two Joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with the 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 company's management has converted these financial statements as per the accounting principles generally accepted in India. We have audited these conversion adjustments made by the company's management. Our opinion in so far as it relates to the balances and affairs of such overseas subsidiary companies/JV and Associate is based on reports of other auditors and the conversion adjustments prepared by the management of the company and audited by us.

Our opinion on the statement 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.

Report on Other Legal and Regulatory Requirements

- 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:

- 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.
- 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.
- 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.
- 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.
- On the basis of the written representations received from the directors of the holding company as on March 31, 2019 taken on record by the Board of Directors of the holding company, none of the directors of holding company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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 B" 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.
- 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 to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

Sd/-
(Karumanchi Rajaj)
Partner
(Membership No: 202309)

Place: Camp: Hyderabad
Date: 22.5.2019

Annexure-A to the Independent Auditor's 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, 2019, we have audited the internal financial controls over financial reporting of POWER MECH PROJECTS LIMITED ("the holding company") and 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 31 March 2019, 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 subsidiary is based on the report of the other auditor.

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

Sd/-
(Karumanchi Rajaj)
Partner
(Membership No: 202309)

Place: Camp: Hyderabad

Date: 22.5.2019

All amounts are in ₹ Crores, except share data and where otherwise stated

Consolidated Balance Sheet as at 31st March, 2019

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
Assets			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	187.30	199.86
(b) Capital Work-in-progress		3.34	5.99
(c) Intangible Assets	5	2.64	2.70
(d) Unallocated Capital expenditure	6	-	-
(e) Financial Assets			
(i) Investments	7	31.34	0.13
(ii) Loans	8	21.03	21.20
(iii) Other financial assets	9	267.29	216.20
(f) Deferred Tax Asset (Net)	20	5.64	2.53
(g) Other Non-current assets	10	12.58	1.55
Total Non-Current assets		531.16	450.16
2 Current Assets			
(a) Inventories	11	92.73	47.22
(b) Financial Assets			
(i) Trade Receivables	12	389.15	308.60
(ii) Cash and cash equivalents	13	15.55	52.11
(iii) Other Bank Balances	13	72.52	42.65
(iv) Loans	8	5.06	4.98
(v) Other Financial Assets	9	421.01	389.08
(c) Other Current assets	10	399.73	289.74
Total Current assets		1,395.75	1,134.38
Total Assets		1,926.91	1,584.54
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	14	14.71	14.71
(b) Other Equity	15	804.64	683.75
		819.35	698.46
2 Non-Controlling Interests			
Liabilities	16	8.16	13.81
3 Non-current liabilities			
(a) Financial Liabilities			
(i) Long-term borrowings	17	53.98	27.72
(ii) Other financial liabilities	18	79.12	51.13
(b) Provisions	19	2.77	2.30
(c) Other non-current liabilities	21	21.85	28.86
Total Non-Current liabilities		157.72	110.01
4 Current liabilities			
(a) Financial Liabilities			
(i) Short-term borrowings	22	282.38	246.22
(ii) Trade payables	23		
a) Total outstanding dues of micro enterprises and small enterprises		0.36	0.87
b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		442.71	306.58
(iii) Other financial liabilities	18	121.78	137.61
(b) Other current liabilities	21	74.91	56.11
(c) Provisions	19	0.24	1.33
(d) Current tax Liabilities (Net)	24	19.30	13.54
Total Current liabilities		941.68	762.26
Total Liabilities		1,099.40	872.27
Total Equity and Liabilities		1,926.91	1,584.54

Note: The accompanying notes form an integral part of the financial statements.

As per our report of even date

For **BRAHMAYYA & CO**

Chartered Accountants

Firm's Registration Number: 000513S

Sd/-

(Karumanchi Rajaj)

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 22.05.2019

For and on behalf of the Board

Sd/-

S. Kishore Babu

Chairman and Managing Director

DIN (00971313)

Sd/-

Rohit Tibrewal

Company Secretary

Sd/-

J Satish

CFO

All amounts are in ₹ Crores, except share data and where otherwise stated

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2019

Particulars	Note No.	Year ended	Year ended
		31st March, 2019	31st March, 2018
I Revenue from Operations	25	2,261.30	1,547.83
II Other Income	26	14.12	6.72
III Total Income (I+II)		2,275.42	1,554.55
IV Expenses			
Cost of Material Consumed	27	326.38	196.41
(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	28	3.13	(8.55)
Contract Execution expenses	29	1,215.08	814.57
Employee benefits expense	30	393.18	312.17
Finance Costs	31	55.07	35.87
Depreciation and Amortization expense	32	45.82	42.84
Other expenses	33	32.74	30.97
Total Expenses (IV)		2,071.40	1,424.28
V Profit before share of profit/(Loss) from joint venture, associates, exceptional items and tax (III-IV)		204.02	130.27
VI Share of Profit/(Loss) from joint venture and associates		1.53	(0.23)
VII Profit before exceptional items and tax (V+VI)		205.55	130.04
VIII Exceptional Items			
IX Profit before tax (VII-VIII)		205.55	130.04
X Tax Expense:			
Current tax		65.48	43.91
Deferred tax		(3.11)	(4.68)
XI Profit for the period (IX-X)		143.18	90.81
XII Other Comprehensive Income			
A. Items that will not be re-classified to profit and Loss account			
a) Changes in Fair value of Investments		0.00	0.00
b) Remeasurement of defined employee benefit plans		0.96	(0.04)
B. Items that will be re-classified to profit and Loss account			
a) Exchange fluctuations on translation of foreign operations		1.07	-
XIII Total Comprehensive Income for the period (XI+XII)		145.21	90.77
Profit for the year before Other Comprehensive Income		143.18	90.81
Attributable to			
Equity holders of the parent		121.62	79.44
Non-Controlling Interests		21.56	11.37
Total Comprehensive Income for the period		145.21	90.77
Attributable to			
Equity holders of the parent		123.33	79.40
Non-Controlling Interests		21.88	11.37
XIV Earnings per Share - Basic and Diluted (in ₹)		82.68	54.01

Note: The accompanying notes form an integral part of the financial statements.

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Consolidated Cash Flow Statement for the Year ended 31st March, 2019

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	205.55	130.04
Add/Less: Adjustments for :		
Depreciation	45.82	42.84
FCTR Movement	1.07	-
Interest and Finance charges	55.07	35.87
Loss on sale of assets	0.26	0.02
Net loss arising on financial assets measured at FVTPL	0.08	0.01
Interest income (excluding interest on rental deposit)	(7.06)	(5.74)
Profit on sale of assets	(2.27)	(0.47)
Loss on sale of investments in JV	0.00	0.03
MPA profit for the 11 months period not to be considered	(40.15)	0.00
Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income	(0.96)	(0.04)
Share of Profit in Joint Venture	(1.53)	0.00
Operating profit before working capital changes	255.88	202.56
Movements in Working Capital		
Adjustments for (increase)/decrease in operating assets:		
- Trade Receivables	(80.40)	(13.73)
- Inventories	(45.50)	(3.52)
- Other Assets	(208.66)	(153.46)
Adjustments for increase/(decrease) in operating liabilities:		
- Trade Payables	135.59	42.10
- Other Liabilities and Provisions	4.27	1.80
Cash generated from operations	61.18	75.75
Less: Direct taxes paid	59.72	(39.99)
Net cash from Operating activities (A)	1.46	35.76
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/(Sale) of fixed assets(Net)	(50.36)	(33.55)
Proceeds from sale of fixed assets	23.70	1.01
Investment in Equity Shares of Joint Venture Companies	(2.12)	0.00
Disposal of Investment in MPA(Opening Networth as on 31.03.2018)	(16.47)	0.00
Proceeds from sale of JV	0.72	0.64
Margin money deposits with banks and other balances	(25.36)	(15.63)
Interest received (Excl interest on rental deposit)	7.06	5.74
Net cash used in Investing activities (B)	(62.83)	(41.79)
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) borrowings	81.65	87.22
Interest and Finance charges paid	(55.07)	(35.87)
Dividends and dividend tax paid	(1.77)	(1.77)
Net cash from financing activities (C)	24.81	49.58
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(36.56)	43.55
Cash and cash equivalents at the beginning of the period	52.11	8.56
Cash and cash equivalents at the end of the period	15.55	52.11
Net Increase/(Decrease) in cash and cash equivalents	(36.56)	43.55

All amounts are in ₹ Crores, except share data and where otherwise stated

Consolidated Cash Flow Statement for the Year ended 31st March, 2019

Components of cash and cash equivalents

Particulars	2018-19	2017-18
Cash on hand	1.42	2.62
In Current accounts	13.98	37.10
Cheques, Drafts on Hand	-	12.39
Deposits having maturity period for less than 3 months	0.15	-
	15.55	52.11

Changes in Liability arising from Financing activities

Particulars	Opening	Non-Cash changes (forex)	Net Cash flow	Closing
Long term borrowings (including Current maturities of Long term Debt)	52.20	0.87	45.63	98.70
Short term borrowings	246.23	-	36.15	282.38

Note: The accompanying notes form an integral part of the financial statements.

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Rohit Tibrewal

Company Secretary

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Consolidated Statement of Changes in Equity for the Year ended 31st March, 2019

A. Equity share capital

Particulars	No's	Amount
As at 31st March, 2017	1.47	14.71
Changes in equity during the year	-	-
As at 31st March, 2018	1.47	14.71
Changes in equity during the year	-	-
As at 31st March, 2019	1.47	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/ (Losses)	
Balance at the end of reporting period- 31st March 2017	160.93	37.00	1.11	406.78	0.01	0.71	606.54
Profit for the year (Net of Minority Interest)	-	-	-	79.44	-	-	79.44
Other Comprehensive Income	-	-	(1.05)	-	0.00	(0.04)	(1.09)
Total Comprehensive Income for the year	-	-	(1.05)	79.44	0.00	(0.04)	78.35
Dividend and Dividend tax	-	-	-	1.77	-	-	1.77
Waiver of preference dividend	-	-	-	0.63	-	-	0.63
Balance at the end of reporting period- 31st March 2018	160.93	37.00	0.06	485.08	0.01	0.67	683.75
Profit for the year (Net of Minority Interest)	-	-	-	121.62	-	-	121.62
Other Comprehensive Income	-	-	0.74	-	(0.00)	0.97	1.71
Total Comprehensive Income for the year	-	-	0.74	121.62	(0.00)	0.97	123.33
Dividend and Dividend tax	-	-	-	1.77	-	-	1.77
Decrease in FCTR due to change in status of subsidiary company	-	-	(0.04)	-	-	-	(0.04)
Decrease in equity due to dilution of investment in subsidiary	-	-	-	(0.47)	-	-	(0.47)
Adjustment of Good will	-	-	-	(0.16)	-	-	(0.16)
Balance at the end of reporting period- 31st March 2019	160.93	37.00	0.76	604.30	0.01	1.64	804.64

Note: The accompanying notes form an integral part of the financial statements.

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DIN (00971313)

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Rohit Tibrewal

Company Secretary

Sd/-

J Satish

CFO

Significant Accounting Policies and Notes on Consolidated Financial Statements

Note No. 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, signaling, culverts, platforms etc. and has made its latest entry into transmission and distribution portfolio, a new venture of diversification and the company has already undertaken some major projects.

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)	
			31.3.2019	31.3.2018
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 (Incorporated during the year)	India	Infrastructure development	100%	-
Aasham Avenues Private Limited (Incorporated during the year)	India	Infrastructure development	100%	-
Power Mech Projects LLC	Oman	Installation and repair of electric power and transformer plants	70%	70%
Power Mech Projects (BR) FZE (Incorporated during the year)	Nizeria	Infrastructure development	100%	-
MAS Power Mech Arabia	Saudi Arabia	Installation and Maintenance services	Ceased to be subsidiary during the year on disposal of part of the holding)	51%

b) Joint Venture:

Name of the company	Country of incorporation	Principal activities	Year ended (% of holding)	
			31.3.2019	31.3.2018
M/s. Power Mech – M/s. ACPL JV (Incorporated during the year)	India	Construction works	80%	-
Power Mech – Khilari Consortium JV (Incorporated during the year)	India	Construction works	75%	-
Power Mech – STS JV (Incorporated during the year)	India	Construction works	74%	-
GTA Power Mech Nigeria	Nigeria	Turbine repair	50%	50%
GTA Power Mech DMCC	Dubai	Construction works	50%	Nil

c) Associate

Name of the company	Country of incorporation	Principal activities	Year ended (% of holding)	
			31.3.2019	31.3.2018
MAS Power Mech Arabia	Saudi Arabia	Installation and Maintenance services	49%	Subsidiary till 31.3.2018

Note No.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 recognized 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. The Group's investment in associates includes goodwill 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 recognized 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. The Group's investment in joint venture includes goodwill 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 recognized 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 recognized as Goodwill on consolidation being an asset in the consolidated financial statements

or in case of excess of cost of investments, it is recognized 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 recognized 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, 2018 and for consolidation purposes additional financial information for the q.e 31st March, 2019 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.

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 recognized 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 recognized 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 recognized 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.

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 capitalized 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 capitalized 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 recognized in the statement of profit and loss when incurred. Items of spare parts are recognized 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 recognized in statement of profit and loss.

c) Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortization. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis from the date they are available for use.

d) Depreciation and Amortization

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

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

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

Depreciation and amortization methods, useful lives and residual values are reviewed periodically at the end of each financial year with the effect of any change in estimate accounted for on a prospective basis.

e) Government Grants

Government grants are not recognized 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 recognized 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 recognized 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. If groups share of losses in entity exceeds its investment, the group discontinues recognising its share of further losses. If the entity reports profits subsequently, the group resumes recognising its share of profits only after its share of profits equals the share of losses not recognised.

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 generate 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 recognized 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 capitalized 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 recognized 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, mobilization 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 recognized 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 recognized 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 customization 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 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 recognized 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 recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

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

Revenue is recognized 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 recognized using the effective interest method.

Dividend income is recognized 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 recognized 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 recognized at the rates of exchange prevailing at the dates of the transactions. Gains/losses on settlement of the transaction are recognized 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 recognized 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 recognized 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 recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized 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 recognized 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 recognized as income or expense in the year of enactment. A deferred income tax asset is recognized 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 utilized.

n) Provisions, Contingent Liabilities and Contingent assets

Provisions are recognized 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 recognized in the financial statements since this may result in the recognition of income that may never be realized.

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 share holders at the Annual General Meeting.

p) Earnings per share

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

q) Leases

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

r) Cash 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 recognized 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 recognized 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 amortized cost:
A financial asset is subsequently measured at amortized 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 recognized 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 recognized 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 recognized as a loss allowance. However, if the credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized 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 recognized earlier.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. The effective method is a method of calculating the amortization 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 recognized in the statement of profit and loss over the contractual terms using the effective interest method.

Note 3. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Indian companies in the group has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The

right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided in the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalizing changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from April 1, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortization change for the right-to-use asset, and (b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation:

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement:

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures:

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements:

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

All the above amendments are effective from 1.4.2019. The Indian companies in the group believes that the aforesaid amendments will not materially impact the consolidated financial statements of the group.

Notes to the Consolidated Financial Statements

Note 4. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Carrying Amounts of:		
Land	4.15	4.15
Lease Hold Land	1.92	1.94
Office Buildings	34.69	29.46
Plant and Equipment	23.51	28.44
Furniture and Fixtures	3.86	5.34
Computers	1.40	1.47
Office Equipment	4.00	6.87
Motor vehicles	15.44	19.29
Cranes	89.05	87.84
Temporary Sheds	9.28	15.06
	187.30	199.86
Capital Work-in-progress	3.34	5.99

Notes to the Consolidated Financial Statements

Note 4. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

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, 2017	4.15	2.01	32.34	40.17	7.94	3.05	9.45	33.14	120.05	25.50	277.80
Additions	-	-	-	11.28	1.23	0.47	2.86	4.79	7.48	11.34	39.45
Disposals	-	-	-	0.75	-	-	-	0.13	0.20	-	1.08
As at 31st March, 2018	4.15	2.01	32.34	50.70	9.17	3.52	12.31	37.80	127.33	36.84	316.17
Additions	-	-	6.67	7.17	0.78	0.74	1.70	4.08	26.82	4.85	52.81
Disposals	-	-	-	8.10	0.70	0.28	3.41	2.54	14.06	0.37	29.46
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
Accumulated Depreciation including accumulated Impairment losses											
As at 31st March, 2017	-	0.05	1.54	15.01	2.17	1.37	3.32	11.92	25.77	13.07	74.22
Depreciation charge for the year	-	0.02	1.34	7.61	1.66	0.68	2.12	6.66	13.81	8.71	42.61
On disposals	-	-	-	0.36	-	-	-	0.07	0.09	-	0.52
As at 31st March, 2018	-	0.07	2.88	22.26	3.83	2.05	5.44	18.51	39.49	21.78	116.31
Depreciation charge for the year	-	0.02	1.44	6.99	1.79	0.64	2.26	6.59	15.35	10.63	45.71
On disposals*	-	-	-	2.99	0.23	0.11	1.10	1.20	3.80	0.37	9.80
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
Net Block											
As at 31st March, 2019	4.15	1.92	34.69	23.51	3.86	1.40	4.00	15.44	89.05	9.28	187.30
As at 31st March, 2018	4.15	1.94	29.46	28.44	5.34	1.47	6.87	19.29	87.84	15.06	199.86

* Disposals for the year 2018-19 includes assets relating to MAS Power Mech Arabia on account of disposal of 2% stake resulting into the subsidiary company becoming an associate company.

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 SBI, Standard Chartered bank, Axis, IDFC, ICICI, Ratnakar bank and OBC are secured by way of first charge on Property, Plant and Equipment of the Group both present and future, excluding those assets against which charge was given to equipment financiers.

Notes to the Consolidated Financial Statements

Capital Work-in-Progress

Particulars	Amount
Carrying value - At Cost	
As at 31st March, 2017	11.93
Additions	1.48
Capitalised during the year	(7.42)
As at 31st March, 2018	5.99
Additions	0.47
Capitalised during the year	(3.12)
As at 31st March, 2019	3.34

Note 5. INTANGIBLE ASSETS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Power Mech Brand	0.00	0.00
Computer Software	0.37	0.27
Goodwill	2.27	2.43
	2.64	2.70

Particulars	Power Mech Brand	Computer Software	Goodwill	Total
Gross Block				
As at 31st March, 2017	0.00	1.20	2.43	3.63
Additions	-	0.04	-	0.04
Disposals	-	-	-	-
As at 31st March, 2018	0.00	1.24	2.43	3.67
Additions	-	0.21	-	0.21
Disposals	-	-	0.16	0.16
As at 31st March, 2019	0.00	1.45	2.27	3.72
Accumulated Amortization				
As at 31st March, 2017	0.00	0.74	-	0.74
Depreciation charge for the year	-	0.23	-	0.23
On disposals	-	-	-	-
As at 31st March, 2018	0.00	0.97	-	0.97
Depreciation charge for the year	-	0.11	-	0.11
On disposals	-	-	-	-
As at 31st March, 2019	0.00	1.08	-	1.08
Net Block				
As at 31st March, 2019	0.00	0.37	2.27	2.64
As at 31st March, 2018	0.00	0.27	2.43	2.70

Notes to the Consolidated Financial Statements

Note 7. INVESTMENTS (NON-CURRENT)

Particulars	As at	
	31st March, 2019	31st March, 2018
A. Investment in Equity Instruments		
(a) (i) Quoted - Trade (carried at fair value through OCI)		
a) 24 Equity shares of Rs.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 Rs.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 Joint Ventures (Carried at cost) :		
a) 1,50,00,000 (1,50,00,000) equity shares of 1 Naira each in GTA Power Mech Nigeria Limited	(0.27)	0.10
b) 50 (NIL) Equity shares of AED 1000 each in GTA Power Mech DMCC	0.03	-
c) Investment in M/s. PMPL - M/s. ACPL JV (Capital introduced Nil)**	0.23	-
d) Investment in PMPL-STIS JV (Capital introduced Nil) **	0.19	-
e) Investment in PMPL-KHILARI Consortium JV (Capital introduced Nil) **	0.09	-
Investment in Associate (Carried at cost) :		
a) 332 (225) Equity shares of SAR 1000 each in MAS Power Mech Arabia ***	31.04	-
Total Investment in Un-Quoted Equity Instruments (b)	31.31	0.10
Total Investment in Equity Instruments (A)=(a+b)	31.31	0.10
B. Investment in Mutual Funds - Quoted: (Carried at fair value through OCI)		
a) Investments in mutual funds 20000 units of SBI Infra structure fund - I - Growth Rs.10/each	0.03	0.03
Total Investment in Mutual Funds (B)	0.03	0.03
Total (A+B)	31.34	0.13
Aggregate amount of : Quoted investments -		
- At cost	0.02	0.02
- Market value	0.03	0.03
Aggregate amount of unquoted investments	31.31	0.10

* Amounts below ₹1 lakh

** The company has become a venturer in Joint Ventures incorporated during the year. However no investment has been made in the said JV's as on date of Balance Sheet.

*** During the year, the company disposed a stake of 2% in its subsidiary company MAS Power Mech Arabia resulting into the subsidiary company becoming an associate company.

Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31 st March, 2019		As at 31 st March,2018	
	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 Rs.10/ each in Reliance Power Limited	0.00	-	0.00	
b) 200 Equity shares of Rs.10/ each in Assam Company Limited	0.00	-	0.00	
c) Investments in mutual funds 20000 units of SBI Infra structure fund - I - Growth Rs.10/ each	0.03	-	0.03	
(ii) Using Equity method for Investments in Joint Ventures and Associates as per Ind As 28	31.31	-	0.10	
	31.34	-	0.13	

Notes to the Consolidated Financial Statements

Note 8. LOANS

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered Good				
a) Security deposits with Govt. authorities and others	10.85	15.18	0.33	0.20
b) EMD with customers	10.18	6.02	-	-
c) Employee related advances	-	-	4.18	4.35
d) Loans to others	-	-	0.55	0.43
Total	21.03	21.20	5.06	4.98

The above Loans Receivables are sub-classified as :				
a) Loans Receivables considered good - Secured	-	-	-	-
b) Loans Receivables considered good - Unsecured	21.03	21.20	5.06	4.98
c) Loans Receivables which have significant increase in Credit Risk	-	-	-	-
d) Loans Receivables - credit impaired	-	-	-	-
	21.03	21.20	5.06	4.98

Note:

- 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 or private companies in which any director is a partner, a director or a member.

Note 9. OTHER FINANCIAL ASSETS

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
a) 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	40.39	44.89	-	-
b) Retention Money and Security Deposit with customers	229.05	171.31	88.77	86.36
Less: Provision for Contract assets	(2.15)	-	-	-
c) Uncertified Revenue	-	-	332.24	302.60
d) Other receivables	-	-	-	0.12
Total	267.29	216.20	421.01	389.08

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 management.

Notes to the Consolidated Financial Statements

Note 10. OTHER ASSETS

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered Good				
a) Advances for Capital goods	7.35	1.55	-	-
b) Mobilisation advances to Sub - Contractors	5.23	-	5.34	4.25
c) Advances to creditors against supplies	-	-	26.06	13.69
d) Advances to sub-contractors against works				
Unsecured	-	-	336.14	235.61
Less: Provision for contract assets	-	-	(1.22)	-
e) Prepaid expenses	-	-	5.02	6.18
f) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	15.02	3.60
Works contract tax (TDS)	-	-	7.16	7.97
MAT Credit entitlement	-	-	0.05	0.05
Sales Tax Refund Receivable	-	-	0.35	1.08
Custom Duty Receivable	-	-	0.19	0.25
Taxes paid under protest	-	-	0.54	0.54
g) Other advances	-	-	4.41	16.52
h) Balance in Gratuity Fund	-	-	0.67	-
Total	12.58	1.55	399.73	289.74

Note 11. INVENTORIES

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Stores and spares	84.00	35.70
b) Construction Work-in-progress	8.73	11.52
Total	92.73	47.22

Note:

- The mode of valuation of inventories has been stated in Note 2(i) in Accounting Policies.
- The cost of inventories recognised as an expense for the year ended 31st March, 2019 was Rs. 326.38 Cr (for the year ended 31st March, 2018: Rs. 196.41 Cr)
- All the above inventories are offered as security in respect of working capital loans availed by the company from all the banks.
- There are no inventories expected to be recovered after more than twelve months.

Note 12. TRADE RECEIVABLES

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	389.15	308.60
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables -credit impaired	-	-
Total	389.15	308.60

- 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.
- Of the trade receivables balance, Rs.109.86 Cr (as at March 31, 2018 : Rs. 100.96 Cr) is due from one of the Parent Company's largest customer. Further, an amount of Rs. 40.63 Cr (as at March 31, 2018 : Rs. 34.81 Cr) is due from customers who represent more than 5% of the total balance of trade receivables.

Notes to the Consolidated Financial Statements

- c) In determining the provision for trade receivables, the group 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. Considering the above factors and outcome of negotiations, the management is of view that no provision for expected credit loss is required to be made.

Note 13. CASH AND CASH EQUIVALENTS

Particulars	As at	
	31st March, 2019	31st March, 2018
i) Balances with banks		
a. In Current accounts	13.98	37.10
ii) Cash on hand	1.42	2.62
iii) Cheques, Drafts on Hand	-	12.39
iv) Fixed Deposits with original maturity period of less than 3 months	0.15	-
Total	15.55	52.11

Note 13. OTHER BANK BALANCES

Particulars	As at	
	31st March, 2019	31st March, 2018
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	72.51	42.64
b. Earmarked balances with banks towards unclaimed dividends	0.01	0.01
Total	72.52	42.65

Note: Bank Deposits with more than 12 months maturity from the date of Balance Sheet was disclosed under "Other Financial Assets"

Note 14. SHARE CAPITAL

Authorised Share Capital

Particulars	Equity	
	No's	INR
As at 31st March, 2017	2.60	26.00
Increase/(Decrease) during the year	-	-
As at 31st March, 2018	2.60	26.00
Increase/(Decrease) during the year	-	-
As at 31st March, 2019	2.60	26.00

Issued Share Capital

Equity shares of Rs.10 each issued, subscribed and fully paid

Particulars	Equity	
	No's	INR
As at 31st March, 2017	1.47	14.71
Increase/(Decrease) during the year	-	-
As at 31st March, 2018	1.47	14.71
Increase/(Decrease) during the year	-	-
As at 31st March, 2019	1.47	14.71

Rights, Preferences and restrictions attached to Equity shares

The Parent Company has only one class of Equity shares having a face value of Rs.10/- each. Each holder of equity share is entitled to one vote per share held. The 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.

Notes to the Consolidated Financial Statements

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

Name of the Share Holder	As at 31st March, 2019		As at 31st March, 2018	
	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	0.36	24.71%	0.36	24.71%
S. Kishore Babu (HUF)	0.12	8.46%	0.13	9.14%
S. Lakshmi	0.24	16.34%	0.24	16.34%
S. Rohit	0.16	10.70%	0.16	10.68%
HDFC Small Cap Fund	0.09	6.08%	0.06	4.24%
	0.97	66.29%	0.95	65.10%

Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:

During the Financial Year 2014-15, the Parent Company had allotted 1,080,000 equity shares as fully paid up bonus shares by capitalising part of securities premium.

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

Note 15. OTHER EQUITY

Securities Premium Reserve

Particulars	Amount
As at 31st March, 2017	160.93
Changes during the year	-
As at 31st March, 2018	160.93
Changes during the year	-
As at 31st March, 2019	160.93

General Reserve

Particulars	Amount
As at 31st March, 2017	37.00
Transfers during the year	-
As at 31st March, 2018	37.00
Transfers during the year	-
As at 31st March, 2019	37.00

Foreign Currency Translation Reserve Account

Particulars	Amount
As at 31st March, 2017	1.11
Exchange fluctuation difference transferred from statement of Profit and Loss	(1.05)
As at 31st March, 2018	0.06
Exchange fluctuation difference transferred from statement of Profit and Loss	0.74
Add: Decrease in FCTR due to change in status of subsidiary company	(0.04)
As at 31st March, 2019	0.76

Retained Earnings

Particulars	Amount
As at 31st March, 2017	407.50
Add: Total comprehensive income for the year transferred from statement of profit and loss	79.40
Less: Final Dividend and tax thereon for the Financial year 2016-17 proposed & paid during the year	1.77
Add: Waiver of Preference dividend with the consent of preference share holders	0.63
As at 31st March, 2018	485.76
Add: Total comprehensive income for the year transferred from statement of profit and loss	122.59
Less: Final Dividend and tax thereon for the Financial year 2017-18 proposed & paid during the year	1.77
Less: Decrease in equity due to dilution of investment in subsidiary	0.47
less: Adjustment of Good will	0.16
As at 31st March, 2019	605.95

Notes to the Consolidated Financial Statements

Summary of Other Equity

Particulars	As at 31st March, 2019	As at 31st March, 2018
Securities Premium	160.93	160.93
General Reserve	37.00	37.00
Foreign Currency Translation Reserve Account	0.76	0.06
Retained Earnings	605.95	485.76
Total	804.64	683.75

Note 16. MINORITY INTEREST

Particulars	Amount
As at 31st March, 2017	2.10
Changes during the year	11.71
As at 31st March, 2018	13.81
Changes during the year	(5.65)
As at 31st March, 2019	8.16

Note 17. LONG TERM BORROWINGS

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
A. Secured				
i. Term loans				
a) From banks: (At amortised cost)				
i) Axis bank	18.16	9.42	14.29	5.21
ii) HDFC bank	0.91	1.91	2.16	2.26
iii) Standard Chartered bank	-	0.01	0.01	0.49
iv) Kotak Mahendra bank	6.22	-	4.22	-
v) Ratnakar bank	1.00	4.77	3.77	4.23
vi) Emirates Islamic bank	0.20	0.16	0.13	0.05
b) From Others: (At amortised cost)				
i) HDB Financial Services	2.31	5.65	4.00	3.44
ii) TATA Capital	16.45	5.80	15.15	4.92
Total (a)	45.25	27.72	43.73	20.60
B. Unsecured				
a) Deferred payment liabilities				
Due to suppliers on deferred credit basis (Interest free)	8.73	-	-	3.89
Total (b)	8.73	-	-	3.89
Total (a+b)	53.98	27.72	43.73	24.49

- The term loans from banks and others are secured by way of hypothecation of assets funded under the said facility. Further, the loans are guaranteed by Managing Director and a Director in their personal capacities.
- The above loans carries interest varies from 1.49 % to 10.65 %
- The above loans are repayable in monthly/quarterly instalments.
- Maturity pattern of above term loans (non current) is as follows
Banks: 2020-21 – Rs.19.60 Cr, 2021-22 -Rs.6.85 Cr, 2022-23: Rs.0.04 Cr
Others: 2020-21 - Rs.12.67 Cr, 2021-22-Rs. 6.09 Cr
- No defaults were made in repayment of above term loans

Notes to the Consolidated Financial Statements

Note 18. OTHER FINANCIAL LIABILITIES

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
a) Retention Money & Security deposits recovered from Sub-Contractors	79.12	51.13	6.85	5.36
b) Current maturities of long-term debt	-	-	43.73	24.49
c) Creditors for capital goods	-	-	2.48	2.32
d) Interest accrued and due	-	-	0.11	0.01
e) Interest accrued but not due	-	-	0.03	0.04
f) Unclaimed dividend	-	-	0.01	0.01
g) Employee related payments	-	-	37.97	43.24
h) Share application money refundable	-	-	0.11	0.10
i) Other Liabilities	-	-	30.49	62.04
Total	79.12	51.13	121.78	137.61

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, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	0.00	0.22	0.00	0.32
- Leave Encashment (Unfunded)	2.77	2.08	0.24	1.01
Total	2.77	2.30	0.24	1.33

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 Rs. 9.66 Cr (Year ended March 31, 2018: Rs. 8.31 Cr) for provident fund contributions, and Rs. 1.30 Cr (Year ended March 31, 2018: Rs. 0.99 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 March 31.

(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, 2019	As at 31st March, 2018
Present value of obligation	6.73	6.33
Fair Value of plan assets	7.40	5.79
(Asset)/Liability recognised in the Balance Sheet	(0.67)	0.54

Notes to the Consolidated Financial Statements

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Plan Obligation	Plan Assets	Deficit/ (Surplus)
As at March 31, 2017	4.87	4.16	0.71
Current service cost	1.39	-	1.39
Past service sot	0.15	-	0.15
Interest cost	0.38	-	0.38
Interest Income	-	0.39	(0.39)
Actuarial (gain)/loss arising from changes in financial assumptions	(0.11)	-	(0.11)
Contributions by employer	-	1.74	(1.74)
Benefit payments	(0.35)	(0.35)	-
Return on plan assets, excluding interest income	-	(0.15)	0.15
As at March 31, 2018	6.33	5.79	0.54
Current service cost	1.34	-	1.34
Past service sot	-	-	-
Interest cost	0.49	-	0.49
Interest income	-	0.49	(0.49)
Actuarial gain arising from changes in experience adjustments	(0.44)	-	(0.44)
Actuarial gain arising from changes in financial assumptions	(0.69)	-	(0.69)
Contributions by employer	-	1.57	(1.57)
Benefit payments	(0.30)	(0.30)	-
Return on plan assets, excluding interest income	-	(0.15)	0.15
As at March 31, 2019	6.73	7.40	(0.67)

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Employee Benefit Expenses		
Current service cost	1.34	1.39
Past service cost	-	0.15
Interest cost	0.49	0.38
Interest Income	(0.49)	(0.39)
Net impact on profit before tax	1.34	1.53
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in experience adjustments	(0.44)	0.00
Actuarial (gain)/loss arising from changes in financial assumptions	(0.69)	(0.11)
Return on plan assets, excluding interest income	0.15	0.15
Net impact on other comprehensive income before tax	(0.98)	0.04

(iv) Assets

The major categories of plan assets as a % of the total plan assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Funded with Life Insurance Corporation of India	100%	100%

(v) 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, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31st March, 2019	As at 31st March, 2018
Discount rate	7.65%	8.00%
Salary escalation rate	5.00%	6.00%

Notes to the Consolidated Financial Statements

(vi) 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 occurring 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, 2019
Salary Escalation - Up by 1%	7.76
Salary Escalation - Down by 1%	5.78
Withdrawal Rates - Up by 1%	6.93
Withdrawal Rates - Down by 1%	6.37
Discount Rates - Up by 1%	5.83
Discount Rates - Down by 1%	7.71

(vii) Maturity profile of defined benefit obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non current
Defined Benefit obligation	0.37	1.18	1.83

Note 20. DEFERRED TAX

Particulars	Components	
	As at 31st March, 2019	As at 31st March, 2018
Liability:		
Towards depreciation	-	-
Asset:		
Disallowances under Income-tax/ Unabsorbed Depreciation	2.53	2.40
Towards depreciation	3.11	0.13
Total	5.64	2.53

Movement in Deferred Tax Assets/Liabilities

Component	As at 31st March, 2017	Charge / (Credit) to Statement of P&L	As at 31st March, 2018	Charge / (Credit) to Statement of P&L	As at 31st March, 2019
Deferred tax Liability / (Asset) in relation to:					
Depreciation	3.03	(3.16)	(0.13)	(2.40)	(2.53)
Expenses allowable under Income tax when paid	(0.88)	(1.52)	(2.40)	(0.71)	(3.11)
	2.15	(4.68)	(2.53)	(3.11)	(5.64)

Note 21. OTHER LIABILITIES

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
a) Mobilisation advances received from customers	21.21	28.20	28.37	21.61
b) Advances received from customers against supplies or works	-	-	4.77	0.59
c) Statutory Liabilities	-	-	41.77	33.78
d) Liability towards Scrip Income	0.64	0.66	-	-
e) Provision for tax on preference dividend	-	-	-	0.13
Total	21.85	28.86	74.91	56.11

Notes to the Consolidated Financial Statements

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 mobilization 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 22. SHORT TERM BORROWINGS

Particulars	As at 31st March, 2019	As at 31st March, 2018
A. Secured		
Loans repayable on demand :		
a) Working capital loans from banks		
i) State Bank of India	118.33	125.86
ii) Standard Chartered bank	29.76	25.00
iii) ICICI bank	-	4.69
iv) Ratnakar bank	21.23	26.97
v) Axis bank	4.96	0.05
vi) IDFC bank	20.16	20.14
vii) OBC bank	0.02	-
b) Over Draft from banks :		
i) State Bank of India	12.95	0.10
B. Un Secured		
Loans repayable on demand :		
a) Working capital loans from banks		
i) HDFC bank	15.00	25.17
ii) HDFC bill discounting	29.83	18.24
iii) Bank of Bahrain & Kuwait	30.14	-
Total	282.38	246.22

Note:

- a) Working capital loans from SBI, Standard Chartered bank, Axis, IDFC, ICICI, Ratnakar bank and OBC are secured by way of first charge on entire current assets of the respective company's of the Group 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 8.25 % to 11.90%

Note 23. TRADE PAYABLES

Particulars	As at 31st March, 2019	As at 31st March, 2018
Dues to : Small and Micro Enterprises	0.36	0.87
: Other than Small and Micro Enterprises	442.71	306.58
Total	443.07	307.45

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

Based on and to the extent of information obtained during the year 2018-19 and available with the Group, with regard to the status of their suppliers under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT), on which the auditors have relied, the disclosure requirement with regard to the payment made/ due to Micro, Small and Medium Enterprises are given below.

Notes to the Consolidated Financial Statements

Particulars	As at 31st March, 2019	As at 31st March, 2018
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	0.36	0.87
(b) Interest due there on	0.05	0.11
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date Interest there on in terms of Sec 16 of the Act	-	-
(b) Interest paid along with such payments during the year	0.18	-
(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	0.05	0.11
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.	0.43	0.56

Note 24. CURRENT INCOME-TAX LIABILITIES (Net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Income-tax	179.61	123.57
Less: Advance Income-tax and TDS	160.31	110.03
	19.30	13.54

Tax Expense recognised in statement of profit and loss

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Current Tax		
Tax expense in respect of current year Income	65.48	44.15
(Excess)/Short provision of current tax in earlier years	-	(0.24)
	65.48	43.91
Deferred Tax		
Deferred Tax Income in respect of Current year	(3.11)	(4.68)
	(3.11)	(4.68)
MAT Credit Entitlement	-	-
Total tax expense recognised	62.37	39.23

Note 25. REVENUE FROM OPERATIONS

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Income from contract and services	2,256.68	1,543.85
Other operating revenue :		
Crane hire charges received	4.62	3.98
TOTAL	2,261.30	1,547.83

Note 26. OTHER INCOME

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest from banks and others (at amortized cost)	7.06	5.74
Interest on unwinding portion of Rental Deposits (at amortized cost)	0.08	0.07
Rent received	-	0.20
Profit on sale of assets	2.27	0.47
Gain on exchange fluctuations	3.24	0.15
Sale of Duty credit scrip and deferment of govt. grants	1.47	0.09
TOTAL	14.12	6.72

Notes to the Consolidated Financial Statements

Note 27. COST OF MATERIALS CONSUMED

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening Stock	35.70	40.72
Add: Purchases	374.58	191.39
	410.28	232.11
Less : Closing Stock	84.00	35.70
	326.28	196.41
Effect of exchange differences in foreign subsidiaries	0.10	-
TOTAL	326.38	196.41

Note 28. CHANGES IN INVENTORIES OF WORK -IN- PROGRESS

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening work-in-progress	11.52	2.97
	11.52	2.97
Closing work-in-progress	8.73	11.52
	8.73	11.52
Effect of exchange differences in foreign subsidiaries	0.34	-
Increase / (Decrease) in inventories	(3.13)	8.55

Note 29. CONTRACT EXECUTION EXPENSE

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Sub-contract expenses	990.34	668.36
Radiography charges	40.28	14.47
Hire charges	45.46	35.22
Rent at Project sites	20.23	12.94
Power and fuel	9.07	6.83
Insurance	3.40	2.27
Vehicles movement and other freight expenses	27.01	14.35
Repairs and maintenance : Plant and machinery	10.19	7.02
Other assets	3.07	2.90
Fuel and vehicle maintenance	32.97	27.45
Travelling expenses at projects	27.04	15.57
Wages paid to contract labour	6.02	7.19
TOTAL	1,215.08	814.57

Note 30. EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries and Wages	329.19	263.32
Remuneration to managerial personnel	8.57	6.41
Contribution to provident and other funds	10.96	9.30
Staff welfare expenses	43.12	31.61
Contribution towards group gratuity	1.34	1.53
TOTAL	393.18	312.17

Notes to the Consolidated Financial Statements

Note 31. FINANCE COST

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest paid to banks and others	43.29	28.67
Bank charges and BG commission	5.66	5.32
Loan Processing charges	4.62	1.49
Interest on Income-tax	0.63	0.39
Exchange fluctuations on deferred credit payment	0.87	-
TOTAL	55.07	35.87

Note 32. DEPRECIATION AND AMORTISATION

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation	45.71	42.61
Amortisation	0.11	0.23
TOTAL	45.82	42.84

Note 33. OTHER EXPENSE

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Rents - Office	2.84	2.73
Directors Sitting Fee	0.08	0.12
Donations	0.06	0.71
Payments to auditors		
Towards Statutory audit	0.12	0.12
Towards tax audit and taxation matters	0.01	0.01
Rates and taxes	6.78	7.05
Miscellaneous expenses	17.32	17.53
Provision towards contract assets	3.37	-
CSR expenses	1.38	0.20
Loss on sale of assets	0.26	0.02
Loss on Disposal of Investment in Joint venture	-	0.03
Loss on exchange fluctuations	0.50	2.39
Business promotion expenses	0.02	0.06
TOTAL	32.74	30.97

Note 34. CATEGORIES OF FINANCIAL INSTRUMENTS

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2019, 31st March, 2018 are as follows:

Particulars	Fair value		Carrying value	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Financial assets				
Measured at Amortised cost				
(i) Other financial assets	688.30	605.27	688.30	605.27
(ii) Loans and advances	26.09	26.18	26.33	26.50
Measured at FVTOCI				
(i) Investments in equity instruments	0.03	0.03	0.02	0.02
Total assets	714.42	631.48	714.65	631.79

Notes to the Consolidated Financial Statements

Note 34. CATEGORIES OF FINANCIAL INSTRUMENTS

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2019, 31st March, 2018 are as follows:

Particulars	Fair value		Carrying value	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Financial liabilities				
Measured at amortised cost				
(i) Borrowings (Including Current Maturities of Long Term Debt)	97.70	52.21	97.70	52.21
(ii) Other financial liabilities	157.17	164.25	157.17	164.25
Total liabilities	254.87	216.46	254.87	216.46

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, 2019	As at 31st March, 2018		
1) Investments in Quoted Mutual Funds	0.03	0.03	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 continuous basis.

Notes to the Consolidated Financial Statements

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 35% 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.

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Turnover from top Customer	321.48	377.15
Dues from top customer	239.10	193.09
Turnover from other top 4 customers	249.00	151.16
Dues from other top 4 customers	102.98	93.15

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 fulfilment of conditions as specified in the work orders.

The group's maximum exposure of credit risk as at March 31, 2019, March 31, 2018, 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:

Particulars	Currency	As at 31st March, 2019	As at 31st March, 2018
Letter of Credit	USD	8.73	3.89

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, 2019	As at 31st March, 2018
Net Foreign currency exposure in		
USD - US Dollars	11.93	16.54
SAR - Saudi Arabian Riyals	4.19	(3.41)
AED - Arab Emirates Dirham	13.17	13.79
BDT - Bangladeshi Taka	19.74	2.63
LYD - Libyan Dinars	4.16	1.83
OMR - Oman Riyals	2.78	0.83
	55.97	32.21

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 March 31, 2019 and March 31, 2018. 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

Notes to the Consolidated Financial Statements

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 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, 2019	As at 31st March, 2018
Equity	827.51	712.27
Short Term Borrowings	282.38	246.22
Long Term Borrowings (including Current maturities of Long term debt)	97.70	52.21
Cash and Cash Equivalents (including other bank balances)	(128.45)	(139.65)
Net Debt	251.63	158.78
Total Capital (Equity+Net Debt)	1,079.14	871.05
Gearing Ratio	30.41%	22.29%

Note	Particulars	31.03.2019	31.03.2018
Note 37. Contingent Liabilities and Commitments			
A.	Contingent Liabilities		
	a) Claims against the company not acknowledged as debts		
	VAT	4.75	4.75
B.	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	11.67	11.32
Note 38.	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.	794.32	668.21
Note 39.	CIF value of Imports made by the Group during the year		
	a) Consumables & Spare parts	4.76	0.07
	b) Capital goods	13.17	0.79
Note 40.	Earnings in foreign currency		
	a) Contract receipts (Projects executed outside India)		
	Abu Dhabi	42.77	32.56
	Bheramara	53.96	26.13
	Kuwait	52.81	-
	Shuqaiq	-	8.55
	Libya	-	4.90
	b) Consideration received on sale of shares		
	In CPNED	-	0.93
	In Mas Power Mech Arabia	0.72	-

Notes to the Consolidated Financial Statements

Note	Particulars	31.03.2019	31.03.2018
Note 41.	Expenditure in foreign currency		
	a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
	Yemen	1.67	0.00
	Abu Dhabi	37.78	24.19
	Bheramara	54.65	25.87
	Kuwait	50.49	0.01
	Shuqaiq	0.02	23.86
	Libya	0.86	3.97
	Consultancy Charges Paid	0.21	0.72
	b) Foreign travel	0.08	0.15

Note 42. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
a) Gross amount required to be spent by the parent company during the year	1.65	1.58
b) Amount spent during the year (Contribution paid to Power Mech Foundation)	1.38	0.20

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%

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-STC JV	India	74%
PMPL-KHILARI Consortium JV	India	75%

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/Profit sharing
MAS Power Mech Arabia (MASPA)	Saudi Arabia	49%

Notes to the Consolidated Financial Statements

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 - 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	93.05%	770.01	66.14%	96.04
Subsidiaries				
Hydro Magus Private Limited	0.56%	4.62	1.13%	1.64
Power Mech Industri Private Limited	(0.24%)	(1.97)	(0.03%)	(0.05)
Power Mech SSA Structures Private Limited	0.01%	0.10	0.00%	0.00
Aashm Avenues Private Limited	0.01%	0.10	0.00%	(0.00)
Power Mech BSCPL Consortium Private Ltd	0.10%	0.85	0.44%	0.64
Power Mech Projects Limited LLC	1.75%	14.47	2.21%	3.21
Power Mech Projects (BR) FZE	(0.02%)	(0.14)	(0.10%)	(0.14)
MAS Power Mech Arabia (MASPA)(upto Feb 2019)	0.00%	0.00	14.08%	20.45
Joint Venture				
M/s. PMPL- M/s. ACPL JV	0.03%	0.23	0.16%	0.23
PMPL-KHILARI Consortium JV	0.01%	0.09	0.06%	0.09
PMPL-STIS JV	0.02%	0.19	0.13%	0.19
GTA Power Mech NIGERIA Limited	(0.03%)	(0.27)	(0.26%)	(0.37)
GTA Power Mech DMCC	0.00%	0.03	(0.04%)	(0.06)
Associate				
MAS Power Mech Arabia (MASPA)	3.75%	31.04	1.00%	1.46
Share of Minority	0.99%	8.16	15.07%	21.88
	100%	827.51	100%	145.21

Notes to the Consolidated Financial Statements

ANNEXURE-A

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	INR	0.21	8.16	33.76	42.13	46.20	2.67	0.77	1.86	88%
2	Power Mech Industri Private Limited	INR	0.02	0.03	46.52	46.57	12.03	(0.19)	(0.14)	(0.05)	100%
3	POWER MECH BSCPL CONSORTIUM PRIVATE LIMITED	INR	0.01	1.65	82.89	84.54	286.80	1.74	0.48	1.25	51%
4	Power Mech SSA Structures Private Limited	INR	0.10	-	2.27	2.37	-	-	-	-	100%
5	Aashm Avenues Private Limited	INR	0.10	(0.00)	0.00	0.10	-	(0.00)	-	(0.00)	100%
6	Power Mech Projects (BR) FZE	NGN	-	(0.73)	39.64	38.92	5.67	(0.73)	-	(0.73)	100%
7	Power Mech Projects Limited LLC	Oman Rials	0.03	0.09	0.08	0.20	0.34	0.02	0.00	0.02	70%
Joint ventures											
1	M/s. PMPL - M/s. ACPL JV (Capital introduced Nil)	INR	-	0.29	16.06	16.34	43.91	0.41	0.13	0.29	80%
2	PMPL-STC JV (Capital introduced Nil)	INR	-	0.25	10.13	10.38	39.38	0.37	0.11	0.25	74%
3	PMPL-KHILARI Consortium JV (Capital introduced Nil)	INR	-	0.12	6.34	6.46	18.24	0.18	0.05	0.12	75%
4	GTA Power Mech NIGERIA Limited	NGN	3.00	(7.05)	567.79	563.74	11.26	(3.87)	-	(3.87)	50%
5	GTA Power Mech DMCC	AED	0.01	(0.01)	0.01	0.01	0.06	(0.01)	-	(0.01)	50%
Associates											
1	MAS Power Mech Arabia (MASPA)	SAR	0.25	3.58	3.20	7.03	17.47	2.68	0.31	2.38	49%

Notes to the Consolidated Financial Statements

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 - Jitendra Kumar, Director of Hydro Magus Private 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 – Director W/o S.Kishore Babu - S. Rohit s/o S.Kishore Babu - S. Kishore Babu (HUF)
	iii) Companies controlled by KMP/ Relatives of KMP	- Power Mech Infra Limited - Bombay Avenue Developers Private Limited - True Rrav Marketing Private Limited - Power Mech Foundation - Lakshmi Agro Farms

* Resigned from the board with effect from 01.08.2018

B) Transactions with related parties

Sl. No	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP
i)	Rent & Electricity Charges Paid			
a)	S. Kishore Babu	0.20 (0.25)		
b)	S. Lakshmi		0.07 (0.07)	
c)	S. Kishore Babu (HUF)		0.08 (0.08)	
d)	S.Rohit		0.11 (0.11)	
e)	Power Mech Infra Limited			2.01 (1.82)
ii)	Remuneration Paid			
a)	S. Kishore Babu	8.04 (5.38)		
b)	S.Rohit		0.16 (0.05)	
c)	Jitendra kumar	- (0.06)		
d)	Arbind kumar koul	0.33 (0.33)		
e)	Ajay Kumar	0.02 (0.08)		
iii)	Sub-Contract Expenses Paid			
a)	Power Mech Infra Limited			0.48 (5.08)
iv)	Assets & Stores Material Purchase From			
a)	Power Mech Infra Limited			9.52 -
v)	Donations paid			
a)	Power Mech Foundation			1.38 (0.14)

Notes to the Consolidated Financial Statements

C) Balances outstanding as on 31.03.2019

Sl. No	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP
i)	Due to Power Mech Infra Limited			0.68
				(4.37)
	Rental Deposit with Power Mech Infra Limited			0.89
				(0.89)
ii)	Remuneration Payable			
	S. Kishore Babu	2.63		
		(1.65)		
	Jitendra kumar	-		
		(0.01)		
	Arbind kumar koul	0.27		
		(0.23)		
	Ajay Kumar	0.00		
		(0.00)		
iii)	Rent Payable			
	S. Kishore Babu	0.03		
		(0.02)		
	S. Lakshmi		0.01	
			(0.01)	
	S. Kishore Babu (HUF)		0.01	
			(0.01)	
	S.Rohit		0.01	
			(0.01)	

Note 46. In the opinion of the management, current assets, loans and advances have a value on realization in the ordinary course of business equal to the value at which they are stated. Balances in some of the parties account are subject to confirmation and reconciliation.

Note 47. The group has claimed an amount of Rs.716 Cr (As on 31.03.2018 Rs. 7.97 Cr) being the Works contract tax deducted by the customers under local sales tax laws and outstanding as on 31.03.19 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. Segment reporting:

Business Segment : The group predominantly 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 2018-19	Segment Assets as on 31.03.2019	Capital Expenditure for the year 2018-19
With in India	1,756.42	1,707.99	39.17
(Previous year)	(1,219.05)	(1,335.32)	(23.90)
Outside India	504.88	218.92	11.19
(Previous year)	(328.79)	(249.22)	(9.79)

Notes to the Consolidated Financial Statements

Note 49. Calculation of Earnings per Share:

Sl.No	Particulars	2018-19	2017-18
1)	Basic and Diluted Earning per share		
	No. of shares at the beginning of the year	1.47	1.47
	Weighted average number of shares	1.47	1.47
	Profit after tax attributable to equity share holders and after minority interest	121.62	79.45
	Basic and Diluted Earning per share (in ₹)	82.68	54.01

Note 50. Transition impact of Ind AS 115 “Revenue from contracts with customers”

The group has no impact on its financial statements due to implementation of Ind AS 115 “Revenue from contracts with customers” which is effective from 01.04.2018

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 01.04.2018	-	-
Changes in allowance for expected credit loss		
- Provision for expected credit loss	2.15	1.22
- Reversal of Provision for expected credit loss	-	-
Write off as bad debts	-	-
Closing balance as at 31.03.2019	2.15	1.22

b) Movement in contract balances :

Particulars	31.03.2019	31.03.2018	Net Increase/ Decrease
Contract Receivables			
Dues from customers	389.15	308.60	80.54
Contract assets			
Retention & SD amounts due from customers	315.66	257.67	57.99
Contract payables			
Due to Sub Contractors	282.12	240.43	41.69
Contract Liabilities			
Retention & SD amount due to Sub Contractors	85.97	56.50	29.48

c) Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price :

There is no difference in the contract price negotiated and the revenue recognized in the statement of profit and loss for the current year. There is no significant revenue recognized in the current year from performance obligations satisfied in the previous periods .

d) Performance obligation :

The transaction price allocated to the remaining performance obligations is Rs. 7,407 Cr which will be recognized as revenue over the respective project durations. Generally the project duration of contracts with customers will be 1-5 years.

Note 52. Previous year figures have been regrouped wherever necessary to conform to current year classification.

As per our report of even date

For BRAHMAYYA & CO

Chartered Accountants

Firm's Registration Number: 000513S

Sd/-

(Karumanchi Rajaj)

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 22.05.2019

For and on behalf of the Board

Sd/-

S. Kishore Babu

Chairman and Managing Director

DIN (00971313)

Sd/-

Rohit Tibrewal

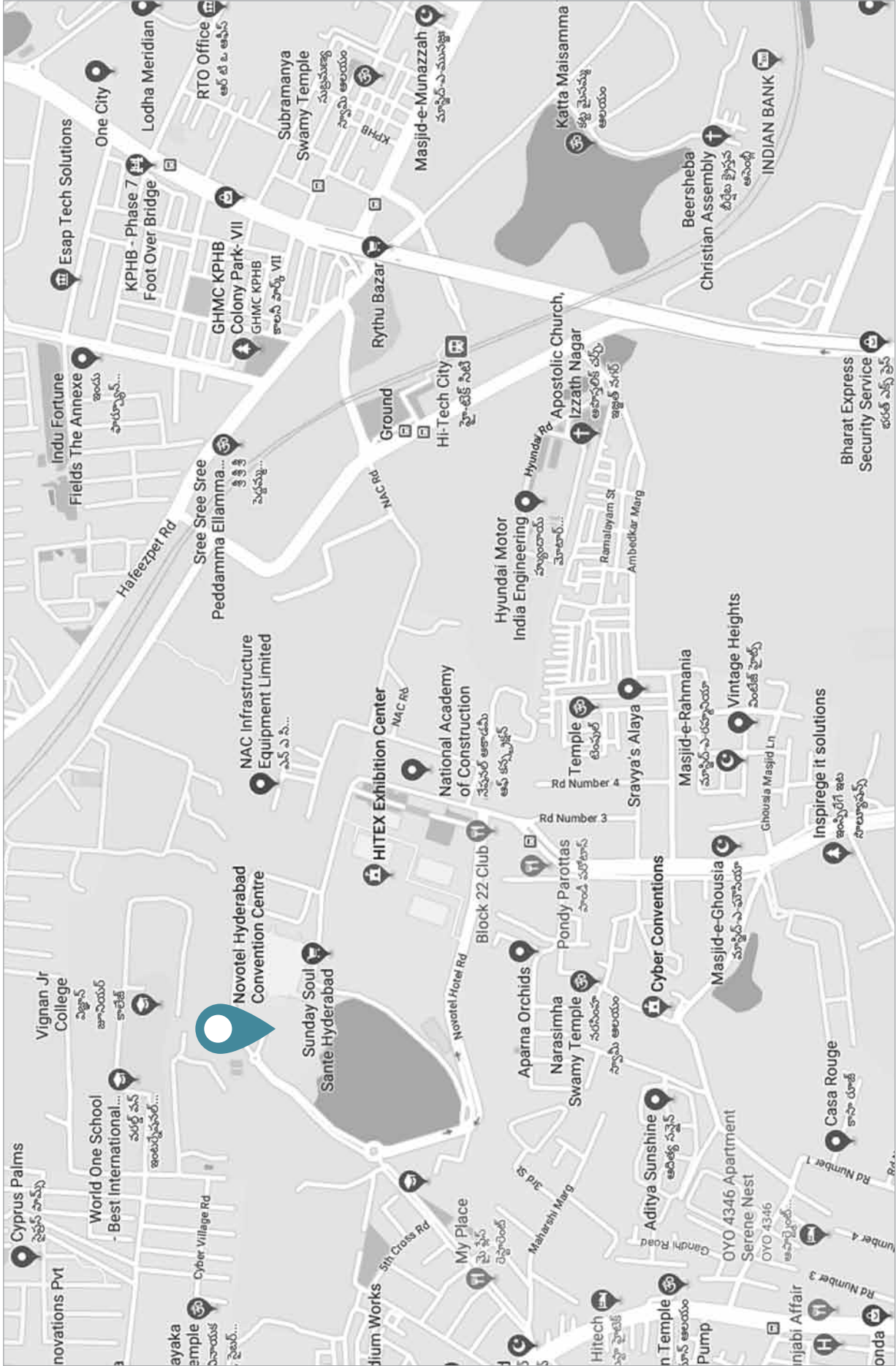
Company Secretary

Sd/-

J Satish

CFO

Route map to the venue of the AGM



FORM FOR ECS MANDATE / BANK MANDATE

To

Karvy Fintech Pvt Ltd

Karvy Selenium, Tower B,
6th Floor, Plot No. 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032

Dear Sir,

I/We..... do hereby authorize Power Mech Projects Limited to

- Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Services (ECS) - ECS Mandate.*
- Print the details of my Bank account as furnished below, on my dividend warrant which will be mailed to me- Bank Mandate*

(* Strike out whichever is not applicable)

Folio No

(For Shares held in physical form)

DP ID

Client ID.....

A. Name of First holder

B. BankName

C. Branch Name

D. Branch Address (for ECS Mandate only).....

E. Bank Account Number.....

F. Account Type (Saving / Current).....

G. 9 Digit Code Number of the bank & branch.....

Appearing on the MICR cheque
(for ECS Mandate only)

I, hereby declare that particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Power Mech Projects Limited will not be held responsible.

.....
Signature of first named shareholder
(as per specimen lodged with the Company)

Note: Please attach a blank cancelled cheque or a photocopy of a cheque issued by your Bank relating to your above account.



POWER MECH PROJECTS LIMITED

CIN: L74140TG1999PLC032156 | REGISTERED OFFICE: Plot No: 77, Jubilee Enclave, Opp: Hitex, Madhapur, Hyderabad-500081.

Form No. MGT-11 PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member (s):

Registered Address

E-mail Id:.....FolioNo./Client Id

DP ID.

I/We, being the member(s) holdingshares of the above named Company, hereby appoint:

1. Name :
Address:
Email ID:Signature:or failing him,
2. Name :
Address:
Email ID:Signature:or failing him,
3. Name :
Address:
Email ID:Signature:

As my /our proxy to attend and vote (on poll) for me /us and on my/our behalf at the 20th Annual General Meeting of the Company , to be held on the 25th day of September, 2019 at 11.00 A.M at Hotel Novotel, Hitex, Madhapur, Hyderabad – 500081 and at any adjournment thereof in respect of such resolutions as are indicated.

Agenda Item	Vote *	Agenda Item	Vote *
No. 1		No. 2	
No. 3		No. 4	
No. 5		No. 6	
No. 7		No. 8	
No. 9		No. 10	

Affix
Re. 1/-
Revenue
Stamp

Signed thisday of 2019

Signature of shareholder

Signature of Proxy holder(s)

Note: This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of Attorney, if any under which the Proxy Form is signed , not less than 48 hours before the time for holding the meeting. and at any adjournment there of.

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

(Pursuant to Section 105(6) of the Companies Act, 2013 and
Rules 19(3) of the Companies (Management and Administration) Rules, 2014)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Power Mech Projects Limited. I hereby record my presence at the 20th Annual General Meeting of Power Mech Projects Limited held on 25th September, 2019 at 11.00 AM at Hotel Novotel, Hitex, Madhapur, Hyderabad – 500081.

DP ID* Reg. Folio No.....

Client ID*..... No. of Shares.....

* Applicable if shares are held in electronic form

Name & Address of Member.....

Signature of Shareholder/Proxy/ Representative (Please Specify)

POWER MECH



Growth Unlimited

Power Mech Projects Limited

Registered & Corporate Office

Plot no: 77, Jubilee Enclave Road,

Opp: Hitex, Madhapur,

Hyderabad – 500081

Telangana, India.

Tel: 040 30444444

Fax: 040 30444400