



POWER MECH®

Date: 09.09.2022

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

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

Dear Sir/Madam,

Sub: Corrigendum to the Notice of the 23rd Annual General Meeting (AGM) and the Annual Report for the Financial Year 2021-22

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

Further to our submission made on 08.09.2022, please find enclosed the Annual Report for the Financial Year 2021-22 along with the Notice of the 23rd Annual General Meeting with the changes mentioned in the enclosed annexure.

Kindly take the same on record.

Regards,
For Power Mech Projects Limited

Mohith Kumar Khandelwal
Company Secretary

POWER MECH PROJECTS LIMITED

AN ISO 9001, ISO 14001 & OHSAS 18001 CERTIFIED COMPANY

Regd. & Corporate Office :
Plot No. 77, Jubilee Enclave, Opp. Hitex,
Madhapur, Hyderabad-500081
Telangana, India
CIN : L74140TG1999PLC032156

Phone : 040-30444444
Fax : 040-30444400
E-mail : info@powermech.net
Website : www.powermechprojects.com



JAS-ANZ



M4570910IN





Growth Unlimited

POWER MECH®**Annexure****FOR INFORMATION OF THE SHAREHOLDERS OF THE COMPANY**

In due compliance with the provisions of the Companies Act, 2013 read with rules made thereunder, Power Mech Projects Limited (the Company) circulated notice for the 23rd annual general meeting and the annual report for the Financial Year 2021-22 on 08.09.2022.

Subsequent to the circulation, an inadvertent error was observed on **page no.66 (Annexure-3) table 2**, which is being corrected, and the same is mentioned below for ready reference:

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

Sl No	Particulars	Nature of contracts/ Arrangements/ Transactions	Duration of the contracts/ arrangements/ transaction	In Rs. Cr's
1	S. Kishore Babu	Lease Rents paid	on going	0.18
2	S. Lakshmi	Lease Rents paid	on going	0.16
3	S. Kishore Babu (HUF)	Lease Rents paid	on going	0.09
4	S.Vignata	Lease Rents paid	on going	0.12
5	Power Mech Infra Limited	Lease Rents paid	on going	1.96
6	S. Kishore Babu	Remuneration Paid	on going	5.32
7	S.Rohit	Remuneration Paid	on going	0.36
8	Power Mech Industri Private Limited	Sub-Contract Expenses & Hire charges Paid	on going	0.39
9	Power Mech Industri Private Limited	Stores Material Purchased from	on going	0.36
10	MAS Power Mech Arabia	Assets purchased from	on going	1.14
11	M/s. Power Mech - M/s. ACPL JV	Contract receipts from sale of services	on going	87.77
12	Power Mech-STs-JV	Contract receipts from sale of services	on going	30.51
13	Power Mech-Khilari Consortium JV	Contract receipts from sale of services	on going	30.81
14	PMPL SRC INFRA JV - (Mizoram)	Contract receipts from sale of services	on going	71.82
15	PMPL SRC INFRA JV (Hassan NH -75)	Contract receipts from sale of services	on going	128.10
16	PMPL - PIA JV	Contract receipts from sale of services	on going	2.25
17	PMPL KVRECPL Consortium JV	Contract receipts from sale of services	on going	0.10
18	PMPL-BRCC INFRA JV	Contract receipts from sale of services	on going	90.38
19	Power Mech Projects (BR) FZE	Contract receipts from sale of services	on going	14.50
20	Power Mech projects (BR) FZE	Dividend received	on going	15.58
21	Power Mech foundation	Donations paid	on going	1.41

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Website : www.powermechprojects.com





POWER MECH®

This corrigendum shall form an integral part of the annual report for the FY 2021-22 and the same is also available on the website of the Company at www.powermechprojects.com under investor relations section, and on the website of the Stock Exchanges i.e, BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and also on the website of NSDL at www.evoting.nsdl.com

The same is also being circulated to the shareholders through email(s).

Except the one above mentioned, other contents remain unchanged.

Kindly take the same on records.

Regards

For Power Mech Projects Limited

Mohith Kumar Khandelwal
Company Secretary

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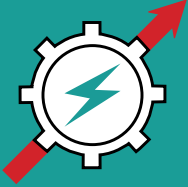
JAS-ANZ



M4570910IN




POWER MECH™



Growth Unlimited

POWER MECH PROJECTS LIMITED



23rd Annual Report
2021-22

CONSOLIDATION & GROWTH



Disclaimer:

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

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INVESTOR INFORMATION

CIN
L74140TG1999PLC032156

BSE Code
539302

NSE Symbol
POWERMECH

AGM Date & Time
30th September, 2022; 1.30 PM (IST)

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



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



Or simply scan to
download

VISION

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



MISSION

To provide services with:

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

VALUES

Passion

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

Diligence

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

Excellence

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

Continuous learning

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



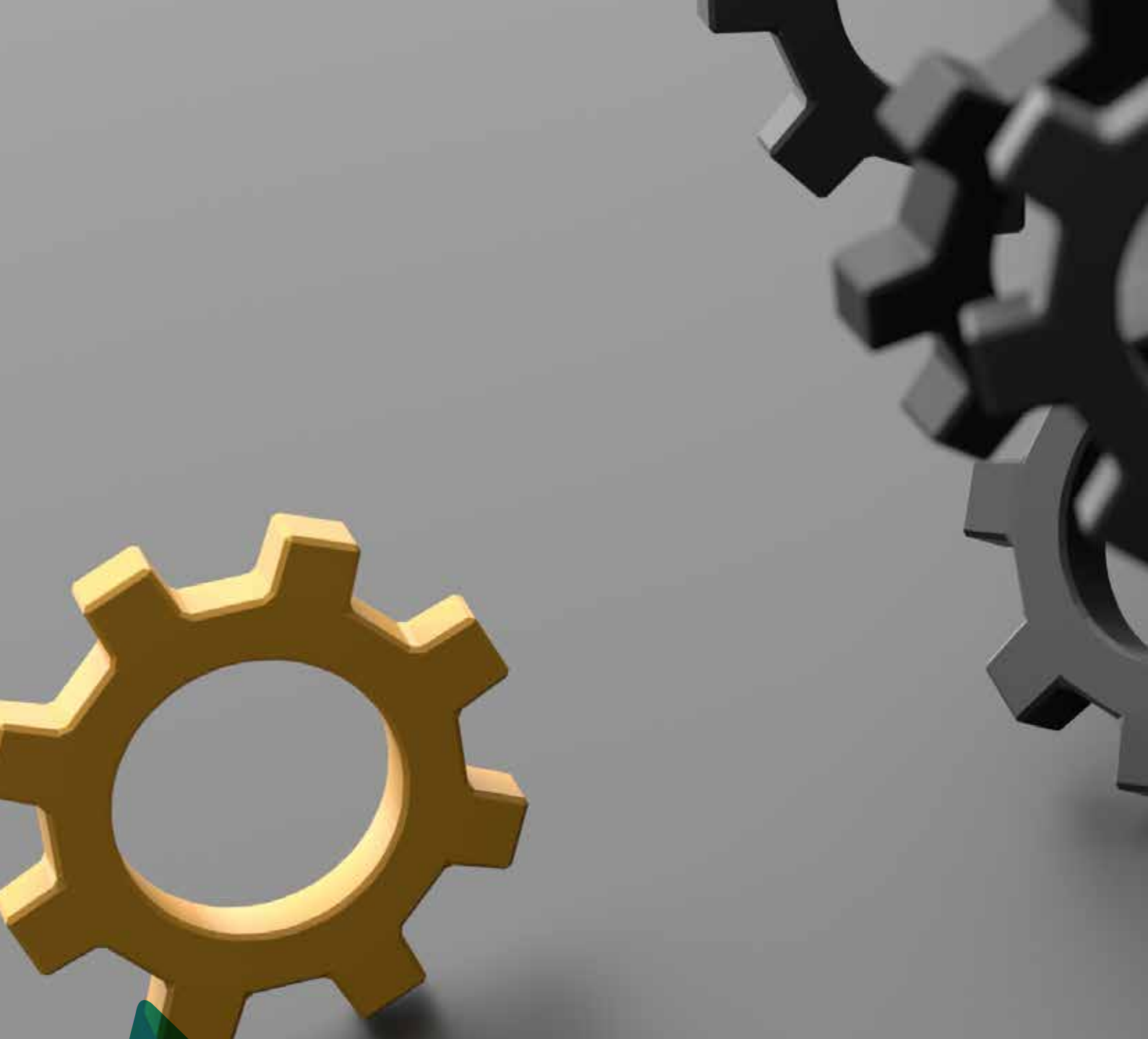
Safety

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

Quality

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





ABOUT **POWER MECH**

Power Mech Projects Limited, is one among the leading infrastructure-construction Companies based in Hyderabad, India with global presence and highly credited in providing spectrum of services in power and infrastructure sectors. Established in 1999, the Company has emphatically made a niche in power generation, covering almost every segment including Erection, Testing and Commissioning of BTG and BOPs, Operation and Maintenance (O&M), Repairs, Overhauling, Renovation and Modernization of power plants and related Civil Works. Power Mech, having its major operations in India, also extended its operations globally and has strong presence in multiple Countries mostly in Asia and Africa.

Over the last ten years, the Company has diversified further, in line with its strategy to optimize the mix between power and non-power sectors. The Company has expanded its service offerings to other infrastructure sectors including Railways, Water Projects, Roads, Civil & Architecture, Cross Country Pipelines, Steel Plants, Oil and Gas, Industrial Parks, Electrical & Material Handling. In the beginning of its third decade the Company has forayed into Manufacturing and Mining Development & Operations as part of backward integration for sustained long term growth. Growing upon its expertise in O&M services the Company has become the largest O&M player in the Country and a service provider of choice. The Company has aligned its business model, in line with its strategy to optimize the mix between power and non-power sectors for making best use of the huge investments as part of the National Infrastructure Pipeline (NIP).

The Company with robust manpower strength and ultimate pool of resources is maintaining an edge and is poised for further consolidation & growth. The third decade is surely reserved for Power Mech establishing itself as a major player in the industry duly recognized globally!



BUSINESS OVERVIEW

Strategic Business Units (SBU)



INDUSTRIAL CONSTRUCTION

Erection, Testing & Commissioning (ETC) of projects in Power, Nuclear, Refinery, Petro Chemicals, Cement, Oil & Gas, Steel, Minerals, Coal-based Power Plants with BTG & BOP works with unit capacities 150 MW to 800 MW including Steam Generators, HRSGs, Gas Turbines, Various Auxiliaries of Power and Industrial Projects, Critical Piping, LP, HP Piping, Structural Steel, Coal Handling Plant, Ash Handling, Cooling Water System, Fuel Oil System, ESP Ducts, FGD & SCR. Cross Country Pipelines, Erection of Steel Plants & Petrochemical Packages, Piping Packages, Tankages etc.

INFRASTRUCTURE CONSTRUCTION

Civil works of Foundations, Decks, Industrial Buildings, Chimney & Cooling Towers, Topographical Survey, Geotechnical Soil Investigation, Mass Excavation, Leveling, Area Grading, Bored Cast In-situ Piling using Hydraulic Rigs, Pre-cast Driven Piling, Plant Roads & Drains, Green Buildings, Coal Handling Plants.

Railway Civil works including formation of Embankments and Permanent Way Linking, Minor & Major Bridges, Metro Rail works, EPC works of Road Projects, Industrial & Technology Parks, Canal works and Mineral Processing & Material Handling works.



ELECTRICAL TRANSMISSION & DISTRIBUTION

EPC works in Power Transmission & Distribution- Extra High Voltage (EHV) Transmission Lines, Distribution Lines, EHV Air Insulated (AIS) / Gas Insulated (GIS) Substations, Distribution Substations, Railway Overhead Electrification, Signaling & Telecommunication, Traction Substations, Switching Stations and Transmission & Distribution Network Maintenance works.



OVERSEAS BUSINESS

Erection, Testing & Commissioning of Oil-Fired Boilers, Heat Recovery Steam Generators, Auxiliary Boilers, Balance of Plant, Steam Turbine Generators & Auxiliaries, Gas Turbine Generators & Auxiliaries, Combined Cycle Power Piping, Structural Steel, Cooling Water System including Cooling Tower, Electrostatic Precipitators & Ducts, Rotatory Equipment, Desalination Plants, Reverse Osmosis De Mineralized Process (RODM) and Effluent Treatment Plant (ETP) works. Civil works for various plant and equipment. Operation & Maintenance works for Power Plants, Refineries & Desalination Plants.



INDUSTRIAL SERVICES (OPERATION & MAINTENANCE)

Provide comprehensive & integrated Operation & Maintenance (O&M) services in mechanical, electrical & C&I under one roof. Overhauling and Maintenance of Boiler, Turbine & Auxiliaries, R&M of BTG, GTG, CHP, BOP. Repair, Modification and Rehabilitation of Boiler. Revival and Life Extension. Trouble Shooting, Upgrade & Retrofits, Rebuilds & Plant Relocation.

Upgraded its credibility as major and comprehensive O&M service provider including Control Room / Desk operations.

Expanded O&M services footprint to Refinery, Petrochemical, Steel, Drinking Water Projects, Mineral & Material Handling Packages & Transmission & Distribution maintenance works.



WATER & WASTE WATER TREATMENT

Construction of Water Treatment Plants & Sewage Treatment Plants (STP's) including their networking system, tube wells, pump houses, overhead tanks and supplying of water through distribution networks for functional house hold tap connections. Trouble shooting of chronic problems by providing value added technical solutions for removing arsenic, fluorine, salinity of water and making the water potable. Post commissioning, Operation and Maintenance of Water Treatment Plants.

MANUFACTURING & HEAVY FABRICATION

Advanced manufacturing and machining facilities at Noida for entire range of services needed for Power and Non-Power sector.

Fabrication of Heavy Structures, Large & High-Pressure Tanks, Heavy Trusses, Ducts, Pipes. Repair of Steam & Hydro Turbines.

Tie-up with major OEM Companies for authorized production of Critical & General Spares, Reverse Engineering of Spares.



MINING

Development of mine infrastructure, removal of overburden and extraction of Coking Coal, processing, crushing and transportation of coal up to washery, carrying out R&R activities and any other activity incidental to mining.





CONSOLIDATION & GROWTH

Initiation of the Company and finding a niche in Power Sector!

Power Mech was established during the good pasturing time for power sector, when there was a boom in installation of coal and gas based power plants and set its foot firm to occupy a niche for itself. It made phenomenal success and was able to take a leadership position within a decade. The Company sensed the fall of the curve in the market and realized the need for diversification. Care was taken to choose fields which were in line with its proven capability and credibility; Railways, Water Projects, Roads, Civil & Architecture, Cross Country Pipelines, Steel Plants, Oil and Gas, Industrial Parks, Electrical, Material Handling, Manufacturing and Mining Development & Operations.

Process of consolidation initiated!

The tone was set to consolidating for the future of the Company! For the last ten years efforts were made to raise the eligibility for getting qualified independently. With more determination the Company entered in to partnership or joint venture mode of operation which proved to be highly successful. During this tenure salient works were executed in different sectors either independently or through partnership (JV) and slowly were consolidating and compacting ourselves. The Company raised and strengthened the professional foundation for undertaking major projects in sectors of its choice and need. In order to sustain the diversification effects, leadership training programs are initiated for both young executive and senior management level under Young Leadership Development Program and Senior Leadership Development Program. This is a parallel action aimed at raising the Company's capability as part of consolidation exercise.

Long term strategy for sustained growth!

As a long term strategy the Company is relying on major investments under NIP. It has already gained significant experience and qualification in sectors like Power, Overseas Operations, Railways, Water Projects, Roads, Civil & Architecture, Cross Country Pipelines, Steel Plants, Oil and Gas, Industrial Parks, Electrical, Material Handling, Manufacturing & Contract Coal Mining, and will aggressively pursue for opportunities with in these selected sectors. After having consolidated firmly and decisively, the focus is now on solid growth in selected segments and give more attention for vertical and geographical growth. The Company has gained robust and proven credibility and enhanced its skill and experience, that gives greater confidence for sustained long term growth.



PERFORMANCE HIGHLIGHTS

ALL TIME HIGH!

18,149*

(₹ Cr) Order backlog,
as on 31.03.22

*including MDO order

13,525*

(₹ Cr) Order inflow,
FY 2021-22

*including MDO order

1x660 MW
Bhusawal TPS,
Maharashtra

139

(₹ Cr) Profit after tax (PAT)
FY 2021-22

2,728

(₹ Cr) Total Income,
FY 2021-22

Railway Memu Shed, Kanpur, Uttar Pradesh

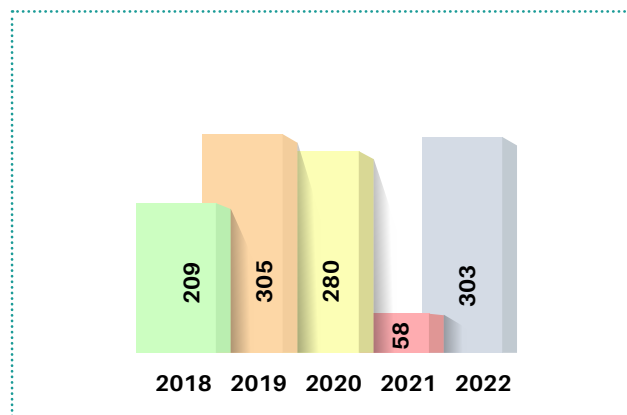


2x660 MW - Maitree STPP,
Bangladesh

PERFORMANCE OVER THE YEARS

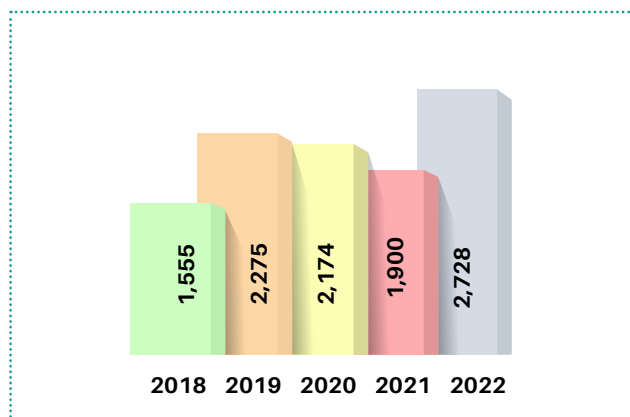
EBIDTA

₹ in Cr

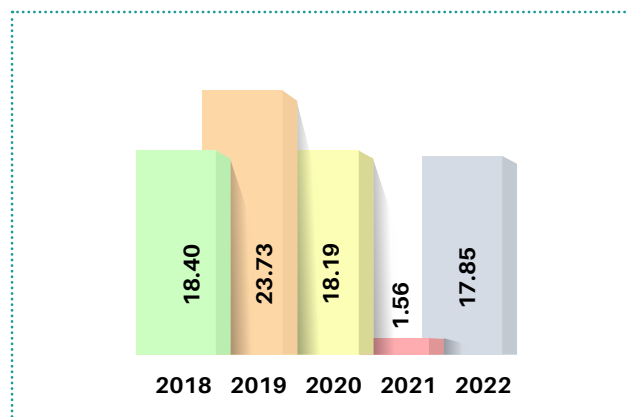


TOTAL INCOME

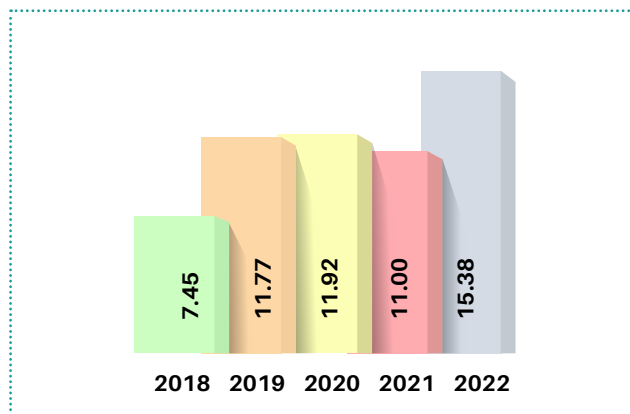
₹ in Cr



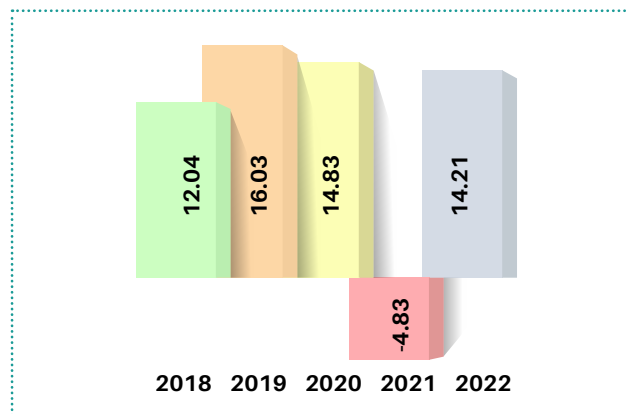
RETURN ON CAPITAL EMPLOYED (%)



ASSET TURNOVER (X)

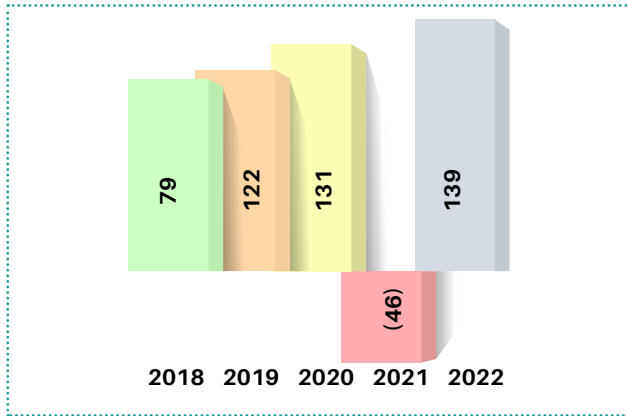


RETURN ON EQUITY (%)

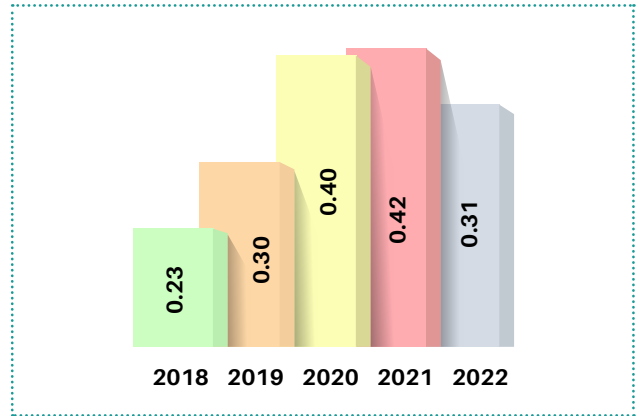


PAT

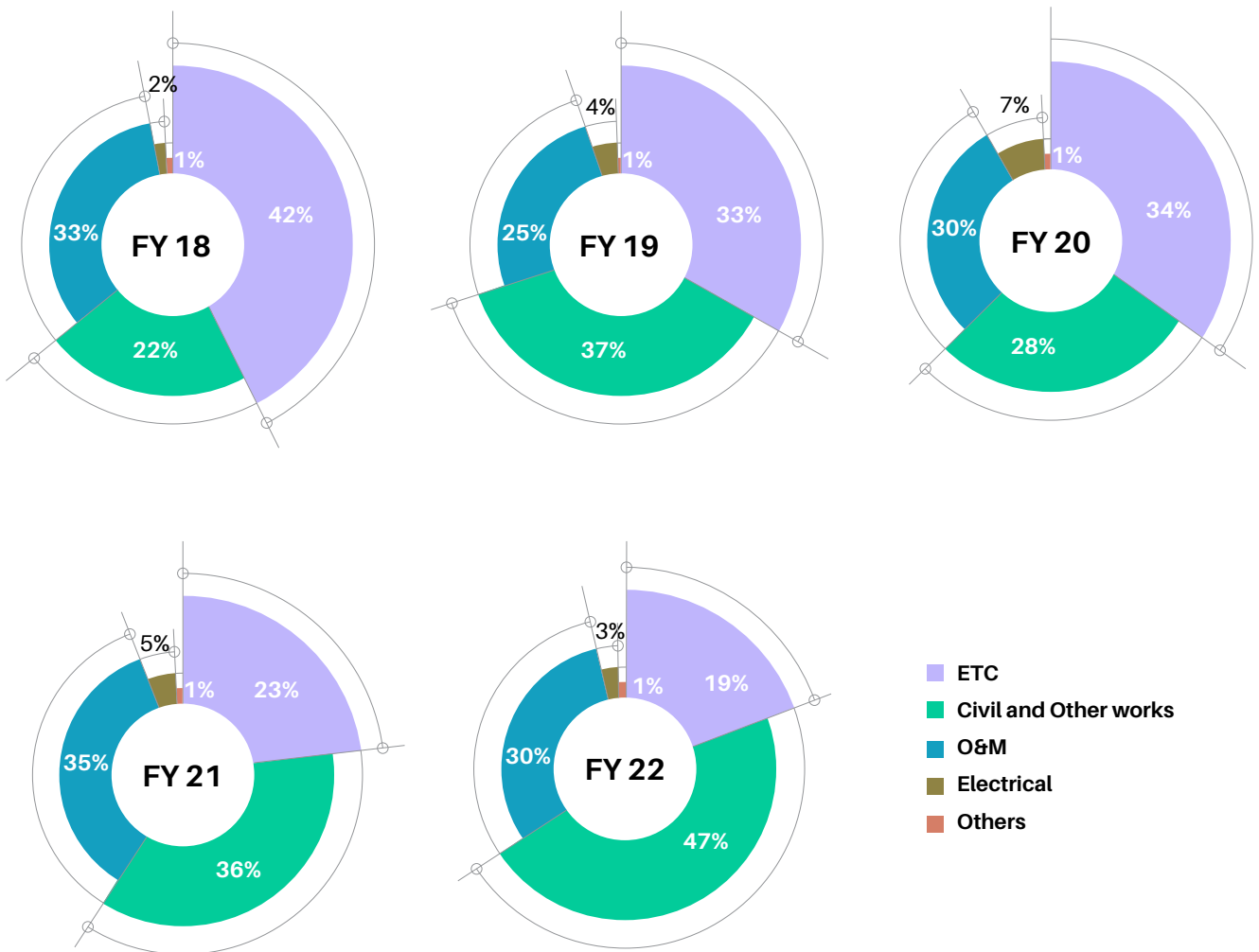
₹ in Cr

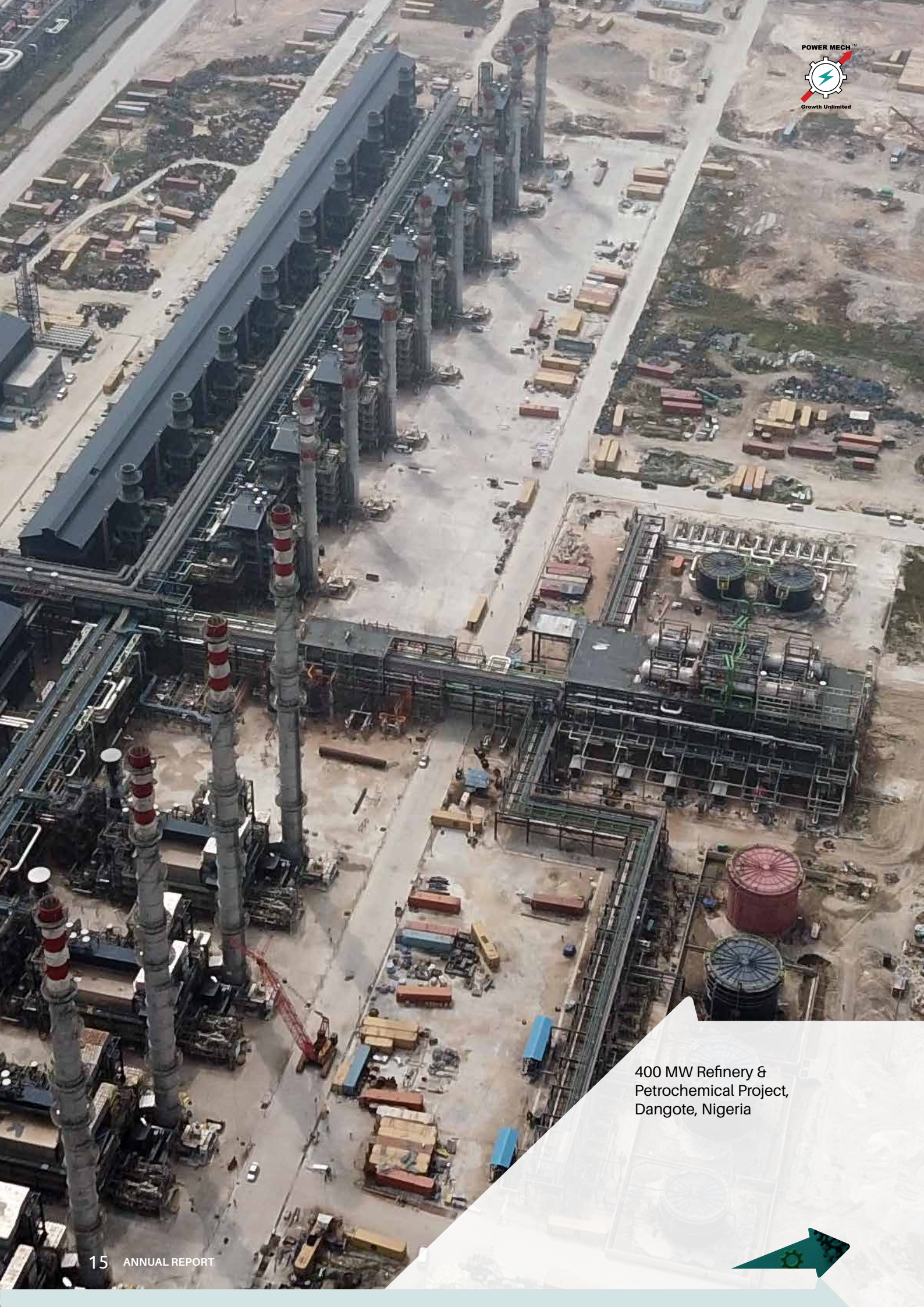


NET DEBT EQUITY (X)



TOTAL INCOME MIX





400 MW Refinery & Petrochemical Project, Dangote, Nigeria



CHAIRMAN'S MESSAGE

Today I am more confident and optimistic about the future because it is being backed by strong factors and figures!

Dear Shareholders,

It is always a pleasure addressing the privileged shareholders, and it is more so while placing the 23rd Annual Report because I am jubilant for the fact that the Company has emerged successfully from a spell of challenges. Thankfully I am so happy that my employees and associates are able to work and move fearlessly, post-Covid period! A good coincidence!

**“This too shall pass”,
thus goes a famous old saying!**

Just two years before, I could not have envisaged that the difficult phase which arose out of the pandemic would pass and the world would emerge free of the virus and the market would boom! The world economy has been oscillating like a pendulum during the past few years and many entities have been subjected to real hardships. However our management and the Company stood robustly strong, faced the tides and stood anchored. The experience was unique and challenging but we endured thanks to all my employees, shareholders and well-wishers!

Today I am more confident and optimistic about the future because it is being backed by strong factors and figures! I could feel the winds of change and sense the great future for the Company and the stakeholders.

However we reached this stage with lots of planning and forethought. A large space of post-Covid period is reserved for Power Mech and the Company has already started advancing itself. I would like to discuss some of the relevant elements that are going to give a push to the Company in the next five years.

Self-preparation: When the process of recess was engulfing the world economy the Company was engaging itself in building up infrastructure, resources and the organizational structure. The exercise

was set in motion even when the slowdown was casting a shadow on our working model and style.

We have been consistently strengthening the power of human resources in the organization with multiple and parallel attempts; the management started new initiatives for improving the capability and leadership quality of young executives through well implemented training sessions and updating senior executives through special sessions of orientation.

Both senior and young leadership programs helped in aligning the already talented engineers and executives to that of the Company's vision and mission. I am proud that we have highly dedicated employees numbering more than 14,000, majority of whom are talented engineers. Raising the talents of employees is a continuous process and I am hopeful that the management shall continue with these programs or even enlarge them to other levels too!

I am expressing my wishes out of hope and confident that the Company is definitely poised for greater reach and growth in the next five years time.

The year 2021-22 is perhaps one of the bests in its journey of 23 years as it has found a new zenith in order book, revenue and performance. It has established itself as a trusted Company through performance, achievement, completion and delivery with time line. Therefore it is not surprising that the execution bandwidth stands between Rs. 700 Cr to Rs 1,200 Cr per quarter and expected to improve further. It was possible because of the strong in-built capabilities in execution and engineering.

Strong order book and revenue segments: The strong order book which stands at Rs Rs 18,149 Cr explicit clear visibility for the future and raises our confidence in bettering our performance.



CHAIRMAN'S MESSAGE

During the last 10 years the Company has built strong expertise in the field of Railways, Water Projects, Overseas Operations, Road Projects, Material Handling, Cross Country Pipelines, Steel, Oil & Gas, etc., increasing the prequalifications.

The Company has reported an all-time high total income of Rs. 2,728 Cr during the FY 21-22, whereas the total revenue was Rs. 1,900 Cr. for the FY 20-21. The revenue from O&M business has gone up to Rs. 805 Cr from Rs. 661 Cr an increase by 22%. The revenue from Erection, Testing and Commissioning has increased from Rs.446 Cr to Rs. 521 Cr a swelling by 17% & Electrical business has gone up to Rs. 93 Cr from Rs. 86 Cr an increase by 8%. Pleasingly the revenue from Civil & others segments including railways and water projects has gone up to Rs. 1,290 Cr from Rs. 687 Cr a whopping increase by 88%.

The contribution of different segments to the overall revenue is impressive; Operation & Maintenance segment has contributed 30% of the overall revenue, Erection, Testing and Commissioning 19%, Electrical Business 3% and Civil & others including railways & water projects 48% of the total contract revenue. The change of order book mix has pushed the total income from Rs.1,900 Cr to Rs. 2,728 Cr, an increase by 43.54%.

Envisaging bright future: I am pleased that very recently the Company bagged a record number of 5 Flue Gas Desulphurization [FGD] projects from Adani

Group aggregating to Rs. 6,163 Cr for 15 FGD retrofits in coal based units. Central Electricity Authority has identified 1,69,000 MW of existing coal based plants with 448 units out of 2,09,100 MW of installed base with 593 units needing FGD retrofitting. The Company is aggressively pursuing for opportunities in the FGD segment for direct participation.

It is pleasing to note that during the last 10 years the Company has built strong expertise in the field of Railways, Water Projects,

Overseas Operations, Road Projects, Material Handling, Cross Country Pipelines, Steel, Oil & Gas, etc., increasing the prequalifications.

The investments under National Infrastructure Pipeline (NIP) of Rs 111 Lakh Cr with allocation to Energy 24%, Roads. 18%, Railways 12% and Urban development at 17% constituting 71% of NIP allocations should play a major role in all round development. The third decade is emphasising on growth with aggressive expansion into areas mentioned earlier.

Operation & Maintenance (O&M):

O&M segment has been playing a very vital role in power sector and in the growth of the Company in the last 10 years. It is presently being modelled mostly on long term service contracts. This methodology is being adopted into other non-power sectors like process plants, steel plants, minerals, refineries, petrochemicals, drinking water, material handling etc.

Efforts are on to increase the long term O&M contracts including control room operation and this is a quantum jump in our operational capabilities. The company has strongly established its presence in Middle East, Africa and Bangladesh for ETC business and presently pursuing for O&M business in these regions. The recent O&M order from Dangote, Nigeria will be a breakthrough for large global contracts.

Minerals, Coal and Material handling:

India is a leading producer of Iron Ore, Coal, Bauxite etc and has 3rd largest reserves in coal deposits and is also the 2nd largest producer of steel. With the huge opportunities in the market in handling of coal, iron ore and other minerals, the scope for market penetration is quite substantial.

Railway and Metro Projects:

The massive investments taking place in the railways can be a game changer for the transportation sector. Every segment of the railways are offering huge opportunities

with investments exceeding Rs 1 Lakh Cr per year.

At present, the Company is implementing about six projects and with the experience gained during the last five years can offer multiple opportunities to scale up the presence in the railway works.

The future is also in high speed ravel and bullet trains. The huge investments in Metro Rail will throw up cascading opportunities. The Company has already taken steps to enter the metro projects and the initial effort is for undertaking maintenance of workshops for Bangalore Metro work estimated at Rs 500 Cr.

Water & Waste Water Treatment Projects

Government of India has restructured and subsumed the ongoing National Rural Drinking Water Programme to provide Functional Household Tap Connection (FHTC) by 2024, for an estimated cost of Rs. 3.60 Lakh Cr. Sensing the huge opportunity in this segment, the Company rightly made efforts to enter this area of business in a big way. This business will pay a major role in overall business growth going forward. The present focus is on the opportunities in the states of Uttar Pradesh, Madhya Pradesh, Rajasthan, Karnataka and Odisha.

Roads & High ways: It is heartening that the Company has made entry into the road sector after a lot of deliberations over the huge opportunities being made available. As part of the NIP plan the total investment planned is around Rs 20.33 Lakh Cr forming 18% of NIP plan with largest allocation for road connectivity. Presently, the Company is executing three large projects under EPC mode. This diversification measure will positively supplement the growth of the Company, and also contribute to the synergy of the entire range of civil work spread across various segments.

Mine Development & Operation:

Coal will continue to play a major role as the main input for thermal power generation,

steel production and also for the cement industry. Power Mech will continue to seek mining opportunities on MDO basis in future to secure a long-term revenue contract. As a strategy, Power Mech would specifically target for coking coal blocks under MDO route, as there will be assured demand for the coking coal mainly from the steel plants. The Company has established good expertise in the installation of material handling and O&M operations of such material handling plants which are needed for the mechanised working of the mines. The aim of the Company is to enhance the capacity of MDO operations to about 15 MTPA to enable the Company to create a long term base over 25 to 30 years for sustained revenue generation of Rs 1,500 Cr to Rs 2,000 Cr p.a.

Conclusion: As I have mentioned in my opening statement, we have passed the gloomy period of Covid and recess. The future seems bright and shining. I have tried to describe the various factors and expectations that should come forth before us as opportunities for consolidation and growth. A well thought out base has been established by the Company during the preceding decade which would help as inertia and stimuli for sustained growth!

I am indebted to all my employees who stood like a rock behind me and the Company during thick and thin. My heart goes out with gratitude and appreciation for the contribution from my employees, a factor which gives me strength for further search and findings. I also thank all my colleagues in the Board who stood by me and helped shaping the Company to what it is!

I express my due respect and thanks to all the Financial Institutions, Central and State Governments officials, Auditors, our associates and dependents for their cooperation, and support! I thank all the shareholders for their trust, confidence and wishes!

S. Kishore Babu
Chairman and Managing Director



LEADERSHIP PROGRAM

Leadership Program-Developing Young and the Experienced

“It is an idea whose time has come”



Every business group and teams within the group require leaders for guiding, nurturing and developing. Again leadership is all about influencing people and getting things done in the larger interest of an organization. Having said, a leader need not necessarily be from the richly experienced pool of people, but from among the youthful contenders as well.

Power Mech is always little ahead in thinking and implementing new ideas and venturing novel actions. In a business leaders are made and not born, they are developed and not grown. They must be nurtured through multiple channels of opportunities and encouragements. They must be exposed to rational thinking and predominantly to decision making. This strategy applies to both the young and the experienced because acquiring knowledge is a continuous process.

Keeping in mind any probable vacuum in the leadership at middle management level in the progressive years, the management initiated training and orientation program for both young and the experienced. It was a novel attempt which eventually has come out highly successful.

YOUNG LEADERSHIP

Young Leadership Development Program (YLDP):



The idea of this program was to infuse young blood at middle management level so that they could take up higher responsibility when they reach top of the hierarchy. The program for the first batch commenced in June 2021 for a three month duration, followed by subsequent batches. The well-drawn out training program was addressed by eminent faculties and distinguished public figures touching different but relevant subjects and issues. Youthful executives from different segments were selected for the training program and were encouraged to attend out-door events for better exposure and greater reach.



ing program and were encouraged to attend out-door events for better exposure and greater reach.



SENIOR LEADERSHIP

Senior Leadership Development Program (SLDP):



The management understands that stagnation sets in even for senior level management staff who are already leading important portfolios. As part of the initiatives, selected senior and experienced head of the departments were given an orientation program lasting for fixed tenure. Highly influential individuals and experienced people from reputed organizations have played the faculty roles and shared their experience and views, as part of updating the candidates. The participants were feeling rejuvenated at the end of the program, serving the purpose of such programs.

The program is made a permanent feature of our culture and shall find a prominent place in the organization with necessary updates and changes!



ABILITIES SPELT THROUGH NUMBERS

27.2 Lakhs MT

Erection works executed till now

67,960 MW

Engaged in capacity addition of BTG & BOP works so far

745 TKM

Commissioned over-head electrification works

2.14 Lakhs MT

Structural fabrication works completed

15 Lakhs Sq.ft

Completed infrastructure development work related to Medical Technology Park in just 12 months at Vizag, AP

18.5 Lakhs M³

Concreting works carried out at various projects

68,375 MW

Engaged in aggregate
unit capacity of the
O&M & AMC

550 KMs

Execution of Natural Gas
Cross County Pipeline

220 KV

Commissioned 220 KV
GIS Substation works in
Nagaland under NERPSIP
Scheme

6,792 MW

Commissioned in
overseas market

11.5L inch mts

of Piping and 3.0L inch
Dia of welding of various
materials at single project,
Dangote, Nigeria

132 KV lines &
33/11 KV SS

Commissioned 132
KV lines in Assam, 33/11KV
Substations along with associated
33 KV and 11 KV Lines in MP



LONG TERM SUSTAINED RELATIONSHIP WITH CLIENTS WITH PROVEN ABILITY AND CREDIBILITY!

It is a long journey to win the confidence of numerous but distinguished clients in India and abroad. It is made possible through sheer dedication, commitment and deliveries. The strong association with prominent domestic clients led to form a strong base of trust which again paved way for earning the trust of international customers.

Retaining both domestic and international customers gave an edge in associating with highly prominent companies for forming JV partnership, gaining attractive credibility and independent qualification!



DOMESTIC

Recognized by reputed private and public sector undertakings!



OVERSEAS

Association with major MNC and Government organizations!



TECHNOLOGY & JOINT VENTURE (JV) PARTNERS

Proud to be associated with leading industry experts to look for larger projects.....



Rail Vikas Nigam Limited is involved in building rail infrastructure required by the railways.

JV partner to target projects in the field of Railways & Roads



FL Smidth is a Danish multinational engineering company which provides machinery, services and know-how to cement and mineral industries

Technology partner for Mineral Processing works related to Coal & Minerals



thyssenKrupp is a German multinational conglomerate with focus on industrial engineering and steel production

Technology partner for Material Handling works related to Coal & Minerals



RITES Ltd, is under the ownership of Indian Railways, an engineering consultancy corporation, specializing in the field of transport infrastructure

JV partner to target projects of Railway Locomotive Depots & Metro Depots



DRIVING FORCES TOWARDS GROWTH



Industrial Services [Operation & Maintenance]

Largest operation & maintenance (O&M) service provider to power plants with generating capacity of 68,375 MW, covering and caring 44 plants across the Country in the Utility and Captive sectors, process and industrial plants.

- ▲ Moving present service portfolio to Comprehensive Model with Key Performance Indicators (KPI) based delivery & Desk Operation
- ▲ Extending the existing footprint in the Export Sector, major breakthrough at Nigeria. More focus in Middle East and North Africa
- ▲ Broadening existing Non Power Sector O&M business; Refineries, Steel Plants, Aluminum Plants, Iron Ore Handling Plants & others Metal and Process Industry
- ▲ Existing Water Distribution & FGD Projects on completion provides new opportunities for enhancing the O&M business
- ▲ Enhancing presence in Utility & expanding in Captive Power
- ▲ A breakthrough foray into State sector, NTPC, KPCL, SCCL, NMDC etc, has enabled to expand the presence
- ▲ Rehab and R&M works of old thermal and gas power plants to give more O&M opportunities
- ▲ Backward integration & manufacturing of spare parts

Solid base established in power and infra sectors in the last two decades gaining expertise in spectrum of fields! Consolidating and compacting the base with strategic moves helped enhancing pre-qualifications for building up wide platform for growth. Association with prominent players and tapping opportunities from selective sectors for sustained and long term growth!

Major Sectoral Opportunities, Promoting Mid Term & Long Term Growth:

Industrial Construction [Erection, Testing and Commissioning (ETC) Business]

- ▲ Construction and installation of Flue gas Desulfurization (FGD) Retrofits and other utilities with major investments being implemented for 161 GW, major breakthrough from Adani Group for 8,460 MW plants (contract size of Rs 6,163 Cr)
- ▲ New investments amounting to ₹1.95 Lakh Cr planned in Oil & Gas Sector, potential opportunity to bag cross country pipeline works
- ▲ New expansion in Steel Plant Capacity of JSW, Monnet Ispat & Arcelor Mittal will give potential for structural & equipment erection works.
- ▲ Mineral & Coal handling facilities coming with NMDC, CIL, Adani etc. Pursuing Mineral & Coal-based EPC solutions with Technology Partners
- ▲ Expansion of existing Overseas Operations at GCC Nations, Bangladesh & Western Africa.





Infrastructure Construction [Civil Engineering & Infra Works]

Established strong business presence in Power & Non Power Sectors.

In the case of power sector, the presence is credibly established with the completion of many projects. Similarly, diversification into other sectors has been successful with the execution of various projects including major; Railway Works, Water & Waste Water Treatment, Roads, Medical Technology Park, Material Handling Works etc.,

- ▲ **Railway Works:** Investments of Rs. 1.4 Lakh Cr in capacity expansion in segments of railways. The share of railways part of NIP is around Rs 13.62 Lakh Cr. The major thrust related to civil works is station redevelopment, gauge conversion, doubling of railway lines, maintenance of works shops, station works, bridge works, maintenance sheds etc
- ▲ **Metro Works:** expansion up to tier 3 cities in the next 5 to 10 years should enable the Company to make its presence felt in this urban transport segment. First breakthrough from Bangalore Metro, for undertaking maintenance work shops
- ▲ **Roads & High ways:** total investment planned is around Rs 20.33 Lakh Cr forming 18% of NIP plan with largest allocation for road connectivity in India
- ▲ **Water & Waste Water Treatment:** total estimated cost of Jal Jeevan Mission (JJM) is Rs. 3.60 Lakh Cr and these investments can go up based on village wise updating of Detailed Project Reports (DPRs). Sewage Treatment Plants and Sewage Networks under AMRUT scheme opportunity size up to Rs 50,000 Cr
- ▲ Expansion of opportunities for EPC work in Material Handling and Civil Construction for facilities coming with NMDC, CIL, Adani etc
- ▲ Ongoing investments in various infra works of NIP plan under implementation for 5 years

Mine Development and Operation (MDO)

The Company is aiming to enhance capacity of MDO operations to about 15 MTPA, to generate sustained long term revenue of Rs 1,500 Cr to Rs 2,000 Cr p.a.

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



EXPANSION OF OPERATION & MAINTENANCE BUSINESS (O&M)

The Company has made deep inroads as preferred service provider in O&M of power plants and maintains its lead without break. Eventually synergized its reach to non-power sectors, supported by consolidated in-house base of man power and resources. Gained momentum with horizontal and vertical growth and is providing significant contribution to overall revenue & margins as backbone of the Company.



**Service
Presence**



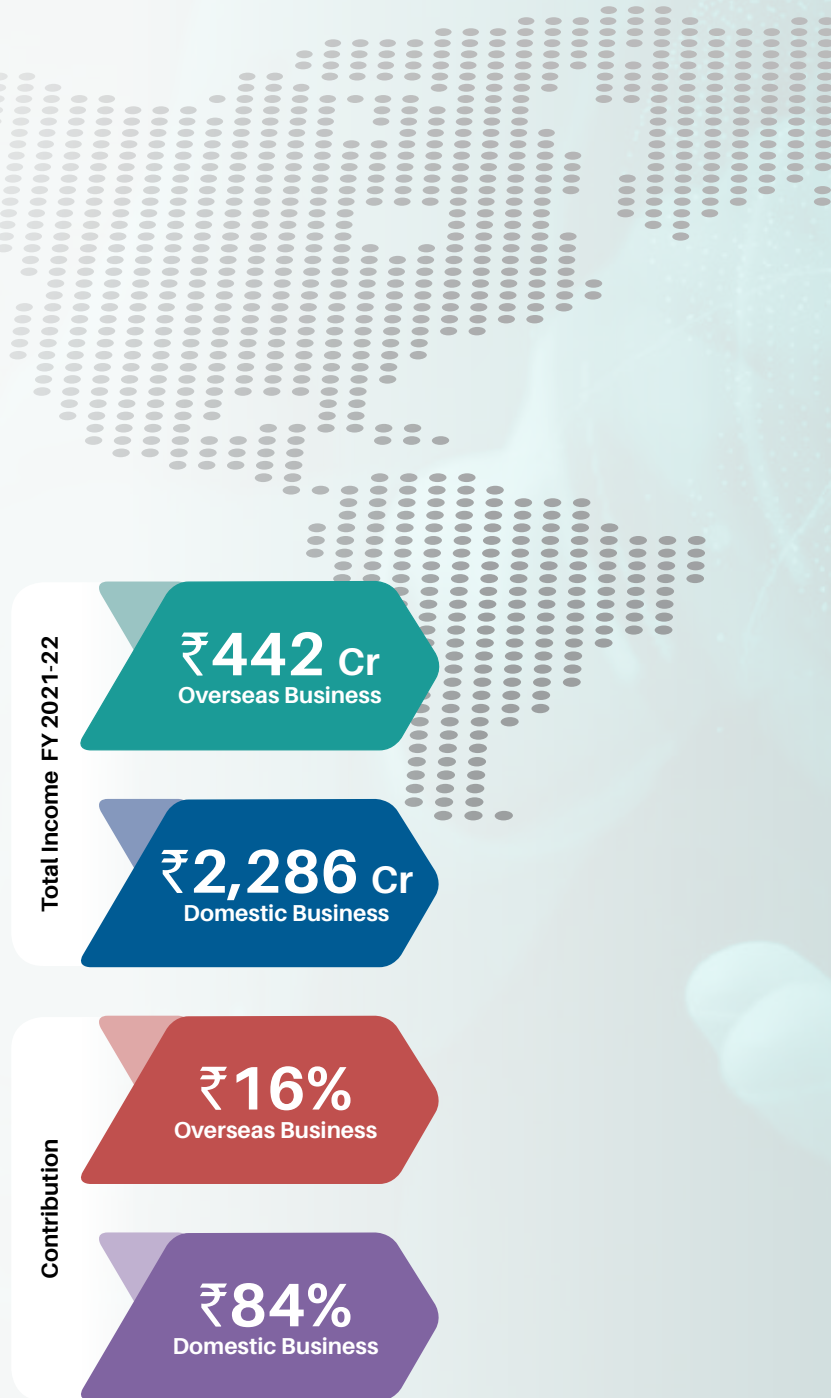
STRENGTHENING GLOBAL FOOTPRINT

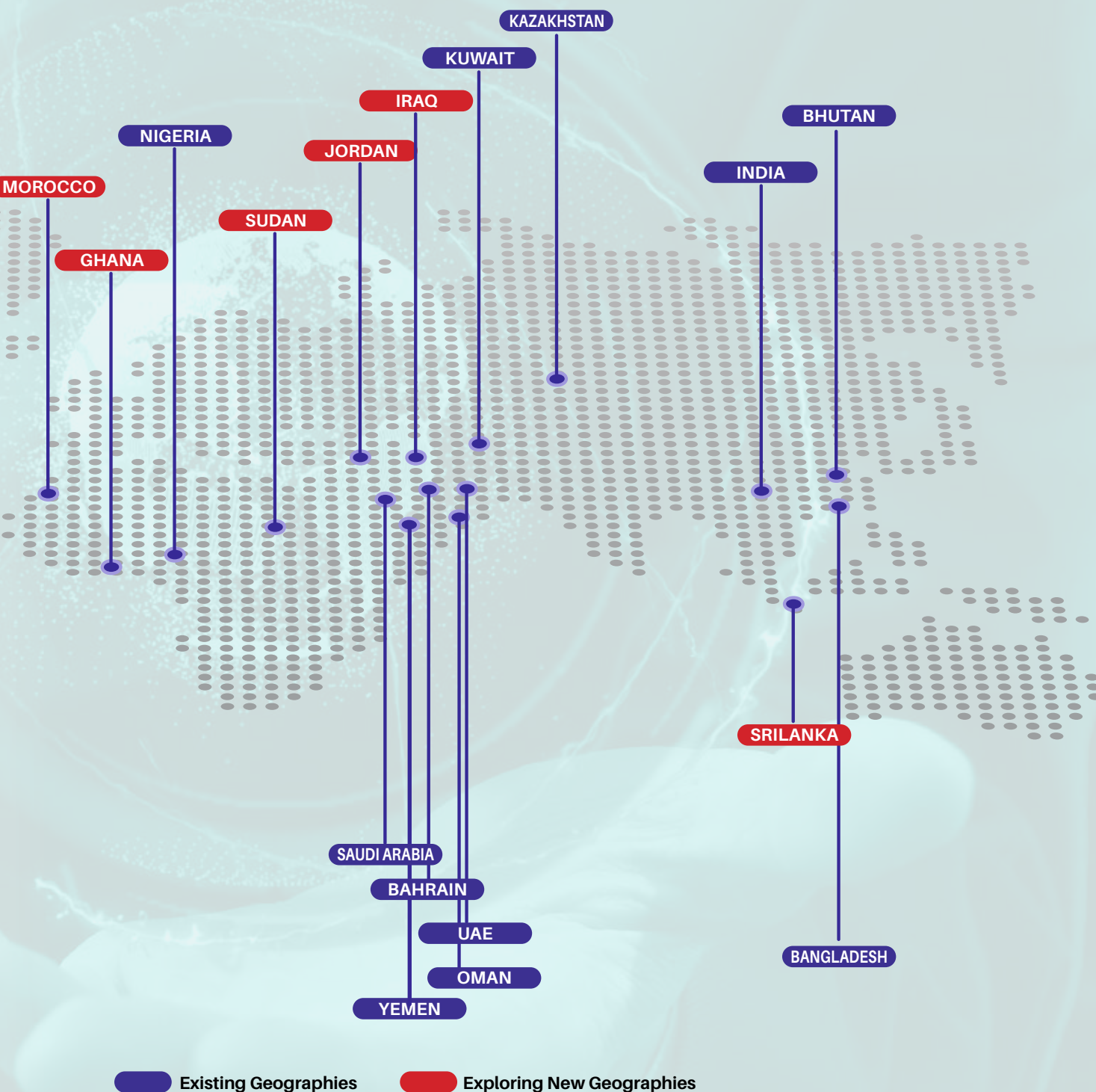
Setting foot firmly in Overseas Operations and exploring Operation & Maintenance (O&M) business and raising its share matrix!

The world is called a global village due to globalization, connectivity, information and technology. In this era launching our footprints in global market was envisaged and Power Mech set forth its wings exploring for opportunities across the seas. Strong presence was established as a credible service provider with vigorous execution of ETC projects in Middle East, Africa and Bangladesh and pursuing further.

However, the onslaught by the Covid-epidemic there was restrictions in movement of men and material, causing slowdown of activities for entire two years. Notwithstanding the shortcomings, the Company was building its qualification and resources, waiting optimistically. When the Covid curve started falling, the floodgate of opportunities started opening and the Company made significant moves. Now the search and focus were on O&M segment of works as it provides long term contracts and we are receiving larger opportunities from overseas operations. Recently we received an all-time significant order from Dangote Oil Refinery, Nigeria for O&M business which is a breakthrough in size and value.

The Company is pursuing vigorously for O&M business in Middle East, Africa and Bangladesh so that the share matrix for overseas operations reach an impressive figure of 15 to 20 % of the total business.





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

ROBUST PROJECT MANAGEMENT INFRASTRUCTURE

The Company is well structured with different segments of experts and leaders supported by robust infrastructure and solid manpower, data processing making it ever ready for instantly undertaking any execution with superiority in engineering.

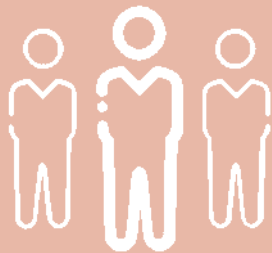
Large construction equipment base



**SAP Site level,
Support functions Productivity,
Data Management**



**Capability Centres,
Construction, Quality,
Safety, Engineering & Supply
Chain Management**



**Primavera, MS Project
Application & Integrated
Project Management
Approach**



**14,044 HR Base
Engineers, Supervisors,
Technicians, HSE, FQA
Other Staff**



**SBU Heads for
Project
Responsibility**



HEALTH SAFETY AND ENVIRONMENT

Health Safety and Environment is embedded with the culture of the organization as the top management itself is showing the lead at sites and work places. The Company leaves no stone unturned as far as safety is concerned. In the organization safety is not practiced as a matter of obligation but as a willing practice in the interest of men and material. Power Mech considers safety as the paramount responsibility and therefore thrust is given for continuous monitoring at every stage of execution and at all times.

Health

The workers and their family members are given free medical aid and essential medicines during periodical health camps at sites. Free ambulance service is made available at sites to take care of emergency needs. The welfare of the workers is our primary concern and hence the labour colonies are provided with protected drinking water and better sanitation. All the workers are covered under comprehensive insurance as per statutory norms.

Safety

As the Company is dealing with heavy machinery and handling and lifting huge components with multiple gears and cranes, the working area is occupied by more than one agency and the density of operation is always high. It is in this context that implementing safety norms become a challenge to the Company. Power Mech has the history of implementing and enforcing safety standards with heart and soul. Due priority is being given right from planning and procurement of safety equipment to execution at sites. Even at the introductory level workers are given training on safety norms and awareness is created about its importance.

Environment

All of us have a duty to transfer the earth at least as we inherited as possible and if possible better and cleaner. Today the world is at the cross road of paying for the 'greenhouse effect' caused by pollution and deforestation. It is everybody's responsibility to join hands together to offset this trend. Power Mech is too willing to join in this social cause with dedication and implement environment friendly work practices such as conserve water, energy and raw material, prevent pollution, and reduce generation of wastages. Care is being taken to avoid plastic materials as much as feasible and are disposed appropriately. Saplings are regularly planted on various occasions and on visits to sites by higher officials. The move is simple but has far reaching effect. We are pledging ourselves to contribute our might in keeping the mother earth greener and cooler.



CORPORATE SOCIAL RESPONSIBILITY

“Service to the mankind is service to God”

- Mahatma Gandhi



A good organization has an obligation towards the society as JRD Tata says, “We received from the society and let us give back to the society.” As a leading constructing and service providing Company in power and infra sectors Power Mech understood its social responsibility and a charity Trust was founded by Mr.Sajja Kishore Babu who is also the Chairman and Managing Director of Power Mech Projects limited. Power Mech Foundation is an extended arm of group of companies to meet the responsibilities they own to the society. The Trust generally focuses on three fundamental issues the society at large and the poor in particular need; i. Education, ii. Health care and iii. Rehabilitation. The Foundation is committed to inclusive, sustainable, social and economic development with thrust on:

- Education
- Community Development
- Health Management & Medical Aids

- Social Welfare
- Old-Age Homes
- Environment Protection
- Disaster and Calamity Management
- Empowerment & Livelihoods
- Providing infrastructure to institutions

The Power Mech Foundation was established in 2010 and is tirelessly providing assistance and taking direct actions through various sites spread across the entire Country. The Foundation steadfastly engages itself in meeting the social causes in the neighborhood irrespective of cast and creed. The beneficiaries are numerous including the abandoned infants, forsaken street children, neglected orphans, students in remote villages and deserving people seeking medical assistance.

The Foundation encourages and conducts periodical Blood donation camps, Health camps and other social awareness camps at regular periodicity drawing

spontaneous response from the employees of the group of companies in offering monetary and physical assistance. The Foundation is extending the services through dozens of functional sites and offices across the Country. Every state is having the representation of the Foundation and its presence felt through various social, health and education related activities.

The management and staff of Power Mech and its subsidiary Companies provide the necessary assistance with their time, labour and finance. It is blended with the execution of project works and channelled through the Foundation. It has resolved to continue with the legacy as ever before and with more vigour and valour.



BOARD OF DIRECTORS



Mr Sajja Kishore Babu

Chairman and Managing Director

Founder of the Company, holds a Bachelor's degree in Mechanical Engineering. Possesses 37 years of experience in the power and infrastructure sector. Able administrator and dynamic leader. Serves on the Board of subsidiary and joint venture companies.



Mrs Sajja Lakshmi

Non-Executive Director

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



Mr Vivek Paranjpe

Independent Director

B.Sc (Honors), Fergusson College, Pune, Post Graduate from XLRI Jamshedpur, Gold medalist. More than 45 years of industry experience in various leadership roles in India and abroad. Some of the key strategic senior positions held by him were Director, HR Operations, Asia Pacific Region, for Hewlett Packard at Singapore. and Group President HR, for Reliance Industries Ltd.



Mr M Rajiv Kumar

Non-Executive Director

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



Mr G D V Prasada Rao

Independent Director

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



Ms Lasya Yerramneni

Independent Director

Post Graduate in Management from ISB, MS in Electrical and Computer Engineering from the University of Texas. She has 16 years of experience in IT Project management & delivery, client engagement, IT strategy, business development.



Mr T Sankaralingam

Independent Director

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



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

Ms Lasya Yerramneni

Independent Director

Mr J Satish

Chief Financial Officer

Mr Mohith Kumar Khandelwal

Company Secretary

AUDIT COMMITTEE

Mr G D V Prasada Rao

Chairman

Mr T 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

STAKEHOLDERS' 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

RISK MANAGEMENT COMMITTEE

Mr GDV Prasada Rao

Chairman

Mr M Rajiv Kumar

Member

Mr S Kishore Babu

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 K S Rao & Co,

Chartered Accountants
D. No: 54-19-4B, Ground Floor, 2nd Lane,
Jayaprakash Nagar, Vijayawada
Andhra Pradesh- 520 008

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.

BANKERS

State Bank of India
Punjab National Bank
Standard Chartered Bank
IDFC First Bank Limited
Axis Bank Limited
Bank of India
UCO Bank
Bank of Baroda
Union Bank of India
IndusInd Bank
Central Bank of India
Bandhan Bank
Bank of Bahrain and Kuwait

REGISTRAR & SHARE TRANSFER AGENT

Kfin Technologies Limited

Karvy Selenium Tower B,
Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032.

OUR OFFICES

INDIA OFFICES

Eastern Region

Unit No. 3-6A, 6th Floor, PS Magnum, VIP Road
Opp Haldiram, Kaikhali, Kolkata, West Bengal - 700052
Tel: 9038040277, E-mail: kolkatta@powermech.net

Western Region

402, Swastik Pride, D.K. Sandumargh, Chembur (E) Mumbai,
Maharashtra - 400071
E-mail: mumbai@powermech.net

Central Region

Old Nanda Colony, Kamptee Ta la ka, Koradi Post,
Nagpur District, Maharashtra - 441111
Tel: +91 9131180822, E-mail: nagpur@powermech.net

Northern Region

H-113, Sector-63, 3rd Floor, Gautam Budh Nagar,
Noida, Uttar Pradesh - 201307
Tel: +911 204021744, E-mail: delhi@powermech.net

SUBSIDIARY COMPANIES AND JOINT VENTURES

Hydro Magus Private Limited

H-113, Sector-63, Gautam Budh Nagar,
Noida, Uttar Pradesh - 201307.
Tel: +911-204021744, E-mail: info@hydromagus.com

Power Mech Industri Private Limited

Plot #8, Block-A, Sector 80, Phase-II,
Noida, Uttar Pradesh - 201301.
Tel: +91 9560095987, E-mail: info@pmindustri.com

Power Mech Environmental Protection Private Limited

Plot No.77, Opp: Hitex, Jubilee enclave,
Madhapur, Hyderabad, Telangana - 500081.
E-mail: cs@powermech.net

Power Mech BSCPL Consortium Private Limited

Plot No. 77, Jubilee Enclave Road,
Opp: Hitex, Madhapur, Hyderabad - 500081.

Power Mech SSA Structures Private Limited

Plot No. 77, Jubilee Enclave Road Opp: Hitex,
Madhapur, Hyderabad - 500081.

Aashm Avenues Private Limited

Plot No. 77, Jubilee Enclave Road, Opp: Hitex,
Madhapur, Hyderabad - 500081.

KBP Mining Private Limited

H. No. BIJ0050021903R2, Gandhi Building Bijulia,
Ramgarh Cant, Ranchi Jh - 829122.

Energy Advisory And Consulting Services Private Limited

Plot No.1-98/25/34, PT-56/8 & 56/9, Jubilee Enclave,
Madhapur, Hyderabad Telangana - 500081.

INTERNATIONAL OFFICES

MAS Power Mech Arabia

Building No: 2351, Zipcode:12621
2351 Makkah Al Mukarramah
Branch Road-Assulimanuyah
Unit No: 04 Riyadh 12621-8145
Kingdom of Saudi Arabia

GTA Power Mech FZE

Lekki FreeZone, Lekki Coastal Road Ibeju,
Lagos State, Nigeria.
Tel:+2348168265887, +234708504329
E-mail: pd@gtapowermech.com

GTA Power Mech NIGERIA Limited

Abel-Abu Point, Ebute - Igbogbo Road,
Ikorodu, Lagos - 104101
Federal Republic of Nigeria
Tel:+234-8168265887
E-mail: pd@gtapowermech.com

Power Mech Projects (BR) FZE

Lekki Free Zone, Lekki Coastal Road,
Ibeju-Lekki Lagos, Nigeria
Tel:+234-7085043290
E-mail: nigeria@powermech.net
Email: sankarkolli@powermech.net

GTA Power Mech DMCC

PO Box : 634389, AA1 Tower Mazaya
Business Avenue , Dubai, UAE

UAE

Power Mech Projects Ltd

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Business Bay, BurjKhalifa Area Dubai, P.O Box: 215452, UAE
Tel: +9714 4565948 +9715 04431833
Fax: +9714 4565938
E-mail: dubai@powermech.net

ABU DHABI

Power Mech Projects Ltd

PO Box: 29915, 5th Floor, Office no: 539 Al Ghaith Tower,
Hamdan Street, Abudhabi, UAE.
E-mail: uaehr@powermech.net

OMAN

POWER MECH PROJECTS LIMITED LLC

Building No: 5790 Flat No: 11, 1st Floor, P.O. BOX : 499,
PC.111, Way No: 857 Al Mauj Street,
Seeb North Mawalih Muscat.
Tel: +96824541285
E-mail: oman@powermech.net

BANGLADESH

Power Mech Projects Limited
Ka-66, Moushumi Villa (5th Floor, Flat no.5B2), Kuril,
PS-Bhatara. Dhaka-1229



STATUTORY REPORTS

NOTICE

Notice is hereby given that the 23rd Annual General Meeting (AGM) of the members of Power Mech Projects Limited will be held on Friday, the 30th day of September, 2022 at 1.30 P.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following items of business:

Ordinary Business:

1. Adoption of financial statements

To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2022 together with the reports of the Board of Directors and auditors thereon.

2. Declaration of Dividend

To declare a final dividend of ₹1.50/- per equity share of ₹10/- each for the financial year ended 31st March, 2022.

3. Appointment of Mr. M. Rajiv Kumar (DIN:07336483) as Director liable to retire by rotation.

To appoint a Director in place of Mr. M. Rajiv Kumar (DIN: 07336483) who retires by rotation and, being eligible, seeks re-appointment.

4. Increase in Remuneration payable to Statutory Auditors

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

RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the Act, and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. K.S. Rao & Co., Chartered Accountants (Firm Registration No: 003109S) Statutory Auditors of the Company, be and is hereby increased to ₹15,00,000/- per annum (Rupees Fifteen Lakhs only) excluding out of pocket expenses and applicable taxes for the remaining period of their tenure.

Special Business:

5. To approve the payment of remuneration to Mr. M. Rajiv Kumar (DIN: 07336483), Non-Executive Director by way of consultancy fees.

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

RESOLVED THAT pursuant to the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made there under and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, on the basis of the recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of the company be and is hereby accorded to pay ₹3,80,000/- per month excluding GST and reimbursement of out of pocket expenses towards car maintenance, driver etc. as remuneration by way of consultancy fees to Mr. M. Rajiv Kumar (DIN: 07336483), Non-Executive Director (apart from sitting fees and other reimbursement of expenses for participation in the Board, committee and other meetings) for the FY 2022-23.

6. Approval of Material Related Party Transaction (s) with PMPL-BRCCPL JV

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

RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended from time to time and the Company's policy on Related Party Transactions and such other approvals as may be required, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into contract(s) / agreement(s) / transaction(s) with PMPL-BRCCPL JV, a related party, on such term(s) and condition(s) as the Board of Directors may deem fit, upto an aggregate value not exceeding ₹2500 Cr (Rupees Two thousand and five hundred crores only) 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 authorized to delegate all or any of the powers conferred on it by or under this resolution to the Audit Committee of the Company and to do all acts and take such steps as may be considered necessary or expedient to the aforesaid resolution.



NOTICE

7. Approval for offering an option of conversion of unsecured loan/ Inter corporate deposit into equity

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

“RESOLVED THAT pursuant to the provisions of section 62(3) and other applicable provisions under the Companies Act, 2013 and rules made thereunder an option for conversion of Unsecured Loan (USL) / Inter Corporate Deposit (ICD) to the extent of ₹25 (Twenty Five) Cr which has been obtained from Power Mech Infra Limited (PMIL) into equity shares, be and is hereby offered to the said PMIL and the said conversion option is subject to the compliance of applicable provisions under section 42 of the Companies Act 2013, Chapter V of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorised on behalf of the Company to take all actions and to do all such acts, deeds, matters and things (including sub-delegating its powers to authorised representatives) as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including deciding / revising the dates of renewal, deciding and / or finalising other terms of renewal of said USL / ICD, and to modify, accept and give effect to any modifications to the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities (including approvals of the existing lenders of the Company) and as may be agreed by the Board, and to execute all such deeds, documents, writings, agreements, applications, forms in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Shareholders or otherwise with the intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

8. Issue of equity shares to the promoters by way of conversion of unsecured loan (USL) / Inter Corporate Deposit

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

“RESOLVED THAT pursuant to the provisions of Section 42, Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred

to as ‘the Act’) and the rules made there under and the provisions of Chapter V of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 (hereinafter referred as ‘ICDR Regulations’) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter referred to as ‘LODR Regulations’) and any other applicable guidelines / regulations issued by the Securities and Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permissions of any other statutory or regulatory authorities, other applicable laws, (including any statutory modification or enactment thereof, for the time being in force), and the enabling provisions of the Memorandum and Articles of Association of the Company and the provisions of the Listing Agreement entered into with the concerned Stock Exchange(s) where the shares of the Company are listed and subject to such terms and conditions as may be determined by the Board of Directors of the Company (herein after referred to as “The Board” which expression shall include a committee, constituted for the time being in force, thereof) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board, the consent and approval of the Company be and is hereby accorded and the Board be and is hereby authorized to create, offer, issue and allot 1,95,593 (One Lakh Ninety Five Thousand Five Hundred Ninety Three) Equity Shares, having face value of ₹10/- (Rupees Ten Only) each at a premium of ₹1,268.16/- (Rupees One Thousand Two Hundred and Sixty Eight and paise Sixteen Only) on preferential basis to Power Mech Infra Limited (hereafter referred as “proposed allottee”) (a company incorporated under the provisions of the Companies Act, 1956) which comes under the category of Promoters/ Promoter Group in accordance with the provisions of Regulation 10(1)(a) (iii) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, by way of conversion of proposed allottee’s Unsecured Loan (USL) / Inter-corporate Deposit (ICD) to the extent of ₹24,99,99,149/- (Rupees Twenty Four Crores Ninety Nine Lakhs Ninety Nine Thousand One Hundred and Forty Nine Only) which was obtained by the Company for supporting the day-to-day operations and to meet immediate working capital needs, in such manner and on such terms and conditions, as the Board may, in its absolute discretion, think fit.”

“RESOLVED FURTHER THAT in accordance with Regulation 161 and explanation provided thereto, of the ICDR Regulations, the “Relevant Date”, for

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determining the minimum price of the equity shares being allotted to the persons of promoter group, on a preferential basis, is 30th August, 2022.”

“RESOLVED FURTHER THAT the equity shares to be allotted in terms of this resolution shall rank pari passu with the existing equity shares of the Company in all respects and the same shall be subject to lock-in for such period that may be prescribed under the SEBI (ICDR) Regulations.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorised on behalf of the Company to take all actions and to do all such acts, deeds, matters and things (including sub-delegating its powers to authorised representatives) as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including deciding / revising the dates of allotment, deciding and / or finalising other terms of issue and allotment in consonance with the ICDR Regulations, listing of the equity shares to be issued and allotted, and to modify, accept and give effect to any modifications to the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities including SEBI, the Government of India, etc. and such other approvals

(including approvals of the existing lenders of the Company) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, allotment and listing of the equity shares, including utilisation of the issue proceeds and to execute all such deeds, documents, writings, agreements, applications, forms in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Shareholders or otherwise with the intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any other Committee of the Board to give effect to this resolution.”

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

Place: Hyderabad
Date: 08.09.2022

Sd/-
Mohith Kumar Khandelwal
Company Secretary



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NOTES FOR MEMBERS:

- i. In view of the massive outbreak of the Covid-19 pandemic, social distancing is a norm to be followed and in pursuant to the Circular No.14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No.20/2020 dated 5th May, 2020 and Circular No.02/2021 dated 13th January 2021, Circular No.21/2021 dated 14th December, 2021 Circular No.3/2022 dated 5th May, 2022 and all other relevant circulars being issued from time to time, physical attendance of the Members to the general meeting venue is not required and general meeting may be held through video conferencing (VC) or other audio visual means (OAVM). Hence, members can attend and participate in the ensuing AGM through VC / OAVM.
- ii. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business under Item No's 4 to 8 is annexed hereto.
- iii. A member entitled to attend and vote at the meeting is entitled to appoint a proxy / proxies to attend and vote on a Poll instead of himself / herself and such a proxy / proxies need not be a member of the company. Since this AGM is being held pursuant to MCA circulars and SEBI Circular through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice.

Institutional / Corporate Shareholders (i.e other than individuals/HUF, NRI) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM, on its behalf and to vote through remote evoting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to csvanitha19@gmail.com with a copy marked to evoting@nsdl.co.in
- iv. The register of members and share transfer books of the company will remain closed from 24th September, 2022 to 30th September, 2022 (both days inclusive) for annual closing.
- v. Members holding shares in physical form are requested to avail the demat facility in order to ensure timely and efficient delivery of corporate actions and announcements. Further the Members holding shares in physical form are also requested to immediately

notify change in their address, if any, to the Registrar and Transfer Agents of the company namely M/s. Kfin Technologies 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. Kfin Technologies Limited, Hyderabad.
- viii. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agents of the Company, **M/s. Kfin Technologies 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.

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- xi. Members desirous of getting any information about the financials and/or operations of the Company are requested to write to the Company at least seven days before the date of the meeting to enable the company to keep the information ready at the meeting.
- xii. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- xiii. Pursuant to Regulation 36(3) of the Listing Regulations, 2015, the information about the Directors proposed to be appointed / re-appointed is given in the Annexure -1 to the notice.
- xiv. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to the Notice.
- xv. Members are requested to: a) intimate to RTA, changes, if any, in their registered addresses at an early date, in case of shares held in physical form; b) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of shares held in dematerialised form; c) quote their folio numbers/Client ID/DP ID in all correspondence; d) Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names; and e) register their Permanent Account Number (PAN) with their Depository Participants, in case of Shares held in dematerialised form and RTA/ Company, in case of Shares held in physical form, as directed by SEBI.
- xvi. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to cs@powermech.net by 11:59 p.m. IST on 30th September, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to cs@powermech.net. The aforesaid declarations and documents need to be submitted by the shareholders on or before 30th September, 2022.
- xvii. Instructions for E-voting and joining the AGM are as follows:
 - A. VOTING THROUGH ELECTRONIC MEANS:**
 - i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
 - ii. The remote e-voting period commences on 27th September, 2022 (9:00 a.m. IST) and ends on 29th September, 2022 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on September 23 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
 - iii. The Board of Directors has appointed Ms. N. Vanitha, Practicing Company Secretary from M/s. P.S. Rao & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
 - iv. The Members who have casted their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
 - v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
 - vi. Any person, who acquires shares of the Company and becomes a Member of the Company after



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

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




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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	<ol style="list-style-type: none"> If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>

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Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of eVoting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

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



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4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password
- Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and general meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote eVoting period Now you are ready for e-Voting as the Voting page opens.

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3. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
4. Upon confirmation, the message "Vote cast successfully" will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned

copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@powermech.net.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@powermech.net. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.



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

- I. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC / OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- II. Members are encouraged to join the Meeting through Laptops for better experience.
- III. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- IV. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- V. Facility of joining the AGM through VC shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- VI. Members who need assistance before or during the AGM, can contact NSDL onevoting@nsdl.co.in or 1800-222-990.

- VII. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@powermech.net from 25th September, 2022 to 27th September, 2022. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other Instructions

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

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

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

Sd/-

Mohith Kumar Khandelwal
Company Secretary

Place: Hyderabad
Date: 08.09.2022

NOTICE

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

Item No.4

In view of the increasing responsibilities and additional amount of work and time involved in conducting the audit in line with the amendments notified by the Ministry of Corporate Affairs from time to time, a request was received from M/s. KS Rao & Co., Chartered Accountants, Statutory Auditors of the Company to consider the proposal for increasing the remuneration. Considering the industry standards and the responsibilities, the Audit Committee at its meeting held on 21.05.2022 had recommended an increase in the remuneration of the Statutory Auditors of the Company from ₹12,00,000/- per annum to ₹15,00,000/- per annum excluding the out of pocket expenses and taxes as applicable.

In pursuant to section 139 of the Companies Act, 2013, approval of the members of the Company is required for fixing the remuneration of the Statutory Auditors by means of an Ordinary Resolution. Accordingly, approval of the members is sought for increasing the remuneration.

None of the Directors, Key Managerial Personnel of the Company are concerned or interested financially or otherwise in the above mentioned resolution.

Item No.5

As per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a listed entity is required to obtain the approval of members of the Company every year by way of Special Resolution for payment of remuneration to a single Non-Executive Director if it exceeds 50% of the total remuneration payable to Non-Executive Directors of the Company.

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

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

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

Except Mr. M. Rajiv Kumar and his relatives, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested,

financially or otherwise, in this resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special Resolution set out at item No.5 of the Notice for the approval by the members.

Item no.6

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

The aggregate value of the transaction(s) with PMPL-BRCCPL JV will exceed the said threshold limit and is expected to be around ₹2500 Cr over the project duration. Hence, the approval of the shareholders is being sought for the said Material Related Party Transaction(s).

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

S. No	Particulars	Remarks
1	Name of the Related Party	PMPL-BRCCPL JV
2	Name of the Directors or KMP who are related	None
3	Nature of Relationship	PMPL-BRCCPL JV is an unregistered JV formed by Power Mech Projects Limited and Bhooratnam Construction Company Private Limited. The ratio of shareholding is 70:30 wherein PMPL holds 70 % and BRCCPL holds 30% of the shareholding.
4	Nature, material terms, monetary value and particulars of the contract or arrangement	PMPL-BRCCPL JV was formed to bid for a project for providing water supply pipeline construction under Jal Jeevan Mission, Govt. of Uttar Pradesh. The JV has offloaded the said contract worth ₹2120 Cr to PMPL based on its vast experience. The said sub- contract is said to be on arm's length basis. The total contract value including some future transactions can be to the tune of ₹2500 Cr over the project duration.



NOTICE

In view of the above, the Board of Directors recommends passing the resolution as set out in item no.6 of this notice as an Ordinary Resolution. None of the Directors or Key Managerial Personnel including their relatives is concerned or interested in the aforesaid resolution.

Item No. 7

Considering the bankers long standing requirement to increase the equity funds from the promoters side as it would improve the confidence to the bankers, the debt / equity / other leverage ratios and rating of the Company which in turn reduce the interest costs, the promoters consented to convert their unsecured loan/ inter corporate deposit amount to the extent of ₹25 (Twenty Five) Cr out of total USL / ICD of ₹50 (Fifty) Cr arranged by them from their group company i.e. Power Mech Infra Limited.

The Board of Directors at their meeting held on 25th August, 2022 based on the consent of the Promoters and their group company Power Mech Infra Limited, had approved for providing an option for conversion of USL / ICD to the extent of ₹25 (Twenty Five) Cr into equity, subject to the approval of shareholders. Further, the said conversion option is subject to the compliance of applicable provisions and approvals under Section 42 of the Companies Act 2013, Chapter V of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Mr. Sajja Kishore Babu, Chairman & Managing Director, Mrs. Sajja Lakshmi, Director, their immediate relatives being the ultimate beneficial owners of Power Mech Infra Limited, none of other Directors or any Key Managerial Personnel or their relatives are in any way concerned or interested in passing of this resolution except to the extent of their shareholding in the Company.

The Board of Directors of the Company recommends passing of the resolution as set out at Item no 7 as a special resolution

Item No.8

The Board of Directors of the Company, in its meeting held on 25th August, 2022, subject to the approval of the members of the Company and such other approvals as may be required, approved the proposal of conversion of Unsecured Loan to the extent of ₹25 (Twenty Five) Cr - into equity shares and approved to issue the equity shares at a price arrived under the provisions of Regulation 164 of SEBI (ICDR) Regulations, 2018 or the price derived by the Registered Valuer in terms of Article 21 of the Articles of Association whichever is higher, to Power Mech Infra Limited, a promoter group company and which is covered the provisions of Regulation 10(1)(a) (iii) of SEBI (SAST) Regulations, 2011.

Now, the Company proposes to obtain the approval of shareholders for the said conversion of Unsecured Loan under the provisions of Chapter V SEBI (ICDR) Regulations, 2018 and under the provisions of section 62 and 42 read with the rules made thereunder, of the Companies Act, 2013 as well as Article 21 of Articles of Association of the Company.

The details in relation to the Preferential Issue as required under the ICDR Regulations and the Act read with the rules issued thereunder, are set forth below:

a) Objects of the Preferential Issue

With the consent of Power Mech Infra Limited, the Company proposes to convert the Unsecured Loan to the extent of ₹24,99,99,149/- into equity shares on preferential basis to reduce debt, to strengthen financial position, to improve the leverage ratios / ratings so as to reduce the interest costs.

b) Relevant Date

In terms of regulation 161 and explanation provided thereto under Chapter V of the ICDR Regulations, Relevant Date for determining the floor price for this Preferential Allotment is 30th August, 2022 as 31st August, 2022 was a holiday.

c) The total number of shares or other securities to be issued;

It is proposed to issue 1,95,593 equity shares by conversion of Unsecured Loan of ₹24,99,99,149/- (Rupees Twenty Four Crores Ninety Nine Lakhs Ninety Nine Thousand One Hundred and Forty Nine Only) at a price of ₹1,278.16 each to Power Mech Infra Limited who comes under the category of Promoters / Promoter group of the Company, on a preferential basis in compliance with applicable provisions of SEBI (ICDR) Regulations.

d) Pricing of Preferential Issue:

Each equity share of ₹10/- (Ten) each is issued at ₹1,278.16 (Rupees One Thousand Two Hundred and Seventy Eight and paise Sixteen Only) which includes a premium of ₹1,268.16 (Rupees One Thousand Two Hundred and Sixty Eight and paise Sixteen Only).

e) Basis on which the price has been arrived

The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited ("NSE") (together referred to as the "Stock Exchanges"). The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations and NSE, being the Stock Exchange with higher trading volumes for the said period, has been considered for determining

NOTICE

the floor price in accordance with the SEBI ICDR Regulations. The said preferential issue, will not result in allotment of more than five per cent of the post issue fully diluted share capital of the Company, to an allottee or to allottees acting in concert, and the same shall not require a valuation report from an independent registered valuer for determining the price.

In terms of the applicable provisions of the Chapter V of SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, the minimum price for the preferential issue of each equity shall be a price, being higher of the following:

- a) Average of 90 trading days of volume weighted average price of the Equity Shares of the Company quoted on the NSE, preceding the Relevant Date is ₹967.38 (Rupees Nine Hundred and Sixty Seven and Paise Thirty Eight); or
- b) Average of 10 trading days of volume weighted average price of the Equity Shares of the Company quoted on the NSE, preceding the Relevant Date is ₹1,278.16 (Rupees Twelve Hundred and Seventy Eight Paise Sixteen); or
- c) the floor price arrived by an Independent Registered Valuer, ("Valuation Report dated 25th August, 2022") in terms of the Article 21(a) (iii) of Articles of Association is ₹933.25 (Rupees Nine Hundred and Thirty Three and Paise Twenty Five).

Out of the above three ₹1278.16 (Rupees Twelve Hundred and Seventy Eight Paise Sixteen) being the highest price, shall be the floor price for this issue in terms of the ICDR Regulation and other applicable provisions.

f) Report of a Registered Valuer:

In terms of Article 21(a) (iii) Articles of Association of the Company, the Company has obtained a Valuation Report dated 25th August, 2022 issued by a Registered Valuer namely T. Rama Rao, registration no. IBBI/RV/06/2019/11698 having office situated at Flat 124, C Block, Gowra Hallmark Greenliving Apartments, Pipeline Road, Manikonda, Other, Telangana - 500089.

g) Class or Classes of Persons to whom the allotment is proposed to be made

The allotment is proposed to be made to Power Mech Infra Limited a group company of the promoters which comes under the category of Promoters/ Promoter

Group in accordance with the provisions of Regulation 10(1)(a) (iii) of SEBI ((Substantial Acquisition of Shares and Takeovers) Regulations, 2011

S No	Name of the Proposed Allottee	Category	Number of Shares proposed to be allotted
1	Power Mech Infra Limited (PMIL)	Promoter Group	1,95,593

h) Proposal/Intent of the Promoters, directors or key managerial personnel of the Company to subscribe to the offer

The preferential issue is being made to Power Mech Infra Limited a group Company of the Promoters which comes under the category of Promoters/ Promoter Group in accordance with the provisions of Regulation 10(1)(a)(iii) of SEBI ((Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Except this, none of the Promoters, Directors or Key Managerial Personnel of the Company intends to participate to the Offer.

i) Time frame within which the Preferential Issue shall be completed

Pursuant to the SEBI ICDR Regulations, the proposed equity shares will be issued and allotted by the Company within a period of Fifteen (15) days from the date of passing of this resolution provided that where the issue and allotment of the said shares is pending on account of pendency of any regulatory approvals, then such issue and allotment shall be completed within a period of Fifteen (15) days from the date of receipt of last of such approvals.

j) Change in Control consequent to the Preferential Issue

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential issue.

However, the percentage of shareholding and voting rights exercised by the shareholders of the Company will change in accordance with the change in the shareholding pattern pursuant to the Preferential Allotment.



NOTICE

k) Shareholding pattern of the Company before and after the Preferential Issue

Category of Shareholders		Pre-Issue		Issue of Warrants	Post-issue	
		Shares	%		Shares	%
A	Promoters					
1	Indian					
	a) Individual / HUF	93,69,668	63.69	-	93,69,668	62.86
	b) Bodies Corp.	-	-	-	1,95,593	1.31
	c) Any other - Director or Director's Relatives	-	-	-	-	-
	Sub Total (A) (1)	93,69,668	63.69	-	95,65,261	64.17
2	Foreign					
	Sub Total (A) (2)	-	-	-	-	-
	Total [(A) (1)+ (A) (2)]	-	-	-	-	-
B	Public Shareholding					
1.	Institutions					
	Foreign Portfolio Investors	6,45,410	4.39	-	6,45,410	4.33
	Financial Institutions / Banks	-	-	-	-	-
	Insurance Companies	-	-	-	-	-
	Mutual Funds	12,27,393	8.34	-	12,27,393	8.23
	Sub Total B(1)	18,72,803	12.73	-	18,72,803	12.56
2	Central Government/ State Government(s)/ President of India	-	-	-	-	-
	Sub Total B(2)	-	-	-	-	-
3	Non-Institutions					
	Individual share capital upto ₹2 Lacs	20,35,156	13.83	-	20,35,156	13.65
	Individual share capital in excess of ₹2 Lacs	5,58,720	3.80	-	5,58,720	3.75
	NBFCs registered with RBI	-	-	-	-	-
	Foreign Nationals	-	-	-	-	-
	HUF	-	-	-	-	-
	Non-Resident Indian (NRI)	91,022	0.62	-	91,022	0.61
	Clearing Members	95,293	0.65	-	95,293	0.64
	Bodies Corporate / Firms / Trust	5,33,982	3.63	-	5,33,982	3.58
	Others	1,54,120	1.05	-	1,54,120	1.03
	Sub Total B(3)	34,68,293	23.58	-	34,68,293	23.27
	Total [B(1)+ B(2)+ B(3)]	53,41,096	36.31	-	53,41,096	35.83
	Total (A) + (B)	1,47,10,764	100.00	-	1,49,06,357	100.00

NOTICE

- l) **Identity of the natural persons who are the ultimate beneficial owners of the Equity Shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post Preferential Issue capital that may be held by them**

Sr. No	Name of the Proposed Allottee	Ultimate Beneficial Owner of the proposed (allottee)s	Pre Issue		Post Issue	
			Shares	%	Shares	%
1.	Power Mech Infra Limited (a company incorporated under the provisions of the Companies Act, 1956 having CIN: U15100AP2009PLC063686)	Mr. Sajja Rohit and Mrs. Vignatha Sajja both being the persons of Promoter Group hold 99% shareholding of Power Mech Infra Limited	NIL	NIL	1,95,593	1.31
Total			NIL	NIL	1,95,593	1.31

- m) **Lock-in Period**

The entire pre-preferential allotment shareholding of the allottees, if any, and the Equity Shares proposed to be issued shall be under lock-in as per the requirements of Chapter V of SEBI ICDR Regulations, 2018.

- n) **Undertaking**

The Company hereby undertakes that:

- It would re-compute the price of the securities specified above in terms of the provisions of SEBI (ICDR) Regulations, where it is so required;
- If the amount payable, if any, on account of the re-computation of price is not paid within the time stipulated in SEBI (ICDR) Regulations, the above warrants/shares shall continue to be locked-in till the time such amount is paid by the allottees.

- o) **Practicing Company Secretary Certificate**

The certificate from D.S. RAO (C.P.No.14487) Practicing Company Secretary certifying that the preferential issue is being made in accordance with the requirements of Chapter V of the SEBI ICDR Regulations, 2018 shall be available for inspection at the Registered office of the Company on all working days (excluding Saturday) during 10:00 A.M. to 5:00 P.M. up to the date of General Meeting and shall also be available during the General Meeting.

*The said Certificate is hosted on the website of the Company at www.powermechprojects.com.

- p) **Details of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.**

Except Mr. Sajja Kishore Babu, Chairman & Managing Director, Mrs. Sajja Lakshmi, Director being immediate relatives of ultimate beneficial owners of the proposed allottee, none of other Directors or any Key Managerial Personnel or their relatives are in any way concerned or interested in passing of this resolution except to the extent of their shareholding in the Company.

- q) **Other disclosures**

In accordance with SEBI ICDR Regulations,

- No person belonging to the Promoter / Promoter group of the Company have sold or transferred any Equity Shares during the six months preceding the Relevant Date *except an inter-se transfer on August 10th 2022 between the family members belonging to the Promoter Group, which qualifies for inter-se transfer amongst qualifying persons under clause (a) of sub-regulation (1) of Regulation 10 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.*
- During the period from 1st April, 2022 till the date of notice of this General Meeting, the Company has not made any preferential allotment.



NOTICE

- c) Neither the Company nor any of its Promoters and Directors has been declared as a wilful defaulter or a fugitive economic offender.
- d) The Company is eligible to make the Preferential Issue to its Promoter (including Promoter Group) under Chapter V of the SEBI ICDR Regulations.
- e) Report of the Registered Valuer is not required under the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014 for the proposed Preferential Issue. However, in terms of Article 21(a)(iii) of the Articles of Association of the Company Valuation Report from a Registered Valuer has been obtained.
- f) The pre-preferential allotment of the person belonging to the Promoter / Promoter group of the Company are in dematerialized form. (The proposed allottee does not hold any pre-preferential holding)

The issue of Equity Shares shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Companies Act, 2013 and relevant regulations of SEBI (ICDR) Regulations, SEBI (LODR) Regulations and shall be made in a dematerialized format only.

The Board of Directors of the Company recommends passing of the resolution as set out at Item no 8 as a special resolution.

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

Sd/-

Mohith Kumar Khandelwal
Company Secretary

Place: Hyderabad
Date: 08.09.2022

Annexure-1

ADDITIONAL INFORMATION

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

Particulars	Mr. M. Rajiv Kumar
Date of Birth	20.11.1953
Date of appointment on the Board	14.11.2015
Qualification, Experience & Expertise	<p>Mr. M. Rajiv Kumar is a graduate in Electrical Engineering and spent his entire career of nearly 4 decades in BHEL and by his sheer hard work and acumen, he rose to the level of Executive Director, Eastern Region.</p> <p>During his career, he initiated, planned, executed and commissioned many power projects and today they stand testimony of his leadership quality and feeding power to the nation. He has strong project management skill, is exceptionally good at team building, easily adaptable and flexible towards project needs and possesses superior inter-personal & time management skills. Gifted with good foresight, he holds impeccable record for identifying right person for right jobs, mentoring and motivating the entire team under him.</p>
Directorship in other Companies	NIL
Number of Shares held	NIL
Disclosure of Inter-se relationship between Directors and KMP's	NA
Membership / Chairmanships of Committees in other Companies	NIL
Details of Remuneration sought to be paid and the remuneration last drawn by such person	As mentioned in the resolution
Number of Board meetings attended during the year	5 of 6



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, 2022.

FINANCIAL RESULTS

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

in ₹ Cr

Sl. No.	Particulars	Standalone		Consolidated	
		Current Year (2021-22)	Previous Year (2020-21)	Current Year (2021-22)	Previous Year (2020-21)
1.	Revenue from Operations	2631	1754	2711	1884
2.	Other income	26	20	17	16
3.	Total Income	2657	1774	2728	1900
4.	Expenditure	2360	1709	2425	1842
5.	Profit before interest, depreciation and tax	297	65	303	58
6.	Depreciation	34	33	37	36
7.	Interest and Finance Charges	76	78	79	79
8.	Share of Profit from JV and Associates	-	-	(2)	(3)
9.	Profit before tax	187	(46)	185	(60)
10.	Provision for taxes (including DTL)	46	(11)	46	(11)
11.	Profit after tax	141	(35)	139	(49)
12.	Profit attributable to equity holders of the parent before OCI	141	(35)	139	(46)
13.	Other Comprehensive Income	1	2	(1)	1
14.	Total Comprehensive Income	142	(33)	138	(48)
15.	Profit attributable to equity holders of parent after OCI	142	(33)	138	(45)
16.	Reserves (Excluding Revaluation Reserves)	979	837	1029	890
17.	EPS (₹) on face value of ₹10/- each	95.82	(23.53)	94.48	(31.02)
18.	Book Value (₹) on face value of ₹10/- each share	675	579	709	615

OPERATING RESULTS AND BUSINESS

Your Company has achieved operational turnover of ₹2,631 Cr and Profit of ₹141 Cr during the FY 2021-22 as against previous year operational turnover of ₹1,754 Cr and loss of ₹35 Cr respectively.

Further, your Company has achieved consolidated operational turnover of ₹2,711 and profit of ₹139 Cr for the FY 2021-22 as against previous year operational turnover of ₹1,884 Cr and loss of ₹49 Cr respectively.

BOARD'S REPORT

DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹1.50/- per equity share of face value of ₹10/- each for the year ended 31st March, 2022. The Final Dividend is subject to the approval of members at the ensuing annual general meeting of the Company to be held on 30th September, 2022.

SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

As on 31st March, 2022 your Company has 10 (Ten) 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, KBP Mining Private Limited, Energy Advisory and Consulting Services Private Limited, Power Mech Projects LLC (Oman) Power Mech Projects BR FZE (Nigeria) and Power Mech Environmental Protection Private Limited.

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

Further, the Company has one associate, 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.
- KBP Mining Private Limited: A Subsidiary Company of Power Mech, incorporated for exploring, design & engineering, developing, operating and working on mines.
- Energy Advisory and Consulting Services Private Limited: A Wholly Owned Subsidiary Company of Power Mech, incorporated for providing consulting services to various energy advisory generation Companies, Power Plants, Power Transmitters.
- Power Mech Environmental Protection Private Limited: A Wholly-owned subsidiary of Power Mech, was incorporated to carry on the business providing engineering, technical and consultancy services to power plants and other industrial plants.
- 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.



BOARD'S REPORT

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 does not propose to transfer any profits to the reserves for the fiscal 2022.

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

RELATED PARTY TRANSACTIONS

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

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

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

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

STATUTORY AUDITORS

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

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s. K.S. Rao & Co., Chartered Accountants, Statutory Auditors, in their report for the financial year ended 31st March, 2022.

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

INTERNAL AUDITORS

M/s. JSS Pro & Co, Chartered Accountants, resigned as the Internal Auditors of the Company with effect from 1st October, 2021.

The Board of Directors, based on the recommendation of the Audit Committee, appointed an in-house team as Internal Auditors for the remaining part of the fiscal 2022.

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 2022.

The Secretarial Audit Report for the FY 2021-22 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 2021-22 does not contain any qualification, reservation, adverse remark.

DIRECTORS' & KMP

Reappointments

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in terms of Article 134 of the Articles of

BOARD'S REPORT

Association of the Company Mr. M. Rajiv Kumar, Director, retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting. The Board recommends his reappointment.

DECLARATION BY INDEPENDENT DIRECTORS

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

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

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

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

BOARD MEETINGS

The Board of Directors of the Company duly met 6 (Six) 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

Name of the Committees	Composition of the Committees
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. Prasada Rao
Risk Management Committee	1. Mr. GDV Prasada Rao (Chairman) 2. Mr. M. Rajiv Kumar 3. Mr. S. Kishore Babu
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



BOARD'S REPORT

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 31st March, 2022, 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 2021-22 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 2021-22 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 are posted on the website of the Company at www.powermechprojects.com

DIVIDEND DISTRIBUTION POLICY

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

RISK MANAGEMENT

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

ANNUAL RETURN

In accordance with Section 92(3) of the Act and rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), a copy of the Annual Return of the Company shall be placed on the Website of the Company at www.powermechprojects.com/investor-relations.

MANAGEMENT DISCUSSION & ANALYSIS

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

CHANGES IN SHARE CAPITAL

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

BOARD'S REPORT

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.

BUSINESS RESPONSIBILITY REPORT (BRR)

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

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

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

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

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

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

Sd/-

S Kishore Babu

Chairman & Managing Director

DIN: 00971313

Place: Hyderabad

Date: 13.08.2022



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, 2022).

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

Part "A": Subsidiaries

(Information in respect of each subsidiary)

(in ₹ Cr)

S. No.	Particulars	Details									
1	Name of the subsidiary	Hydro Magus Private Limited	Power Mech-Industri Private Limited	Power Mech Projects Limited LLC	Power Mech BSC:PL Consortium Private Limited	Power Mech SSA Structures Private Limited	Aashm Avenues Private Limited	Power Mech projects (BR) FZE	Power Mech Environmental Protection Private Limited	KBP Mining Private Limited	Energy Advisory and Consulting Services Private Limited
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	27.12.2019	11.03.2021	01.04.2021
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 (197.41)	INR	INR	INR	NGN (0.18)	INR	INR	INR
5	Share capital	0.21	0.02	4.31	0.01	0.10	0.10	0.69	0.01	0.01	0.01
6	Reserves & surplus	8.28	(0.73)	0.44	1.29	(0.01)	(0.01)	22.46	(0.01)	(0.00)	(0.00)
7	Total assets	16.25	38.68	6.76	84.24	2.31	0.15	65.85	0.00	4.21	0.01
8	Total Liabilities	7.76	39.39	2.01	82.94	2.21	0.05	42.69	0.00	4.21	0.00
9	Investments	-	-	-	-	-	-	-	-	-	-
10	Turnover	0.95	22.04	1.19	-	-	-	70.43	-	-	-
11	Profit before taxation	(0.12)	(1.20)	(1.63)	(0.00)	(0.00)	(0.00)	18.15	(0.00)	(0.00)	(0.00)
12	Provision for taxation	(0.03)	(0.19)	-	-	-	-	-	-	-	-
13	Profit after taxation	(0.09)	(1.01)	(1.63)	(0.00)	(0.00)	(0.00)	18.15	(0.00)	(0.00)	(0.00)
14	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	15.58	Nil	Nil	Nil
15	Extent of shareholding	88.10%	100%	70%	51%	100%	100%	100%	100%	74%	100%

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

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(in ₹ Cr)

S. No.	Name of Associates/ Joint Ventures	M/S POWER MECH- M/S ACPL JV	PM-Khilari	PMP-STS- JV	PMP- SRC INFRA JV (Mizoram)	PMP- SRC INFRA JV (Hassan)	BRCPL JV	KVRECPL JV	PMPL PIA JV	GTA Power Mech DMCC	GTA Power Mech FZE	Mas Power Mech Arabia	GTA Power Mech Nigeria Limited
1	Latest audited Balance Sheet Date	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022
2	Date on which the Associate or Joint Venture was associated or acquired	23.04.2018	31.07.2018	25.10.2018	04.01.2020	15.02.2020	22.10.2020	29.07.2020	17.11.2021	07.05.2018	02.11.2017	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	-	2.25	0.32
	(iii) Extend of Holding%	80%	75%	74%	74%	60%	70%	82%	79%	50%	50%	49%	50%
4	Description of how there is significant influence	The Company owns 80% of the Voting power in the JV	The Company owns 75% of the Voting power in the JV	The Company owns 74% of the Voting power in the JV	The Company owns 74% of the Voting power in the JV	The Company owns 60% of the Voting power in the JV	The Company owns 70% of the Voting power in the JV	The Company owns 82% of the Voting power in the JV	The Company owns 79% of the Voting power in the JV	The Company owns 50% of the Voting power in the JV	The Company owns 50% of the Voting power in the JV	The Company owns 49% of the Voting power in the Associate	The Company owns 50% of the Voting power in the JV
5	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Networth Attributable to shareholding as per latest audited Balance Sheet	1.27	0.42	0.82	0.54	0.00	0.00	0.00	0.00	0.78	30.47	(6.79)	0.08
7	Profit/Loss for the year	0.54	0.20	0.20	0.36	0.00	0.00	0.00	0.00	1.47	(7.30)	(0.68)	(0.03)
	(i) Considered in Consolidation	0.44	0.15	0.15	0.26	0.00	0.00	0.00	0.00	0.74	(3.65)	(0.34)	(0.02)
	(ii) Not Considered in Consolidation	0.10	0.05	0.05	0.10	0.00	0.00	0.00	0.00	0.73	(3.65)	(0.34)	(0.01)

None of associates have been liquidated or sold during the year.
Note: Conversion Rate taken at NGN = INR 0.18 as on 31.03.2022.
Note: Conversion Rate taken at SAR = INR 20.24 as on 31.03.2022.
Note: Conversion Rate taken at AED = INR 20.67 as on 31.03.2022.

For and on behalf of the Board of Directors of

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

Place : Hyderabad
Date : 13.08.2022



Annexure-3

Form 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.

S. 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 / arrangements / transaction including the value, if any	NA
e)	Justification for entering into such contracts / arrangements / 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	in ₹ Cr
1	S. Kishore Babu	Lease Rents paid	on going	0.18
2	S. Lakshmi	Lease Rents paid	on going	0.16
3	S. Kishore Babu (HUF)	Lease Rents paid	on going	0.09
4	S. Vignata	Lease Rents paid	on going	0.12
5	Power Mech Infra Limited	Lease Rents paid	on going	1.96
6	S. Kishore Babu	Remuneration Paid	on going	5.32
7	S. Rohit	Remuneration Paid	on going	0.36

Sl No.	Particulars	Nature of contract /Arrangements / Transactions	Duration of the contracts / arrangements / transaction	in ₹ Cr
8	Power Mech Industri Private Limited	Sub-Contract Expenses & Hire charges Paid	on going	0.39
9	Power Mech Industri Private Limited	Stores Material Purchased from	on going	0.36
10	MAS Power Mech Arabia	Assets purchased from	on going	1.14
11	M/s. Power Mech - M/s. ACPL JV	Contract receipts from sale of services	on going	87.77
12	Power Mech-STS-JV	Contract receipts from sale of services	on going	30.51
13	Power Mech-Khilari Consortium JV	Contract receipts from sale of services	on going	30.81
14	PMPLSRC INFRA JV - (Mizoram)	Contract receipts from sale of services	on going	71.82
15	PMPL SRC INFRA JV (Hassan NH -75)	Contract receipts from sale of services	on going	128.10
16	PMPL - PIA JV	Contract receipts from sale of services	on going	2.25
17	PMPL KVRECPL Consortium JV	Contract receipts from sale of services	on going	0.10
18	PMPL-BRCC INFRA JV	Contract receipts from sale of services	on going	90.38
19	Power Mech Projects (BR) FZE	Contract receipts from sale of services	on going	14.50
20	Power Mech projects (BR) FZE	Dividend received	on going	15.58
21	Power Mech foundation	Donations paid	on going	1.41



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

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

1 Loans and advances in the nature of loans to subsidiaries by name and amount				
S. No.	Name of the Subsidiary	Loans / Advances / Investments	Amounts at the year ended 2021-22	Maximum amount of Loans / Advances / Investments Outstanding During the year 2021-22
i	Power Mech Industri Private Limited	Loan	27.71	28.44
ii	Power Mech SSA Structures Private Limited	Loan	2.21	2.21
iii	KBP Mining Private Limited	Loan	2.91	2.91
iv	GTA Power Mech FZE	Loan	0.64	0.64
v	Hydro Magus Private Limited	Investment	2.94	2.94
vi	Power Mech Industri Private Limited	Investment	4.31	4.31
vii	Power Mech Projects Limited LLC	Investment	3.02	3.02
viii	Power Mech BSCPL Consortium Private Limited	Investment	0.01	0.01
ix	Power Mech SSA Structures Private Limited	Investment	0.10	0.10
x	Aashm Avenues Private Limited	Investment	0.10	0.10
xi	Power Mech Environmental Protection Private Limited	Investment	0.01	0.01
xii	Energy Advisory and Consulting Services Private Limited	Investment	0.01	0.01
xiii	KBP Mining Private Limited	Investment	0.01	0.01
xiv	Power Mech Projects (BR) FZE	Investment	0.69	0.69

2 Loans and advances in the nature of loans to Associates by name and amount				
S. No.	Name of the Subsidiary	Loans / Advances / Investments	Amounts at the year ended 2021 -22	Maximum amount of Loans / Advances / Investments Outstanding During the year 2021-22
i	GTA Power Mech Nigeria Limited	Investment	0.32	0.32
ii	GTA Power Mech DMCC	Investment	0.09	0.09
iii	MAS Power Mech Arabia	Investment	2.25	2.25
3 Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount				
S. No.	Name of the Subsidiary		Amounts at the year ended 2021 -22	Maximum amount of Loans / Advances / Investments Outstanding During the year 2021-22
	NIL	-	-	-
4 Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan				
S. No.	Name of the Subsidiary		Amounts at the year ended 2021 -22	Maximum amount of Loans / Advances / Investments Outstanding During the year 2021-22
	NIL	-	-	-

For and on behalf of the Board of Directors of

Sd/-

Sajja Kishore Babu

Chairman & Managing Director

DIN: 00971313

Place: Hyderabad

Date: 13.08.2022



Annexure-4

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

TO
THE MEMBERS
POWER MECH PROJECTS LIMITED
HYDERABAD.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by POWER MECH PROJECTS LIMITED (hereinafter referred to as "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 ("the Act") (applicable sections as on date) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed by the Securities and Exchange Board of India ('SEBI') thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investments
- (v) The following Regulations and Guidelines are prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) The provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report: -
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (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. The Mines and Mineral (Regulation and Development) Act, 1957;

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

Secretarial Standards SS-1 and SS-2 with respect to the 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 applicable to the industry of the Company, as specified above except for the following:

Sr. No.	Details of violation	Observation / Corrective Measure Action
1	-	-

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

Sr. No.	Name of the Director	Appointment / Cessation / Reappointment	Our Comments
1	Mr. S. Kishore Babu	Re-appointment	Re-appointment of Mr. Kishore Babu as Managing Director of the company w.e.f. 01.04.2021 for a period of 5 years.
2	Mrs. Lakshmi Sajja	Re-appointment	Re-appointment of Mrs. Lakshmi Sajja who retires by rotation and, being eligible herself for re-appointment.
3	Mr. Vivek Paranjpe	Re-appointment	Re-appointed as Non-Executive Independent Director of the Company w.e.f. 31.08.2021 to hold office for a second term of five years.
4	Mrs. Lasya Yerramaneni	Re-appointment	Re-appointed as Non-Executive Independent Director of the Company w.e.f. 27.06.2021 to hold office for a second term of five years.

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

Adequate notice was given to all the directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As a general practice of the Board, decisions were taken on unanimous consent.

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

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

For P.S. Rao & Associates
Company Secretaries

Sd/-

CSP.S.RAO

FCS No.:10322

C.P. No.:3829

UDIN: F010322D000792378

PEER REVIEW CER NO.: 710/2020

Date: 13.08.2022

Place: Hyderabad

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



Annexure-A

To,
The Members,
Power Mech Projects Limited
Hyderabad

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

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed such audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the Financial Records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance of laws, rules, and regulations and happening of events, etc.
5. Compliance of the provisions of corporate and other applicable laws, rules, regulations, and standards is the responsibility of the management. Our examination was limited to the verification of procedures on a 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

Sd/-

CS P.S. RAO

FCS No.: 10322

C.P. No.:3829

Place: Hyderabad

UDIN: F010322D000792378

PEER REVIEW CER NO.: 710/2020

Date: 13.08.2022
Place: Hyderabad

Annexure-5

DIVIDEND DISTRIBUTION POLICY

PREAMBLE

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

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

OBJECTIVE

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

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

DEFINITIONS

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

APPLICABILITY

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

PARAMETERS TO BE CONSIDERED BEFORE DECLARING DIVIDEND

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

1. FINANCIAL PARAMETERS AND INTERNAL FACTORS

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

- a) Operating Cash flow of the Company
- b) Profit earned during the year
- c) Profit available for distribution
- d) Earnings Per Share (EPS)
- e) Working Capital Requirements
- f) Capital Expenditure Requirements
- g) Business Expansion and Growth
- h) Additional Investments in Subsidiaries and Associates of the Company
- i) Cost of Borrowing

2. EXTERNAL FACTORS

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

- a) Economic Environment
- b) Dividend payout ratios across industries
- c) Statutory provisions and guidelines
- d) Capital Markets
- e) Inflation rate
- f) Industry Outlook for future years

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY / MAY NOT EXPECT DIVIDEND

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

- i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- ii. In the event of higher working capital requirement for business operations or otherwise.
- iii. When Company's liquidity is jeopardized for any reason, impairing its ability to pay the dividend.
- iv. In the event of loss or inadequacy of profits.

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



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

HOW THE RETAINED EARNINGS WILL BE UTILISED

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

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

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

CONFLICT IN POLICY

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

DISCLOSURES

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

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

AMENDMENTS TO THE POLICY

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

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

DISCLAIMER

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

Annexure-6

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy & Industry Overview

The financial year 21-22 is a year of recovery as we are seeing near normalisation of economic activities, post COVID and it is a matter of relief for the entire industry. However the surfacing of 'virus variants' can be a cause of concern and therefore complete and effective control of the pandemic is of paramount importance not only for the welfare of people but also for that of economy. The massive hit which had impacted the economy and caused shrinking the GDP by 6.6% in the year 20-21 need to be fully overcome. The silver lining however, is that the down ward growth rates in the last 5 years from 17-18 has reversed in the year 21-22 with the fastest growth achieved in the last 10 years at 8.7%. The growth rates have been on a down ward trend in the preceding years, with GDP coming down during the FY 17-18 to FY 19-20. One of the most important activities for the economic recovery was the revival of the vital supply chains across various segments to stimulate the industrial development. This was a vital requirement at this moment to avoid supply shortages. This is also corroborated by the huge increase in the tax net and robust growth in GST collections which is peaking at ₹1.48 Lakh Cr per month.

The revival of the economy also has to face the head winds of inflation which is looming large. The inflation stands at 7% for consumer price index and 14.6% for WPI, and this is going to become a big challenge for the Government and the industry while stabilizing the economy and paving for the further growth. India is today the fastest growing economy with projected growth of 7.2% for the year 22-23 and without any doubt the future growth can be sustained with the remedial measures to control inflation and spur more of investments.

Under the Aatmanirbhar Bharat Abhiyan focus on massive investments by the Government has given the confidence to the private sector to go for similar actions in various sectors to take the Country on long term economic growth. With the immediate goal of achieving \$ 5 Trillion and \$ 10 Trillion by the year 2033-34 it should propel the Country as the 3rd largest economy. This is being supported by bold reforms related to Agriculture, MSMEs, Labour, Power and Industry. It is important to note that the agricultural sector has remained a bright spot. But on the other hand the huge increase in the commodity prices related to steel, cement and other inputs are expected to add to the cost of inputs and can lead to pressures on margins on manufacturing, construction, infra etc. Another bright spot for the economy has been related to international trade with growth of exports by 34.5% to \$ 669.7 Billion and also imports growing by 47.8% from \$ 512 to 756.7 Billion.

It is remarkable that the Country attracted highest FDI inflows of ~\$ 83.5 Billion. In the case of ease of doing business, India stood at 63rd position improving itself from

142 position in 2014 in the World Bank's report on the 'Ease of Doing Business' that captured the performance of 190 Countries. During the fiscal year under review, the major investments continued to be from the Government, and it continues to invest deeper in digitization, renewable energy capacity generation, infrastructure building, railways, road sector and urban improvement schemes and more importantly in rural sector related to electricity, water and connectivity.

The investment under National Infrastructure Pipeline (NIP) of ₹111 Lakh Cr with better implementation model of Gati Shakti Dash Board for inter-ministerial coordination of major investments with allocation to various segments of Energy 24%, Roads.18%, Railways 12% and Urban development at 17% constituting 71% of NIP allocations should play a major role in all round development and contribute to the GDP growth.

Power Mech's Business Overview

Power Mech had been meticulously aligning the business right from its inception and obviously catching up with the growth in the power sector investments, particularly with coal based thermal capacity additions with capacity additions going up from 11,250 MW in 2011 to peak of 22,460 MW in 2016. Power Mech has been continuously scaling up in-house capabilities in terms of manpower, construction equipment and geographical reach and customer spread on pan-India basis. This was also facilitated by the introduction of super critical technology of higher ratings up to 800 MW and also more efficient machines for better heat rates. The Company had built peak physical capacity of undertaking on annual basis of about 4 Lakh MT of boilers, structures and equipment erection of the main equipment and this was also coupled with backward integration of civil and structural works of undertaking of capacities to achieve 1,50,000 m3 of concreting and 35,000 MT of structures on yearly basis. In the process it is establishing its reach in undertaking most of the power plant's construction business and establishing in the market as a reliable single point service provider to its customers. It is a fact that the Company had clearly taken a lead by undertaking India's only two large Ultra Mega Power Projects (UMPP) one at Mundra and another at Sasan of 4,000 MW each. It is also to be noted that Power Mech is the only Company which has completed 17nos of 660 MW/800 MW super critical sets as a leading player for undertaking construction of the higher rated thermal sets in the market. Coupled with deep penetration into the Operation & Maintenance (O&M) segment of thermal power plants both in the long term O&M and also many works related to repair, maintenance, capital over hauls etc. The Company captured the huge space in O&M business in the Country particularly in the IPP sector and later in the State sector to reach an O&M presence in



MANAGEMENT DISCUSSION AND ANALYSIS

44 plants with generating capacity at 68,375 MW across the Country helping with the contribution of about 25% - 30% of the Company's business. There is no doubt that the Company continues to play a major role as a leading service provider in the Country in the O&M sector of power plants.

With the COP 15 Paris commitments made in 2015 on the reduction of global emissions particularly on Co2 emissions, the focus has shifted towards renewable power in the last 7 to 8 years with the obvious change in the investments related to coal based and gas based power plants. It is observed that the peak capacity additions of 22,460 MW in coal based plants in the year 2015-16 has come down to 1,320 MW in the year 21-22 and the total share of the renewable power has increased to 40% including hydro and nuclear power of the total installed base of nearly 400 GW. With the near term growth to 450 GW by 2024 and nearly 850 GW by 2030 and the renewable including Nuclear, Hydro base going up from present 163 GW to 500 GW, the Company has reconciled to this changed scenario, and had changed the business plan in the last ten years.

Sensing this change and the dwindling investments in the coal based plants from 2016, the Company had been rightly undertaking massive diversification measures into exports and major forays into non power sector opportunities. This change in business focus was playing a vital role in the successful diversification achieved in the last ten years. This was also facilitated by the new initiatives of the Government on the ongoing massive investments taking place under NIP since 2019. The efforts of the Company have been quite successful in aligning the business model to these new investments happening across the Country. It is a matter of great satisfaction that the Company has achieved higher levels of diversification into non power sector in the areas of Railways, Water Projects, Roads, Civil & Architecture, Cross Country Pipelines, Steel Plants, Oil and Gas, Industrial Parks, Electrical, Material Handling, Manufacturing and Mining Development & Operations. This initiative is also being pushed forward facilitating qualification criterion into these new areas through joint venture and consortium partnerships.

The Company will find market and business solutions for future growth in the non-power sector in addition to the opportunities related to FGD investments being pushed through as part of the mandated emissions control. With the recent spurt in the massive investments related to FGD retrofitting, it is expected that in the next couple of years, the growth momentum would be maintained for the addition of top and bottom line.

The third decade is dedicated to consolidation and growth with expansion into new areas of Railway, Water Projects, Roads, Civil & Architecture, Cross Country Pipelines, Steel

Plants, Oil and Gas, Industrial Parks, Electrical, Material Handling, Manufacturing and Mining Development & Operations.

Sectorial Business Outlook and Opportunities

A. Operation & Maintenance (O&M)

O&M has been playing a very important role in the growth of the Company in the last 10 years for sustained business potential and also substantially contributing both for the top and bottom line. This market is being modelled mostly based on long term service contracts with more focus on the IPP sector to bring in benefits to the developers for reduced generation costs with outsourcing as a model of cost economics. This model is well developed in Western countries and it took considerable time in India to take roots and the initiative mostly came from the private sector of power plant development. This methodology is also being adopted into many other sectors like process plants, steel plants, minerals, refineries, petrochemicals etc.

O&M sector in the recent times has provided many new areas of business penetration, and has assumed a significant role in the growth of the Company. Over the years O&M sector has taken many ways of expansion not only related to its established presence in the power sector but also in areas of shutdown & maintenance jobs, long term operation and maintenance contracts, turnaround works, capital overhauls, R&M works, reverse engineered spare parts and servicing of spare parts. Efforts also have been made to enhance the capabilities of the long term contracts for operation and maintenance in taking full control of operation of the plant, including the central control room and this to be considered as a quantum jump in the operational capabilities. The low capital investment, substantial human resources development and the best O&M practices have now positioned the Company as a leading service provider. The growth in this sector is also fuelled by further diversification into non power sector in the areas of metals and minerals. This segment of the business has substantially contributed to the top line and higher returns with very low capital investment. This segment also has substantially undergone consolidation and become the back bone of the Company's growth plan.

The key expectations on the performance indicators of the long term O&M contracts are mainly related to plant availability, safety compliance and turnaround time during shutdowns and annual maintenance schedules. The Company has pioneered the outsourcing model in the Country to its valued customers and established

MANAGEMENT DISCUSSION AND ANALYSIS

a strong organisation base with lot of expertise for the operation of highly sophisticated plants and catering with huge installed base has established wherewithal effectively compete and achieve greater market penetration in this lucrative business segment.

1. O&M in Power Sector

The Company is undertaking O&M jobs for 68,375 MW (Utility and Captive), while operating about 44 such plants across the Country in the Utility and Captive sectors, process and industrial plants. These O&M contracts are being executed both for the main plants and balance of plant areas based on the customer requirements. It is also important to note that the Company is providing services in about 3,300 MW installed base related to captive power plants catering in the metal sector. The present installed base of utility segment is about 2,36,109 MW in coal & gas based plants in the domestic sector out of total installed base of 3,99,491 MW.

The IPP sector continues to play a major role in the business opportunities for long term contracts as this sector has taken the lead in out sourcing the long term O&M contracts in a big way. The Company has established its strong presence with >50% market share of 86,000 MW installed base in IPP sector in thermal & gas based power plants.

The Company has also taken strides in undertaking long term O&M contracts in the captive segment, which can offer great opportunities and has an installed base of >75,000 MW and >50% of the same is installed in Metals, Minerals, Petrochemicals and Cement. The Company's interest is mainly focused on the Minerals and Metal sectors where the unit capacities are quite larger of 100 MW and above which fits into the principle of the Company. Following the footsteps of the IPP sector in outsourcing the long term O&M contracts, the utility sector owned by the State and the Central Government have now taken the lead, and with an obvious eye on bringing down the plant operation costs. This initiative in the Government sector of the plants is a positive development. In last 3 years, many such PSUs and State utilities have taken the lead, and this interest in the Government sector opens new opportunities for further expansion of the long term O&M business.

The Company has been successful in taking up comprehensive O&M contract for five years

2X600 MW with Singareni Collieries Company Limited in Telangana and for three years for 2x600 MW Coastal Energen Private Limited, Tuticorin. This entry in undertaking both the plant's control room operation and field operation provides a quantum jump in its O&M capability.

Key Performance Indicators (KPI) based delivery:

As the recent trend in the power sector of operating the plant on their own is changing towards KPI based contracts model, the Company has been executing various contracts under O&M service based on key performance deliverables and offering services better than the other competitors in this field with lesser cost. The continual improvement in KPI on yearly basis and productivity gains have been the hallmark of its performance delivery. The important KPIs normally part of contract governance are related to plant availability safety, maintenance practices. It is a matter of great satisfaction that the Company has achieved excellent KPI's at many large plants of 1,200 MW to 2,400 MW and has constantly exceeded the contractual targets of achieving 95% to 100% in plant availability and 100% safety compliances and help enhancing the revenue generation for the plant owners and also establishing the capabilities of the Company as a reliable service provider.

The experience of entering the long term O&M contracts with the State sector has been quite encouraging with award of contracts by NTPC, KPCL, SCCL, NMDC and others. This breakthrough has enabled the Company's foray into the State sector. In the case of NTPC, they have taken a major decision to outsource the long term O&M contracts for the newly installed plants and the potential of the same is in the range of 4,000-5,000 MW based on the capacity addition planned by the NTPC. NTPC has come out with the new O&M outsourcing philosophy of sub packaging the plant operations outsourcing in to four to five contracts mainly to cater the new units getting commissioned and this is part of the strategy not to increase the huge manpower induction needed to maintain these newly commissioned plants. This has resulted in undertaking AMC jobs of some packages at Solapur (2x660 MW), Gadarwara (2x800 MW), Lara (2x800 MW), Khargone (2x660 MW), Meja (2x660 MW) with about 7,160 MW generating plants of NTPC.



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With the opening of the O&M operations for outsourcing in the public sector, the success achieved at 2x800 MW KPCL Project of Kudgi, having a foothold in the four major NTPC power plants of about 7,160 MW and the latest entry of the long term contract with Singareni Collieries Company Ltd of 2x600 MW and Coastal Energen Private Limited of 2X600 MW.

Due to the gradual increase in the share of renewable energy, and also more capacities having been created in thermal, the PLF of thermal power plants is steadily coming down since the last 14 years from the peak of 77.5% to allow of 53 % in 2021 and 58.8% in 2022. Once the renewables and the hydro segment of the generation reaches about 60% of the installed base by 2030 of 8,17GW, the base load stability of the coal based power plants will have to undergo flexi operation for day, night operation, and multiple start and stop steps. The load of the plant is expected to come down to 25% to 40% of installed base during day time operations, when the energy mix has to be given weightage to the renewable power during day time, and this will obviously impact the performance of the machines leading to higher costs in O&M due to more wear and tear of the equipment. The shift in generation mix with renewable playing increased role can also bring in huge changes in the O&M practices of thermal power plants for reconfiguring to day/night operations for load management, frequency control, with shutdowns/ starts and more importantly ramping up and ramping down operations to raise or lower the thermal mix of generation on daily basis. Therefore these changes in the generation mix in the coming years with renewable portion going up to more than 60% 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.

The recent achievements in the penetration of long term O&M contracts into the State owned utilities have been quite positive. This initiative can pave the way for further consolidation into State sector, non-power sector and captive power sector as this segment adds to the strengths of business growth by expanding into balance opportunities in the IPP sector, Hydro segment, Manufacture of spares and also increasing the footprint of O&M business in the export sector. There are also new initiatives

which can be taken up to enhance the O&M profile with the planned retrofit of FGD packages for estimated 1,69,000 MW of coal based power plants and there is scope to enhance the O&M presence in this new additions taking place in the coal based power plants.

The advantage of long term O&M contracts is that, it opens up opportunities for renewal options at the end of the contract period and normally every 3 to 5 years the contracts become eligible for renewables and the commercial terms in terms of pricing are also enhanced suitably covering up the increased cost of inputs, thus, consolidating to secure recurring business.

2. O&M in Non Power Sector

Undertaking O&M jobs in power sector has also given importance to enter non- power sector, with the recent entry to undertake the long term O&M contract of material handling work in Tata Steel and JSPL. This has clearly established that there can be more opportunities in the non-power sector. As part of diversification in the ETC and Civil business in the non-power sector, similar efforts have been initiated to expand the O&M profile in this sector. Significant achievements in the recent times are related to long term O&M works in Jamnagar Refinery. Also, at Lanjigarh Aluminium Refinery plant of Vedanta Group long term mechanical & electrical maintenance works are being carried out. The Company has undertaken major installation jobs for JSW at Dolvi and Vijayanagar and presently there are many material handling contracts and mineral side of process plants construction works on the anvil. These initiatives in the installation business should also pave way for undertaking the O&M jobs once the plants come up for commercial operation stage. With the above initiative it is possible that the O&M business can lead to other areas related to Refineries, Steel plants, Aluminium plants, Iron ore handling plants, and part of sub group in O&M. The area of particular interest can be in the metal and process industry, where the opportunities can be both on the power plant side and also process side of the plants. With the O&M jobs being done at Tisco, Hindalco, Vedanta, Balco, RIL, Tata Steel, the Company has already made the presence felt both in metal and non-metal sector.

With Company's strides into many new areas of business like drinking water, material handling there can be opportunity to undertake annual

MANAGEMENT DISCUSSION AND ANALYSIS

O&M contracts at the end of the project completion and enhancing the O&M business. At present the Company is executing drinking water schemes for about 3,018 villages and 3% of EPC costs at the end of the project completion is provided for long term O&M contracts for about 10 years and this should add more opportunities thereafter.

3. Overseas O & M Business

The Company has strongly established its presence in Middle East, Africa and Bangladesh for undertaking the ETC business in the export sector, and in the last three years the Company has also been establishing its presence in the O&M space in the Middle East and North Africa. A beginning was made eyeing the huge installed base of about 300 GW and the initial major opportunities were related to manpower supply for some of the shutdown jobs followed by overhauls, repair, capital overhauls and others. 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. It is important to note that recently the Company has made major breakthrough by sourcing the largest overseas O&M order of ₹100 Cr from Dangote Oil Refining Company Ltd, Nigeria. The Company will focus to work on long term O&M contracts for a period of three to five years. In a significant move, two long term O&M contracts of two to three years have been secured in the GCC area and one long term O&M over a period of three years in the Africa region is expected to be secured. Significant growth is expected in the O&M business in Middle East and Africa regions and in the current year the order booking is expected to go up which includes support services and capital overhauls long term O&M contracts, which has an installed base of 157 GW in the GCC area alone and long term shutdown contracts in the hydrocarbon sectors. The Company is exploring O&M opportunities from power plants of 5,300 MW in Ghana and 12,500 MW in Nigeria in addition to O&M opportunities in MENA & Bangladesh.

B) Industrial Construction

1) Erection, Testing and Commissioning (ETC) Business

The global mandate and India's commitment to ongoing process of reduction in greenhouse gases has set very clear goals on the fossil fuel

based power generation including both Coal and Gas based plants. There is also an initiative taken to retire the old coal based power plants. So far about 8,500 MW of coal based plants have been retired to reduce pollution levels. Even though there are many new projects in the pipeline to the extent of 18,840 MW by various State and Central utilities including from the private sector mainly planned by Adani Group, it is expected that not much of capacity additions are expected to the extent of making up for the replacements of units, and the yearly low capacity addition of the coal based power plants is going to be new trend to honour the global commitments on emission norms. The study undertaken by Central Electricity Authority, the demand of thermal power can be 267GW by 2030 linked with replacements by new coal based plants and retrials of old power plants. The present peak demand of 200GW is expected to go further to 3,25 GW by 2030 out of the total installed base of 817GW. It is certainly expected that we have to live with the continued downward investments happening in the installation of fossil based power plants.

2. Flue Gas Desulphurisation (FGD) and Selective Catalytic Reagent (SCR)

Central Electricity Authority has identified 1,69,000 MW of existing coal based plants of 448 units out of 2,09,100 MW of installed base of 593 units needing FGD retrofitting for reduction of sulphur emissions. NTPC along with JV utilities, as the largest utility, has taken the lead role in the implementation of FGD retrofitting and has awarded contracts for 41,200 MW capacity generating power plants and contracts for 12,190 MW generating capacity are yet to be awarded. Taking into account the NTPC share of FGD award of contracts, the total contracts awarded as on date is at 88,000 MW and the balance to be awarded is about 81,000 MW. The major share of the award yet to be done is with the private players & state utilities.

As the deadlines for implementation of FGD set by Government are approaching, the IPP sector also has geared up their plans for implementing FGD at their power plants. Adani Power, JP ventures, JSW, JSPL, Rattan Power, Tata Power and many other private players having installed capacity of around 76,000 MW, and out of 76,000 MW generating capacity power plants, FGD contracts have to be awarded for about 47,500 MW generating capacity power plants. The lead EPC



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players in the fray for these works are BHEL, GE, L&T, MHPS, ISGEC, Thermax and TPL. In recent FGD tenders, EPIL, Bridge and Roof, Techno Electric and Shapoorji Pallonji have also taken participation.

It may be noted that Power Mech was involved in the execution of first 500 MW FGD retrofit work undertaken at 1x500 MW Vindhyachal Project of NTPC for GE. As major players have already booked enough orders, there will be a scope for new players like Power Mech.

Presently, only retrofitting of FGDs to the existing as well as upcoming power plants is being focused. But in case of SCR, retrofitting for existing power plants not being emphasised due to various constraints such as layout restrictions, longer duration shutdown for integration etc. However, for new and upcoming units, SCR is targeted with boiler packages.

With the expected investment of ₹70 to ₹80 Lakh/MW, the Company can look forward for major opportunities to flow through its order basket in the next 2 years. The total investment expected for retrofitting 1,69,000 MW is around ₹1 Lakh Cr. The Company is aggressively pursuing many new opportunities in the FGD segment for direct participation on EPC route with many IPPs like Adani Power, CESC etc. The recent order win of ₹6,163 Cr from Adani Group is a major breakthrough for Power Mech in FGD on a complete EPC mode for its plants located at Mundra, Tiroda, Kawai and Udupi. The Company is making technology tie ups to meet the qualification criterion for the bid requirements both in the IPP sector and State sectors. There is no doubt that in the short term opportunities should throw up many opportunities in the dwindling of investments in the coal based units across the Country and also outside. Company is pursuing many FGD jobs on EPC mode / construction basis and hopeful with the tie ups being made for qualifications concerted marketing efforts with many IPPs, it is expected in the current year the Company to add few more orders in FGD. Since these are short term opportunities lasting 2 to 3 years, Company is targeting additional orders about ₹2,000 to 2,500 Cr and this should greatly enhance dwindling power sector business related to installation, civil & structural works. On a long term basis the O&M needs of the newly installed FGD packages should also enhance the O&M business of the Company.

3. Oil and Gas

As part of NIP forecast and plans, the total investments planned in the oil and gas segment during the period 2020 till 2025 is around ₹1,95,000 Cr in all its segments and these new investments should bring new opportunities for various industries, including construction business, which is the focus of the Company. Further in February' 2021, honourable Prime Minister of India has announced that ₹7,50,000 Cr would be invested over the next 5 years for infrastructure development of Oil & Gas sector. Gas pipeline infrastructure in the Country stood at 19,998 km in FY 22 and 15,369 kms of pipeline works are under construction. The Government has allowed 100% Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products and refineries among others.

The major investments are in undertaking about 44 (excluding 9 ongoing projects which were partially commissioned) gas pipe lines and 7 oil pipe lines, and also storage facilities for Oil, Gas and LNG stations to come up across the Country. The major expansion of the gas grid involves in establishing the Eastern Gas grid and the North Eastern Gas grid involving about 1,656 kms of pipe line works linking the states of Assam, Mizoram, Manipur, Arunachal Pradesh, Tripura, Nagaland, Meghalaya & Sikkim. Some important pipelines under construction include Srikakulam - Angul 690 km, Mumbai - Nagpur - Jharsuguda 1,755 km, Kakinada - Vijayawada - Nellore 667 km. As per the NIP, the major portion of the investments are related to oil and gas pipe lines of ₹1,04,000 Cr and various storage facilities of ₹30,000 Cr. There are also opportunities in undertaking iron ore based slurry pipe lines similar to the cross country oil and gas pipe lines.

New LNG terminals at advanced stage of commissioning are Floating Storage & Regasification Units [FRSU] at Jaigarh, Maharashtra of 6 MMTPA capacity and at Jafrabad, Gujarat, of 5 MMTPA. The other LNG projects under construction at development stage are: Dhamra, Odisha of 5 MMTPA, expandable to 10 MMTPA; Chhara, Gujarat; Karaikal LNG, Tamil Nadu; and Kakinada LNG, Andhra Pradesh. In India, there are about 4,433 CNG stations now and are expected to go up to 8,000 nos in the next 2 years. A total of 228 Gas (Geographical Areas) are now covered by City Gas distribution (CGD) at

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the end of the 10th round of the bidding process. With the expansion of CGD network, 11th round of bidding already initiated 65 more have been covered and the total to be covered will go up to 293 for Gas and the CGD network augmentation is also propelling the capacity increase in cross country pipe line networks for LNG transportation.

India is yet to reach the peak of oil refining capacity in view of the continued demand side pressures even though there is lot of emphasis on renewable energy investments. The installed base of refining capacity is expected to expand from 250 MMT to 320 MMT by 2030-31 by way of brown field & green field refineries and further expand up to 450 MT by 2040. The construction scope of the business is expected to be in the range of ₹30- 40 Billion per year. India is the second largest refiner in Asia and 73% refining capacity is with oil PSUs and 27% in private sector with RIL and Essar. It is to be noted that the Company was involved in the J3 stage expansion works of RIL and forayed into the petrochemical business.

The Company has been successful in taking up the cross country pipe line jobs in the last four years involving about 550 kms of cross country pipe laying for 4 major projects. Work of Ennore-Manali and of Ramanathapuram-Tuticorin pipe line are completed, and the other two major works under execution are Koyali-Ahemednagar pipeline with a stretch of 320 km and Mundra-Kandla pipe line stretch of 91 km. So far about 511 kms of physical construction of pipe lines has been done by the Company after the advent and diversification into this segment in the last four years. The Mudra-Kandla pipe line is meant for LNG transportation and being executed for Adani Group and rest of the pipe line projects are from IOCL. Both these projects are expected to be completed in the current year, and the valuable experience gained in all these four projects should enable the Company to tap from the huge expansions taking place in the national gas grid investments, and also in the various storage facilities being undertaken to enable energy security for the Country. There are potential opportunities to bag cross country pipeline works from the planned investments of ₹7.5 Lakh Cr in the Oil & Gas sector in FY 21 - FY 26.

4) Steel

The Covid-19 pandemic was a temporary setback for the demand of steel, and it is noted that

steel prices, which were low prior to 2021, have reached unprecedented levels during FY22 with increase in steel prices by over 100% from April 2021 to end March 2022 and this also reflects the huge demand for the finished steel in the Country owing to economic revival taking place. This can also bring in more investments in the expansion of steel plant capacities. During the year, SAIL, NMDC, RINL and KIOCL have all registered their highest production. Though the GDP growth, which was down by -6.6% in 2021, picked up fast in Q1 of FY22, but declined on a quarter on quarter basis to reach overall growth of 8.7% for the year 2022, and this has already impacted on the huge demand for the steel sector. This is also due to the huge investments taking across all segments of infra sector as part of NIP plan. During the year, public sector steel companies invested ₹10,038 Cr, which was higher by 38.2% over that of the investment made in the previous year. The demand for steel increase is mainly dependent in the investments in Urban Infra, Rural development, Roads and High way construction and Railways.

The successful acquisition of the Essar Steel by Arcelor Mittal and Nippon Steel JV has paved the way for more consolidation of steel business in the private sector and private sector would certainly play a major role with the present installed base of up to 82%. During the year, Tata Steel had acquired Neelachal Ispat Nigam Limited [NINL], a loss making company, with a capacity of 1.1 MTPA for an amount of ₹12,100 Cr. NMDC is yet to complete the Nagarnar 3 MT capacity green field plant and it is expected to be commissioned in the current year.

India continues to be a dominant player in the world steel market having the second largest installed base and production capacity with an installed capacity of 154.2 MTPA and the demand expected to go up to 230 MTPA by 2030. The Government of India plans to expand this capacity to 300 MTPA by year 2030. This requires investments of \$156.08 Billion. In the preceding year the production of steel was 122 MT. The demand side increases and price appreciation should enable more investments into the steel sector in the coming years. As per the National Steel Policy, 2017, the per capita steel consumption in India is set to increase to 160 kg by 2030 from 74 kg in 2019. The ongoing expansion schemes with different companies



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both in private and public sector should take the capacity to nearly 170 MT in the next three years. Also, many of the major players have lined up major investments like Arcelor Mittal to expand the capacity of Hazira, from 7 MT to 18 MT with an investment of ₹50,000 Cr, JSPL Angul, the capacity expansion is planned to be doubled in the next five years to 12 MTPA with an investment of ₹40,000 Cr. Arcelor Mittal is in talks with Odisha Government to establish a 12 MTPA steel plant with an investment of ₹50,000 Cr. JSW is in the forefront of new investments by expanding their capacity from 18 MTPA to 23 MTPA with an investment of about ₹15,000 Cr and including Bhusan Steel & Power and it is going to be 23 MTPA with expansion of capacity in progress at Vijayanagar and Dolvi plants.

The Company has been quite successful in its pursuit of diversification into steel plant construction opportunities as a policy followed in other segments in the last six to seven years. The first success was in entering into the erection works of equipment and structural steel at JSPL Angul for its 3 MTPA expansion. This had enabled the Company to foray into other opportunities which were coming up. Later it executed major works for the expansion of JSW Dolvi works of about ₹190 Cr and there are ongoing works in the expansion of JSW Vijayanagar plant involving contracts of about ₹180 Cr for about 8 structural and piping packages. The works at JSW Dolvi Plant which was under construction during the previous year as part of 5 MTPA expansion was commissioned with the cumulative capacity now at 10 MTPA. The expansion of JSW Vijayanagar plant from 12.5 MTPA to 19.5 MTPA steel making plant is ongoing and is expected to be commissioned by FY25.

The experience being gained by working in JSPL and JSW can help the Company to get qualified for the new projects both in the brown field expansion and green field expansion. Like in the case of power plants there is scope to do various packages related to structural, equipment erection, civil works and piping works.

5) Minerals, Coal and Material Handling

India is a leading producer of Iron Ore, Coal, Bauxite, and in the case of metals it is Aluminium, Steel, Lead and Zinc. India has the 3rd largest reserves in coal deposits in the world and India is also the 2nd largest producer of steel at present.

With the coal based power plants being the largest contributor to the power generation and still being used for base load operations with the coal production and its handling both at the mine side and plant side are very important. The contribution of coal for electricity generation in the Country constitute 72% and the increased demand for more electricity in the coming years, there is more scope for increasing the capacity of coal production in the Country. It is also a fact that only about 30% of mine side of coal mining has mechanised coal handling and loading facility and there is lot of scope to increase the mechanisation of coal handling facilities at the mine side offering lot of opportunities in material handling jobs. In the case of Iron ore there can be opportunities both in the handling part of ore transportation at the mine side operations and also in the steel plant related to receipt and handling of the ore. Ore beneficiation is also an important need in improving the quality of ore to provide better recovery during conversion to steel output and the Country is catching up with investments happening to improve the beneficiation of iron ore and other minerals.

With the foray into this new segment in the last two years, the need was to strengthen the engineering and procurement base of the Company and development of new project management skills to work with technology partners and equipment suppliers. The nature of engineering is mainly related to field of civil and structural works matching with engineering inputs tied up with the technology partners and equipment suppliers.

The opportunities related to minerals and coal are mainly linked with the material handling facilities, and the value addition of working on this type of contracts is also synergising the technology part of the process needs of handling along with the engineering, procurement and construction. As the Company is now a very well established service provided in the construction and project business of project execution the need is to bring in partnerships between specialized construction company like Power Mech with established technology players in the field and this needs either a Joint Venture/Consortium approach of shared responsibilities and deliverables in terms of product support for the equipment part of the supply and its engineering dovetailed with the complete site execution of civil, structural and installation of the entire package. With the huge opportunities in the market in the areas of coal

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handling both at mine side and the plant side, iron ore handling and other minerals, port side material handling operations the scope for market penetration is quite substantial. It is a fact there are not many companies who can provide a single point solution in providing the entire deliverables in this field, and this obviously calls for joining of two or three companies based on partnership approach with clear agreed responsibilities and obligations.

Iron ore has been identified as another important opportunity for both material handling and mineral processing and beneficiation to enhance the quality of iron before being fed to the steel plant and this has paved the way for working with leading technology players like thyssenkrupp of Pune and FL Smidth of Chennai. They are the leaders in material handling and also iron ore processing, and it has paved the way for the first time undertaking two EPC jobs of ₹198 Cr and ₹81 Cr one related to Iron ore handling at Kurmitar of 6 MTPA and another related to coal handling at Talabira for 2 MTPA on consortium basis with the thyssenkrupp India. The successful completion of these two projects should enable the Company to venture into many other similar works in turnkey material handling facilities. Around ₹470 Cr of orders are under execution at Kurmitar, Talabira and Khurja related to iron ore and coal handling facilities and in all the three packages partnership has been forged with thyssenkrupp who are the world leaders in this field.

An important scaling up of the presence in these contracts is that the Company has taken a lead in undertaking all the works related to site execution and it enhances the Company's standing for qualification in future projects and acquiring high end project execution and project management skills to undertake more challenging jobs in the future.

It is also interesting to note that the expertise developed can also be used for undertaking various material handling works for all port side handling facilities of commodities, iron ore for export etc. Material handling opportunities can be from power plants, steel plants, iron ore beneficiation plants, coal mining, iron ore mining, bauxite mining, aluminium plants etc. The opportunities can be in the range of ₹30,000 Cr and geographically these opportunities are from the coal and mineral rich states of Odisha, Jharkhand & Chhattisgarh.

C) Infrastructure Construction

A strong presence has been established across various business segments. This experience has been quite useful for infrastructure 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 infra projects. The Company is now an established player in undertaking various types of civil works across different sectors. In the case of power sector, the presence is fully established with many projects under implementation and with the experience gained and further diversifying into other sectors has been successful with the completion of various projects including major railway civil works of gauge doubling of Gudivada to Machilipatnam work spanning about 38 kms, and the experience of undertaking this work spanning many bridges, stations has been a good experience. The other area has been the successful completion of the Medical Technology Zone park in Vizag on a turnkey basis, and this facility is now catering to the vast new needs of facilitating the establishing the manufacturing eco system in the Country for medical devices. The recent success in the drinking water schemes with major contracts awarded in UP for Meerut, Bulandshahr, Etah, Prayagraj & Fatehpur divisions can be big game changer in entering the lucrative market of undertaking the infra works related to drinking water schemes which are priority for the Government to provide 100% drinking water to the rural areas. With entering into minerals, coal handling and material handling jobs, the civil basket of work scope also has increased.

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

The experience gained in the power sector and being further diversified into non power sector of the civil business has boosted the civil share of the business in a hugely diversified service profile with various segments encompassing Power, Railways, Water, Roads, Technology Parks Refineries, Steel Plants, Fertilizer Plants, Cross Country Pipe Line Works & Material Handling Contracts.

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



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1) Civil Works in Power Sector

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

Two major initiatives in undertaking such composite works are now under execution at Maitree in Bangladesh of 2x660 MW involving about ₹550 Cr of work and these works are in full swing and the works for 5x800mw mega power project coming up at Yadadri in Telangana and the civil portion of the works is now estimated at ₹427 Cr. Both the projects would significantly contribute to the civil portion of work and bring in growth in the coming two years. The Company is presently executing the main plant civil works of 2x660 MW at Khurja, Bhusawal 1x660 MW, North Karanapura 3x660 MW, Manuguru 4x270 MW and there are other opportunities in the area of balance of plant works on CHP and other areas. The Company is keeping the option open for undertaking FGD works, which also has civil area of works.

2) Railway and Metro Projects

a. Railway Works

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

massive opportunities in undertaking civil works.

The investments in railway is part of ₹111 Lakh Cr NIP plan with the share of railways is around ₹13.62 Lakh Cr. The major thrust related to civil works is station redevelopment works involving about 450 stations across the Country, gauge conversion, and doubling of railway lines, and also invest in the maintenance facilities related to maintenance works shops, station works, bridge works, maintenance sheds, railway earth works, high speed corridors for bullet trains.

The intercity segment is the new area of business opportunity in railway investments apart from the Dedicated Freight Corridors and such intercity segment developments are coming up in Delhi-Alwar, Delhi-Panipat. Railway has announced the development of high speed corridors to develop seven more such projects and studies have been undertaken to work on the feasibility of Semi High Speed Corridor with investments of about ₹19,000 Cr. The early completion of Eastern and Western Freight corridors will lead to development of 3 freight corridors across East Coast, East-West, and North - South and the expected investment in these projects is estimated to be around ₹60,000 Cr.

The future of rail traffic is on high speed travel with travel speeds varying from 135 kmph to 180 kmph and also introduction of bullet trains. At present, the Company is implementing about six projects for various railway works at Vijayawada, Charlapalli station works, Yard development at Machilipatnam, Earth works near Kota, maintenance shed at Kanpur. The various corridors of such high speed railway projects, and also various bullet train projects can offer opportunities to scale up the presence in the railway civil work with the experience gained for the last five years.

b. Metro Projects

The major thrust in urban mobility as part of \$5 Trillion economy development of cities to ensure mobility, connectivity, productivity, safety and sustainability are part of improving the quality of urban life. The growth of Metro Rail got a boost after 2002 with investments in Delhi Metro network and with the ongoing projects it should expand to 27 cities and 1,700 kms by 2025. The

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nature of Metro urban transportation comes in different forms of Metro Rail for Large and Medium cities at ₹280 Cr to ₹325 Cr per km, Regional Rapid Transit System (RRTS) linking two important cities and Metro lines for smaller cities and towns with cost per km at ₹120 Cr-140 Cr. In India the major portion of Metro network is above ground level and with limited construction in underground structures related to tunnels and underground stations. The huge investments taking place also throws up opportunities for Maintenance Depots, Workshops apart from the over ground metro structures, stations, underground tunnelling works and underground station works.

The Company has already taken steps to enter the Metro projects business opportunities, and the expertise in the stations works, maintenance workshops for Indian Railways will be useful in getting a foot hold of Metro projects. The initial effort is for undertaking maintenance work shops and the first opportunity is expected to fructify for Bangalore Metro works estimated at ₹500 Cr. The continuous focus on the Metro works expansion up to tier 3 cities in the next 5 to 10 years should enable the Company to make its presence felt in this urban transport segment.

3) Roads & High ways

The land scape of the Country for high way travel is undergoing major changes with new network of National High ways taking shape on a fast track basis across all the States. As part of the NIP plan the total investment planned is around ₹20.33 Lakh Cr forming 18% of NIP plan with largest allocation for road connectivity. There had been tremendous strides made in the last 8 years since 2014 in increasing the footprint of National High ways and also State Highways. The National Highways have a total length of 1,40,995 kms and the development of the same rests with Government of India. The length of the State Highways stands at 1,71,039 kms apart from the rural and other roads around 60,59,813 kms. The allocation in the Union Budget for 22-23 has gone by 52% to 1,99,108 Cr. For the year 2017 to 2022, the compounded annual growth rate (CAGR) achieved stands at 20%.

Road network expansion is taking place at breakneck speed and there are opportunities available for choosing and such foray will be done on selective basis based on feasibility of execution and managing all the risks. As per the

NIP document, the investment planned for the current year is about ₹5.54 Lakh Cr in the road sector and also envisaging award of contracts for about 8,500 kms to be awarded in the current year. The daily road construction has increased from 28kms/day in 2019-20 to 36.5kms/day in 2020-21, and this planned to be augmented to 68kms/day.

It is heartening that the Company has made entry into the road sector after lot of deliberations and careful thinking looking at the huge opportunities being made available. In the year 20-21, the Company bagged two road project orders for Hassan-Channarayanaapatna project of ₹555 Cr being implemented by NHAI in Karnataka, involving NH-75 by pass road and connected roads of about 77.20 kms & widening and up gradation to two lane from Aizawl – Tuipang Section about 39 km of NH-54 in Mizoram implemented by NHIDC, contract value of ₹446 Cr. These projects have been considered under the new EPC contracting mode of NHAI. Also, In the year 2021-22 a major EPC order was procured from Adani group for the Khammam – Kodada project of 35 kms of ₹645 Cr. This diversification measure will positively supplement the growth of the Company, and also contribute to the synergy of the entire range of civil work spread across various segments.

4) Water & Waste Water Treatment

Government of India (GOI) has restructured and subsumed the ongoing National Rural Drinking Water Programme (NRDWP) into Jal Jeevan Mission (JJM) to provide Functional Household Tap Connection (FHTC) of 55 litres/day to every rural household i.e., Har Ghar Nal Se Jal (HGNSJ) by 2024, involving source development, Water Treatment Plants (WTP), Storage Reservoirs and Distribution Pipelines.

The total estimated cost of JJM is ₹3.60 Lakh Cr project deadline of 2023-24 and these investments can go up based on village wise updating of Detailed Project Reports (DPRs). JJM intends to “Make Water Everyone’s Business” by involving all stake holders and turning it into a “Jan Andolan” a people’s movement. JJM is a decentralized demand driven and community-managed programme that aims to instil “Sense of Ownership” among the local community with Gram Panchayat being critical and central for the success of this scheme.



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Total households at the village level in the Country are 19.10 Cr and as on July 22, about 9.93 Cr households have been covered under this mission constituting 52% of total village population in the Country. Sensing the huge opportunity in this segment, the Company rightly made efforts to enter this area of business in a big way and so far based on both the Phase II and Phase III plans launched by the Government of India has received orders for about 3,018 villages in UP State. The nature of these contracts are based on the item rates decided at the time of award of contract and later once the village wise DPRs are frozen, the contract estimates are updated based on the finalized scope for each village which will be implemented in the next 3 years. This will significantly boost the revenue of the Company. The other salient feature of this segment of business is that all the contracts are also tied with long term O&M responsibility entrusted to the successful bidders and it is estimated that up to 3% of project approved cost. The present focus is on the opportunities targeted in the State of UP at Meerut, Bulandshahr, Etah, Prayagraj & Fatehpur. The advantage of this new business which can propel the Company's top and bottom line is also due to the huge in house project execution capability. The Company has developed Project Management and Construction Management skills and this is being further augmented by enhancing engineering tie ups, strengthening of the supply chain side of project support and a highly decentralized approach of implementing the works at the village level. Various projects are being targeted in water supply sector in states of Madhya Pradesh, Rajasthan, Karnataka and Odisha.

The Government of India has launched the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) with the aim of providing basic civic amenities like water supply, waste water management projects, covering 500 cities that includes all cities and towns with a population of over one lakh with notified municipalities worth at ₹50,000 Cr. The Company is already executing Sewage Treatment Plants and Sewage Networks under AMRUT at Gudivada (under PHMED, Andhra Pradesh) & Palwal (under Palwal Municipal Corporation, Haryana) which are scheduled to be completed shortly. Apart from the Sewerage Treatment Plants being developed by the Company. The Company is also planning to bag more Water Treatment Plants & Sewerage

Network Projects across the nation under AMRUT 2.0.

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

D. Overseas Business

After entering the overseas market in the year 2014, Power Mech has commissioned power plants adding up to a capacity of over 6,700 MW in North Africa, Middle East and Bangladesh. The Company has made good inroads into these regions establishing itself as a renowned Power Plant, Industrial Plant Construction and Operation and Maintenance Company. This has lead the Company to win a few O&M contracts in the Power, Diesel, Oil & Gas and Petrochemical Sectors in GCC and Africa with reputed clients such as Dubai Electricity and Water Authority (DEWA), Sharjah Electricity and Water Authority (SEWA), Abu Dhabi Oil Refining Company (ADNOC), Dangote Group etc. The Company is expecting a strong O&M order inflow from these regions. The Company has commissioned 1,390 MW in Kingdom of Saudi Arabia this fiscal year and is currently executing power projects with a total capacity of 3,020 MW in Nigeria, UAE, Bangladesh and Bhutan. These projects are expected to be completed in FY 23. Below is a brief outlook for the Middle East, Africa and other regions where Power Mech is operating in:

1. Middle East

According to World Bank the GDP of GCC nations for the year 2022 is expected to expand by 5.5 %. In the case of Middle East and MENA regions, because of Covid-19 Pandemic, the economy which shrunk by -4.5% in the previous period, recovered to 3.3 % in 2021.

The total installed capacity of power in GCC is 145 GW with Saudi Arabia contributing to 76 GW, UAE 29 GW, Kuwait 19 GW, Qatar 10 GW, Oman 7 GW and Bahrain 4 GW. This again provides a huge O&M opportunity for the Company. Power Mech already has a strong presence in the region and plans to leverage its strength of network.

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The total volume of desalination water in the GCC is around 6.4 billion m³ per year. This represents 40% of the total World's desalination water capacity with Saudi Arabia and UAE leading the charts. A lot of investments are expected to flow into the region over the next decade to construct new desalination plants as there is a growing demand for both industrial and drinking water. This poses an opportunity to Power Mech in both construction and maintenance space.

2. Africa

The pandemic has pushed the Sub-Saharan African region into recession in the year 2020, the first economic recession in 25 years. However, it had a strong recovery in the year 2021 by rebounding with a growth rate of 4.5%. African Electricity Sector is plagued with a lot of problems led by only 58% of the total African population having access to electricity. Region-wise only North Africa has an acceptable electricity access with the rest of Africa hovering around the 50% rate. Besides this two-thirds of the African grids are considered unreliable and as a result of this there are more than 7 million non-utility backup diesel generators on the continent, producing carbon emissions equivalent to 120 coal-fired power plants.

Investments of around \$ 100 Billion need to flow into the Sub-Saharan region to bridge the electricity gap and also to meet the growing electricity demands of the region. A region's economic growth is directly linked to the electricity access of a region and hence, it's imperative for the region to make investments to build stable and reliable energy assets. This opens up multiple opportunities for Power Mech's industrial construction division. The region is also in need of companies that can efficiently manage its electricity generating assets and reduce the downtime of assets. This is a huge opportunity for Company's O&M business and Power Mech is already gearing up to meet the service demands of this region.

3. Bangladesh

Bangladesh is a growing economy in South Asia and the demand for power is expected to increase from the present capacity of 21,000 MW to 57,000 MW (revised) by 2041 as per the perspective plan. The capacity augmentation expected is 31,000 MW by 2030 and 57,000 MW by 2041 (As per BPDB report). Bangladesh is planning a

mix of both Gas based and Coal based plants for augmenting its capacity apart from looking up tie ups with generation companies for importing power. The generation mix can be 35% of coal and gas each, with 12% on nuclear power and the balance from renewables. The Government is planning to source 40% of electricity from renewable energy by 2041 after putting straight the fact that only 780 MW is currently being generated as renewable energy out of an overall installed capacity of 25,566 MW and has already set a goal to achieve 4,100 MW and 50% non-fossil fuel energy share by 2030.

The Company has gained a very strong foot hold in Bangladesh having successfully completed the 380 MW Combined Cycle plant at Bheramara working for L&T who was the EPC contractor, another combined cycle plant of 220 MW was completed at Bhola and the execution of the coal based Maitree project at Ramphal of 2x660 MW is in full swing where in the Company is a key player to work with BHEL for a total value of ₹855 Cr with a combination of Civil, Structural and ETC works. The successful completion of the earlier projects and the present execution at Maitree should enable the Company to keep its focus on the expanding power scenario in Bangladesh in this decade where in nearly 15,000 MW of capacity of plants are under various stages of construction. There is lot of scope to work in the expansion plan of BPDB and other utilities in the areas of coal based and gas based plants. The Company has construction opportunities out of \$10 Billion investments in the power plants construction for a capacity addition of 10,000 MW by 2030. Also there is scope in entering the O&M segment of the business with increased capacity generation happening in Bangladesh both in the coal based units and also gas based power plants.

E. Electrical

Power transmission and distribution is perhaps as important as power generation and India's Power Transmission & Distribution network is the 3rd largest network in the world. The current power transmission network system needs to be strengthened further to match with the generation capacity of more than 400 GW power. 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 various schemes such as Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS), Revamped Distribution Sector Scheme (RDSS) etc.



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Company has built expertise in the last 5 years in EPC projects of Power Transmission & Distribution, Rural Electrification, EHV Substations, Railway Electrification, Signalling, Telecommunication, Traction Substations, Switching Stations etc. Company has developed a strong in-house Design & Engineering capabilities including global supply chain management and highly experienced project management team to deliver projects on time as per customer-specific requirements. Moreover, this division has a wide range of clientele duly collaborated in Central & State Government bodies to tap huge business opportunities.

The Government of India is focusing more on last-mile connectivity to provide 24 hours quality power supply to all the residents and strengthening of the existing Power Transmission & Grid connectivity across the Nation under different schemes. The Government of India planned for the implementation of Revamped Distribution Sector Scheme - A reforms based & results linked scheme with the objective of improving the quality & reliability of power supply to all the consumers through a financially sustainable and operationally efficient distribution sector with an investment of ₹3.03 Lakh Cr to reduce the AT&C losses to Pan India levels of 12-15%.

Power Mech is committed and capable of delivering the need of the Nation by following the best practices of safety, quality and timelines. Power Mech has built its expertise by completing various projects.

The Company is highly selective in its approach for bidding projects to suit to requirements in terms of cash flow, profitability and client financial condition. The Company is capable of undertaking complete EPC projects for construction of Power Transmission & Distribution Lines, EHV Sub-Stations up to 765 KV and Railway Electrification works 745 TKM.

F. Manufacturing and Heavy Fabrication

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

The Noida facility is functioning for the last four years and this facility created to cater the Operation

& Maintenance (O&M) market of power sector spares business and also use the facility for undertaking many job works from other segments of industry. This facility can undertake major works related to manufacture, supply of rebuilding of spares, major repairs of steam turbines, rotor balancing and reverse engineered parts manufacturing for various rotating parts of power plant both in Thermal and Hydro sector. Job works also have been done for railway electrification needed parts.

With the new requirements of many customers for the structural packages, with away from site fabrication, the need arose for establishing a proper facility for heavy fabrication catering to the needs of steel, power and other segments. Presently the Company is catering to heavy fabrication at various ongoing sites like Yadadri, Bhusawal, Kurmitar, Talabira & Khurja with onsite fabrication estimated work of about 43,414 MT. The planned heavy fab shop can be a huge opportunity for factory made structural items for various sectors in steel, power, coal, oil and gas. There is a need to create more opportunities for the planned heavy fabrication facility for structural business and the same can be scaled up to ₹200 Cr p.a. The intent of the Company is to make the facility fully exploit the market needs in different segments and utilizing the capacities created for sustained business growth with the booming infrastructure development and capacity expansions across various sectors.

G. Mine Development & Operation

Coal continues to play a major role as the main fuel for thermal power generation and coal is also an important input in the form of coking coal for steel production and also for the cement industry. In spite of the great emphasis on reduction in greenhouse gases in the form of CO₂ emissions which has a direct bearing on the global temperature rise till the carbon neutral coals are achieved for energy related industry both on the power generation side and also on coal usage in vital industries like cement, steel etc. The importance of coal cannot be overlooked in the next 25 to 40 years. India's commitment for carbon neutral goal is by 2070 looking into the huge coal dependency of the Country and with coal based thermal plants with nearly 70% power generation is based on coal as the fuel. The present demand of coal of 770 MTPA is expected to go up to 1,511 MTPA by the year 2030.

In early 90's, through a revised policy, the Coal Mines Nationalization Act was amended to allow participation of other sectors in coal mining. As a parallel action, the Government had allowed other Government Companies / PSUs as well as interested private

MANAGEMENT DISCUSSION AND ANALYSIS

players to participate and acquire new coal blocks, for supplying coal for their captive and specified end-uses such as Power, Cement, Iron, Steel and Coal Washing. Several Public Sector Power Utilities, State Government Mining Undertakings and Power Utilities entered domestic coal mining arena and got coal blocks allotted to them through Government Dispensation Route. Also, several blocks were allotted to private players for their respective captive use under Captive Dispensation Route. Since most of the aforementioned Public Sector Undertaking did not possess the requisite coal mining experience and expertise, they resorted to public private partnership model of Mine Developer and Operator (MDO).

MDO is a concept wherein the Mine Owner sub-contracts the 'Development and Operation' of the Mine to a third party as a Service Contract i.e., the Mine Owner retains the Right / Ownership on the mineral produced from the mine and the MDO acts just as a Service Provider to the Mine Owner.

On 24th September 2014, the Supreme Court cancelled the allocation of 214 out of 218 coal blocks allocated by the Central Government, between 1993 and 2010, ruling that the allocations were arbitrary, illegal and amounted to unfair distribution of national wealth. Subsequently, the Government started the process of reallocation of the cancelled coal blocks under the newly promulgated Coal Mines Special Provisions Act. However, the MDO concept still remains the preferred option for the Public Sector Undertakings to Develop and Operationalize their Coal (Mineral) blocks.

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

Coal India Ltd (CIL) for the "Kotre Basantpur Pachmo Ramgarh and Bokaro district open cast mining project in the state of Jharkhand.

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

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

Power Utilities such as NTPC, Mahagenco, GSECL, RUVNL, DVC, WBPDC, PSPCL etc., and State Mining Corporation such as APMDC, GMDC, etc., have awarded more than 100 MTPA of production capacity under the MDO route. Today the concept of MDO has become so popular that State owned Coal Mining Behemoth - Coal India Limited and Singareni Collieries Company Limited and Private Sector Mining baron Vedanta Limited are also developing their Coal (Mineral) assets through MDO. Coal India has identified multiple opencast mines with a target capacity of 162 MTPA and three underground ones of 6 MTPA to be developed through MDO.

Power Mech will continue to seek MDO and mining opportunities in future to secure long-term contracts. As a strategy, Power Mech would specifically target coking coal blocks under MDO route. The aim of the Company is to enhance capacity of MDO operations to about 15 MTPA, and this should enable the Company to create long term assets over 25 to 30 years for sustained revenue generation.



MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review:

Analysis of the Profit and Loss statement:

Revenue: The Company has reported a total income of ₹2,727.80 Cr during the FY 21-22, whereas during the FY 20-21 the reported total income was ₹1,900.41 Cr. Contract revenue from O&M business has gone up to ₹804.67 Cr from ₹660.75 Cr increased by 22% with the increased order book, revenue from Erection, Testing and Commissioning (ETC) has increased from ₹445.87 Cr to ₹521.15 Cr increased by 17% & Electrical business has gone up to ₹93 Cr from ₹86 Cr increased by 8% of the total contract revenue. Also, the contract revenue from Civil & others including railway and water projects has gone up to ₹1,290.48 Cr from ₹687.24 Cr increased by 88% due to increase in civil & other order book. The reported hire & other income is ₹18.50 Cr during the year as against ₹20.55 Cr during the preceding financial year.

The Operation & Maintenance revenue pie has contributed 30% of the overall contract revenue. Similarly Erection, Testing and Commissioning (ETC) has contributed 19%, Electrical Business has contributed 3% and Civil & others including railway and water projects contributed 48% of the total contract revenue. Whereas during the preceding FY 20-21 the revenue contribution from Operation & Maintenance Business was 35%, Erection, Testing and Commissioning (ETC) business was 23%, Electrical Business contribution was 5% and from Civil & others including railway and water projects contribution was 37% of the total contract revenue.

With the change of order book mix the revenue profile has undergone change. The revenue from operations increased by 44.12% from ₹1,879.86 Cr to ₹2709.30 Cr.

Other Income: The Company has reported other income of ₹17.31 Cr in FY 21-22 and ₹16.33 Cr in FY 20-21. This mainly consists of interest on fixed deposits with various banks, foreign exchange fluctuations etc. The increase in other income during FY 21-22 is mainly on account of foreign exchange fluctuations.

Expenses:

Raw Material Cost: The cost for FY 21-22 is at ₹336.19 Cr and ₹264.05 Cr in FY 20-21, increased by 27.32% over the previous year on account of growth in revenue. This represents for 12.32% of total income in FY 21-22 against 13.89% of total income in FY 20-21, due to change in revenue mix.

Contract Execution Expenses: Expenses for the FY 21-22 is at ₹1,633.09 Cr and ₹1,223.72 Cr in FY 20-21, the same is increased by 33.45% over the previous year cost, attributable to growth in business. This represents for 59.87% of total income in FY 21-22 as against 64.39% of total income in FY 20-21, due to change in business mix.

Employee Cost: Employee Cost for the FY 21-22 is ₹423.16 Cr as against ₹322.22 Cr during FY 20-21. This represents for 15.51% share of the Company's total income in FY 21-22 against 16.96% of total income in FY 20-21. The variance in employee cost is mainly due to increase in operations and business mix.

Depreciation: Depreciation on fixed assets for the year stands at ₹36.90 Cr & the same is increased by 3.20% over the previous year cost.

Finance Cost: Cost for the year is ₹79.47 Cr, increased by 0.26% over the previous year. This represents for 2.91% share of the Company's total income in FY 21-22 against 4.17% of total income in FY 20-21. There is no increase in the finance cost despite steep increase in the volume of operations.

Corporate Tax: The tax expense of the Company for the financial year 21-22 is ₹36.30 as against ₹2.15 Cr during the previous year.

Analysis of the Balance Sheet

Source of funds

Total Capital Employed: The total capital employed excluding minority interest increased by 3.50% to ₹1,573.55 Cr as on 31st March, 2022 from ₹1,417.70 Cr as on 31st March, 2021. This is mainly due to increase in net worth on account of profits earned during the year and borrowings of the Company increased to ₹527.15 Cr as on 31st March, 2022 from ₹509.31 Cr as on 31st March, 2021.

Net Worth: The net worth of the Company excluding minority interest increased by 15.30% from ₹904.86 Cr as on 31st March, 2021 to ₹1,043.31 Cr as on 31st March, 2022 due to profit earned during the year. The Company's equity share capital comprising 1,47,10,764 equity shares of ₹10 each, remained unchanged during the year.

Debt: Borrowings of the Company increased by 3.50% from ₹509.31 Cr as on 31st March, 2021 to ₹527.15 Cr as on 31st March, 2022. The debt-equity ratio of the Company stood at 0.51 in FY 21-22 compared to 0.56 in FY 20-21.

MANAGEMENT DISCUSSION AND ANALYSIS

Application of Funds

Fixed Assets: Fixed assets of the Company increased from ₹367.27 Cr as on 31st March, 2021 to ₹404.82 Cr as on 31st March, 2022 on account of additions to the fixed assets during the year under the head Cranes, Plant and Machinery and Motor vehicles to support execution of various new projects.

Investments: Investments of the Company decreased from ₹38.58 Cr as on 31st March, 2021 to ₹36.65 Cr as on 31st March, 2022 on account of losses incurred during the year in associates and joint ventures.

Working capital management

Current Assets: Current assets of the Company increased from ₹1,769.91 Cr as on 31st March, 2021 to ₹2,060.36 Cr as on 31st March, 2022 due to increase in trade receivables, retention money and cash and bank balances. The current and quick ratios of the Company stood at 1.53 and 1.43 respectively in FY 21-22 compared to 1.43 and 1.34 respectively in FY 20-21.

Inventories: Inventories includes raw materials, work-in-progress and finished goods increased by 20.05% from ₹114.67 Cr as on 31st March, 2021 to ₹137.66 Cr as on 31st March, 2022. This is mainly on account of change in revenue mix of the Company.

Receivables: Trade receivables increased from ₹533.51 Cr as on 31st March, 2021 to ₹666.57 Cr as on 31st March, 2022. The increase is mainly due to increase in revenue from operations and revenue mix. The Company debtor turnover cycle is 89 days of turnover in FY 21-22 compared to 102 days in FY 20-21.

Margins: The EBIDTA margin of the Company increased to 11.04% from 2.90% and PAT margin of the Company increased from (2.42)% during FY 20-21 to 5.13% during FY 21-22.

Key Financial Ratios

Particulars	FY 21-22	FY 20-21	Change
Debtors turnover (days)	89	102	(12.75)%
Inventory turnover (days)	19	22	(13.64)%
Interest coverage ratio	3.32	0.24	1283.33%*
Current ratio	1.53	1.43	6.48%
EBIDTA / Turnover (%)	11.04%	2.90%	280.69%*
Debt equity ratio	0.51	0.56	(10.23)%
Return on equity (%)	14.21%	(4.83)%	(394.30)%*
Return on capital employed (%)	17.85%	1.56%	1044.23%*
Book value per share (₹)	709	615	15.28%
Earnings per share (₹)	94.48	(31.02)	404.58%*

* All profitability and turnover related ratios may not be comparable on a year on year basis as previous year numbers were adversely affected owing to the pandemic and may not be representative of a normal business scenario.



Annexure-7

Report on Managerial Remuneration

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

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

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

S. No.	Name of Director	Designation	Ratio of the remuneration of each Director to the median remuneration of employees
1	Mr. S Kishore Babu	Chairman and Managing Director	48.08
2	Mrs. S Lakshmi	Non Executive Director	-
3	Mr. T Sankarlingam	Independent Director	-
4	Mr. GDV Prasada Rao	Independent Director	-
5	Mr. M Rajiv Kumar	Non Executive Director	-
6	Mr. Vivek Paranjpe	Independent Director	-
7	Mrs. Lasya Yerramneni	Independent Director	-

** 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 2021-22:

S. No.	Name of Director/KMP and Designation	Designation	% increase in Remuneration in the FY 2021-22
1	Mr. S Kishore Babu	Chairman and Managing Director	-
2	Mr. J Satish	CFO	-
3	Mr. Mohith Kumar K	Company Secretary	46.48%

iii. The median remuneration of employees of the Company during FY 2021-22 was ₹2,49,600/- p.a.

iv. The percentage increase in the median remuneration of employees in the financial year:

The percentage increase in the median remuneration of employees for the financial year ending 31st March, 2022 was 0.48%.

v. The number of permanent employees on the rolls of Company as at 31st March, 2022:

There were 14,044 permanent employees on the rolls of Company as on 31st March, 2022.

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 **NA*** 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.

*** Since no remuneration was drawn by the Managing Director in the previous FY 2020-21, the same cannot be compared.**

B) Top 10 Employees in terms of remuneration

S. No	Name	Age (Yrs)	Qualification	Designation	Date of commencement of employment	Experience Gross (years)	Nature of employment	Remuneration (₹ in Lacs) per month	Previous employment	Relative of Director if any
1	Akhil Kapoor	54	B.Tech - Electronics	Vice President - O&M	08.07.2021	30+	Full Time	3.26	Steag Energy Services Pvt Ltd	No
2	Srikant Marni	51	MHRM	Associate Vice President - HR & Admin	11.06.2021	24	Full Time	3.24	Nava Bharat Ventures Ltd	No
3	Satish Jami	47	CA & MBA	CFO	20.10.2014	20	Full Time	3.22	Indu Projects	No
4	Venkat Krishna Prasad Chollangi	57	B.E - Industrial Engineering	Executive Director - SMX	07.08.2020	28+	Full Time	3.21	KSK Mahanadi Power Company Ltd	No
5	Rajan Elumalai Durai	58	B.Tech - EEE	Vice President - SMX	01.01.2021	34	Full Time	3.21	AES India Pvt Ltd	No
6	Challagulla Nagendra Prasad	58	Diploma - Civil	Associate Vice President - SMX	20.10.2022	36	Full Time	3.03	GVPR Engineer, Hyderabad	No
7	Vishal Kumar Laddha	36	B.Tech - ECE	Sr. Deputy General Manager - C&I	01.06.2021	14	Full Time	2.81	Steag Energy Services Pvt Ltd	No
8	Ajay Kumar Kantheti	48	B.Tech	Executive Director - SMX	20.11.1999	24	Full Time	2.67	Indwell Projects	No
9	Narasimha Rao Bommididi	57	B.Tech - EEE	Chief Techno Commercial Officer	25.02.2022	33	Full Time	2.61	Asian Genco Group	No
10	Prakash Chandra Joshi	49	B.Tech	Associate Vice President - SMX	10.11.2014	27	Full Time	2.60	Corporate Power Limited	No

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

Name	Age	Qualification	Designation	Date of commencement of employment	Experience (in years)	Nature of employment	*Remuneration in ₹ Cr per Annum	Previous Employment	Relative of Director if any
S. Kishore Babu	56	B Tech (Mechanical)	CMD	22.07.1999	36	Full time	5.32	Jt. Md, Indwell Constructions Private Limited-	Spouse of S Lakshmi, Director

***Remuneration Includes Salary and Commission.**

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

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

For and on behalf of the Board of Directors

Sd/-

S Kishore Babu

Chairman & Managing Director

DIN: 00971313

Place: Hyderabad

Date: 13.08.2022



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	in ₹ Crs	
		2021-22	2020-21
1	Earnings	382.04	233.44
2	Outgo	262.03	196.26

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 13.08.2022

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

Annexure - 9

REPORT ON CORPORATE GOVERNANCE

A. Company's Philosophy on Corporate Governance

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

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

B. Board of Directors

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

As on 31st March, 2022, our Board comprised of 7 members, consisting of one Executive Chairman & Managing Director who is also a Promoter, two Non-Executive Directors out of which one is Promoter and Four Non-Executive Independent Directors. Independent Directors constitute 50% of the Board's strength as per the requirements of the SEBI Regulations and the Companies Act, 2013.

- ii. There are no pecuniary relationships or transactions with Non-Executive Independent Directors that could materially influence their judgment except sitting fees paid towards attending Board and Committee Meetings.
- iii. Six (6) Board meetings were held during the financial year 2021-22 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	10.05.2021
02	17.06.2021
03	07.08.2021
04	01.10.2021
05	11.11.2021
06	28.01.2022

- iv. Attendance of the Directors at the Board meeting and Annual General Meeting during fiscal 2021 and number of shares held by them in the Company.

Name of the Director	Number of Board meetings held during the FY 2021-22	Number of Board meetings attended	% of attendance	Attended the last AGM	Number of shares held
S. Kishore Babu DIN - 00971313	6	6	100.00	Yes	38,64,942
S. Lakshmi DIN - 00068991	6	6	100.00	Yes	37,28,626
Thiagarajan Sankaralingam DIN - 00015954	6	3	66.67	Yes	Nil
G D V Prasada Rao DIN - 02754904	6	6	100.00	Yes	1500



REPORT ON CORPORATE GOVERNANCE

Name of the Director	Number of Board meetings held during the FY 2021-22	Number of Board meetings attended	% of attendance	Attended the last AGM	Number of shares held
M. Rajiv Kumar DIN - 07336483	6	5	83.33	Yes	Nil
Vivek Paranjpe DIN - 03378566	6	4	66.67	Yes	Nil
Lasya Yerramneni DIN- 03150397	6	4	66.67	Yes	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	Deep knowledge with field experience in power and infra sectors. Leadership in planning, management, risk assessment and fiscal discipline.
S. Lakshmi	B.Sc. Graduate	Experience in inter personal development and practicing good corporate governance.
G D V Prasada Rao	M. Tech. in Chemical Engineering	Practical knowledge on accounting, finance, banking etc.
M. Rajiv Kumar	Graduate in Electrical Engineering	Exemplary knowledge and wide experience in power sector, especially construction of power projects.
T. Sankarlingam	B.E. (Electricals)	Wide and extensive knowledge in power sector both construction and operation..
Vivek Paranjpe	B. Sc. (Honors) and Post Graduate from XLRI	Highly experienced in HR management and Legal related matters. Expertise in developing and implementing good corporate governance practices.
Lasya Yerramneni	PG in Management from ISB, MS (Electrical engineering) university of texas	Proficiency in IT Project Management and Delivery, IT Strategy and Business development.

REPORT ON CORPORATE GOVERNANCE

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

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

Notes:

- i) The membership of the Director in committees does not include the committees in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.
- ii) The memberships/chairmanships of Audit Committees and Stakeholders Relationship Committees in all Public Limited companies has been considered.
- 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 31st March, 2022, had six Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Investment Committee.

1. Audit Committee

The Audit Committee comprised of two Independent Directors and one Non-Executive Director as on 31st March, 2022. The members possess sound knowledge of accounts, finance, audit and legal matters.

The Company Secretary acts as a Secretary to the Committee.



REPORT ON CORPORATE GOVERNANCE

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

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

During the year under review, 5 (five) meetings of the Committee were held on 10.05.2021, 17.06.2021, 07.08.2021, 11.11.2021 and 28.01.2022.

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

Name	Designation in Committee	Category of Directorship	No. of Meetings held	No. of Meetings Attended
G D V Prasada Rao	Chairman	Independent, Non-Executive Director	5	5
T. Sankarlingam	Member	Independent Non-Executive Director	5	3
M. Rajiv Kumar	Member	Non-Executive Director	5	4

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

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of three Independent Directors.

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

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

During the year under review, 3 (three) meetings of the Committee were held on, 17th June, 2021, 07th August, 2021 and 11th November, 2021

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

Name	Category of Directorship	Designation	No. of meeting held	No. of Meetings Attended
Vivek Paranjpe	Independent Non-Executive Director	Chairman	3	3
Thiagarajan Sankaralingam	Independent Non-Executive Director	Member	3	3
G D V Prasada Rao	Independent Non-Executive Director	Member	3	3

REPORT ON CORPORATE GOVERNANCE

Risk Management Committee:

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

Name	Designation
G D V Prasada Rao	Chairman
S. Kishore Babu	Member
M. Rajiv Kumar	Member

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

Meetings and attendance during the year

During the year under review, 2 (two) meetings of the Committee were held on 11th November, 2021 and 28th January, 2022.

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
G D V Prasada Rao	Independent Non-Executive Director	Chairman	2	2
M. Rajiv Kumar	Non-Independent Non-Executive Director	Member	2	2
S. Kishore Babu	Executive Director	Member	2	2

Remunerations paid to the Directors

I. Details of remunerations paid / payable to Non-executive & Independent Non-Executive Directors for the year ended 31st March, 2022 is as under:

Name of the Director	Sitting Fees (in ₹ Cr)
G D V Prasada Rao	0.04
T. Sankaralingam	0.03
Vivek Paranjpe	0.02
Lasya Y	0.02

Mr. M. Rajiv Kumar, Non-Executive Director was paid consultancy fees of ₹0.61 Cr including travelling and conveyance charges and out of pocket expenses during the financial year 2021-22.

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-a-vis the Company.



REPORT ON CORPORATE GOVERNANCE

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

(in ₹ Cr)

Name of the Director	Salary	Bonus	Benefits	Commission	Sitting Fees	Loans from the Company	Total
S. Kishore Babu	1.20	-	-	4.12	-	-	5.32

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

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

Service contracts, notice period, severance fees: NA

Company has not granted any Stock options during the year.

3. Stakeholders Relationship Committee

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

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

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

During the year under review, 4 meetings of the committee were held on 17th June, 2021, 07th August, 2021, 11th November, 2021 and 28th January, 2022.

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
G D V Prasada Rao	Member	Non-executive Independent Director	4	4
S. Lakshmi	Member	Non-Executive Director	4	4

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

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

There were no pending transfers as on 31st March, 2022.

REPORT ON CORPORATE GOVERNANCE

4. Corporate Social Responsibility Committee

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

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

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

During the year under review, 1 meeting of the Committee was held on 31.03.2022.

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

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

5. Investment Committee

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

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

D. Meeting of Independent Directors

During the year under review, there was a separate meeting of Independent Directors of the Company held on 28th January, 2022, without the presence of the non-independent directors and members of the Management inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

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

E. Performance Evaluation

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

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



REPORT ON CORPORATE GOVERNANCE

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

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

G. General Body Meeting

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

Year	AGM	Venue	Day & Date	Time	Special Resolutions Passed
2020-21	22 nd AGM	Meeting Was held through Video Conference / Other Audio Visual Means	Thursday, 30 th September, 2021	11.30 A.M.	<ol style="list-style-type: none"> 1. Re-appointment of Mr. S. Kishore Babu as the Managing Director 2. Re-appointment of Mr. Vivek Paranjpe as the Independent Director 3. Approval of payment of remuneration to Mr. M. Rajiv Kumar, Non-Executive Director by way of Consultancy Fees 4. Re-appointment of Ms. Lasya Yerramneni as an Independent Director
2019-20	21 st AGM	Meeting was held through Video Conference / Other Audio Visual Means	Tuesday, 20 th , October, 2020	11.30 A.M.	<ol style="list-style-type: none"> 1. Approval of payment of remuneration to Mr. M. Rajiv Kumar, Non-Executive Director by way of Consultancy Fees.
2018-19	20 th AGM	Hotel Novotel, Hitex, Madhapur, Hyderabad - 500081	Wednesday, 25 th September, 2019	11.00 A.M.	<ol style="list-style-type: none"> 1. Revision in remuneration of Mr. S. Kishore Babu, Chairman & Managing Director. 2. Re-appointment of Mr. T. Sankara Lingam as an Independent Non-Executive Director. 3. Re-appointment of Mr. G D V Prasada Rao as the Independent Non-Executive Director. 4. Approval of payment of remuneration to Mr. M. Rajiv Kumar, Non-Executive Director by way of Consultancy Fees.

REPORT ON CORPORATE GOVERNANCE

Postal Ballot:

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

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

H. DISCLOSURES

- a) Related Party Transaction (Shown in Notes to Accounts): There are no materially significant related party transactions i.e., transactions material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc., having potential conflict with the interests of the Company at large.
- b) There were no pecuniary transactions with any of the Non-Executive Directors, except payment of commission.
- c) The Company had paid a fine of ₹5.02 Lakhs to NSE for delay in Compliance of Regulation 17(1) of SEBI (LODR) Regulations, 2015, for a period from 01st April, 2020 to 27th June, 2020.

Except the one above mentioned, 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.

- d) The company has formulated and adopted formal whistle blower / vigil mechanism and the same is hosted on the company's website and no concerned person has been denied access to Audit Committee.
- e) The Company is compliant with the provisions of applicable laws and the SEBI (LODR) Regulations, 2015 and amendments thereof.
- f) Material subsidiary policy is hosted in our website www.powermechprojects.com.
- g) Related party transaction policy is hosted in our website www.powermechprojects.com.
- 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.

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

- b) For the FY 2021-22 4 (four) conference calls with analysts/investors & presentations were made for as follows:

FY 2021-22	Date
01st Quarter	10.08.2021
02nd Quarter	17.11.2021
03rd Quarter	02.02.2022
04th Quarter	23.05.2022

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

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



REPORT ON CORPORATE GOVERNANCE

The Company's website www.powermechprojects.com 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. 23rd Annual General Meeting

The 23rd Annual General Meeting of the Company will be held on Friday, the 30th day of September, 2022 at 1.30 PM through Video Conferencing (VC) / Other Audio Visual Means (OAVM). For the details, please refer to the Notice of the AGM.

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

iii. Date of Book Closure

The register of members shall be closed from 24th September, 2022 to 30th September, 2022 (both days inclusive)

iv. Dividend

During the year the Board of Directors of the Company recommended dividend of ₹1.50/- per equity share of ₹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 to both the above Stock Exchanges.

vi. Market Price Data

The closing market price of the equity shares as on 31st March, 2022, being the last trading day for the FY 2021-22 on NSE was ₹835.75/- and on BSE was ₹837.95/-.

The monthly movement of the equity share price during the year 2021-22 on BSE and NSE are summarized herein below.

BSE

Month	Open	High	Low	Close
Apr 21	590.00	600.00	541.80	574.35
May 21	580.25	641.50	558.00	610.25
June 21	609.00	767.30	597.50	751.05
July 21	767.45	922.70	751.20	818.85
Aug 21	823.00	873.00	767.65	812.85
Sep 21	813.20	966.00	808.60	933.10
Oct 21	933.05	1094.70	925.10	983.85

REPORT ON CORPORATE GOVERNANCE

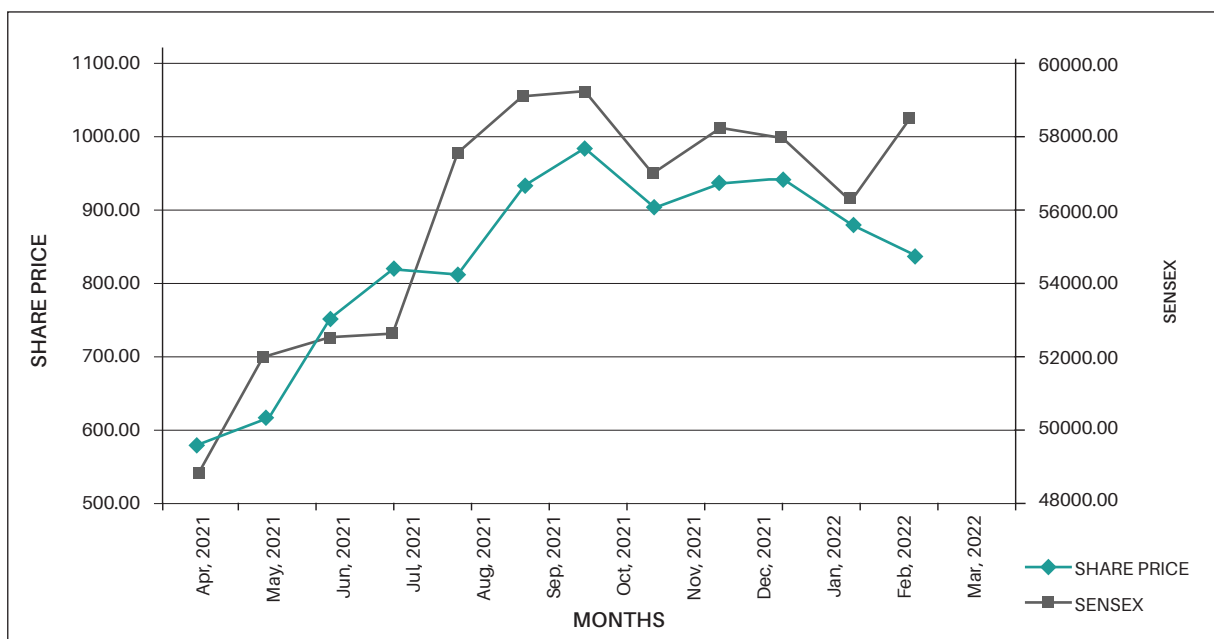
Month	Open	High	Low	Close
Nov 21	998.35	1032.65	885.05	908.90
Dec 21	903.75	1044.00	903.75	937.50
Jan 22	901.00	1022.25	900.05	946.30
Feb 22	965.25	966.00	819.00	882.80
Mar 22	870.30	938.00	805.15	837.95

NSE

Month	Open	High	Low	Close
Apr 21	564.50	580.00	560.65	576.10
May 21	611.40	619.95	604.00	613.55
June 21	744.20	757.55	730.60	749.45
July 21	794.85	828.00	792.25	816.00
Aug 21	828.25	832.55	793.90	811.40
Sep 21	944.90	967.90	930.00	933.00
Oct 21	1009.00	1010.00	980.10	984.50
Nov 21	892.00	924.05	892.00	909.05
Dec 21	931.00	956.05	931.00	938.55
Jan 22	968.30	977.65	937.85	944.40
Feb 22	840.00	896.80	839.40	883.45
Mar 22	812.00	842.20	810.80	835.75

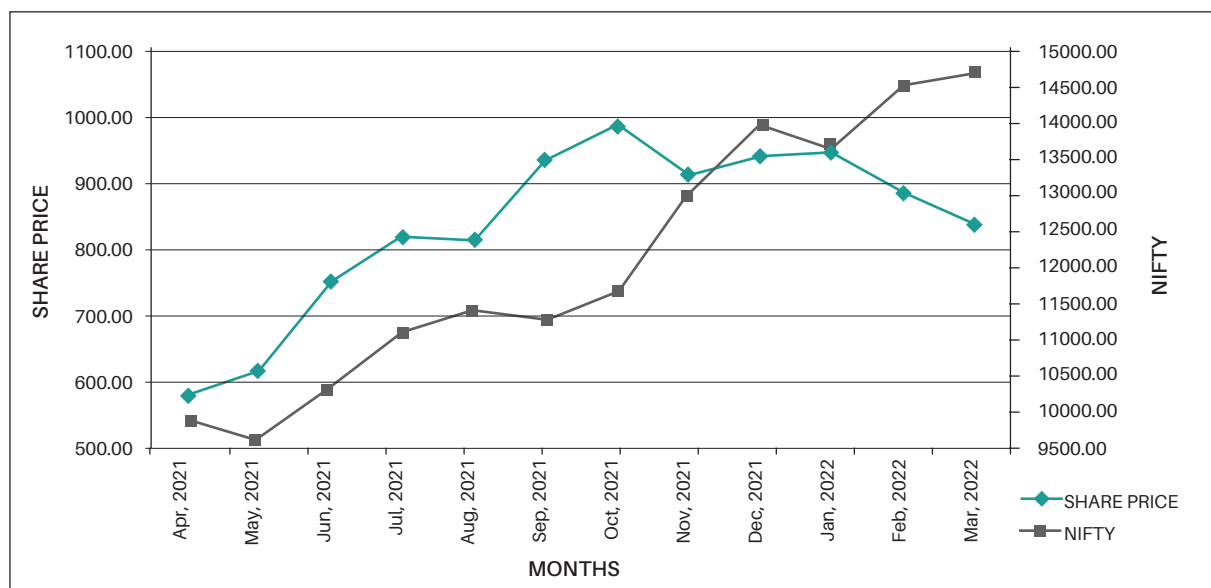
vii. Performance in comparison to broad based indices such as BSE Sensex, CRISIL index etc

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



REPORT ON CORPORATE GOVERNANCE

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



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

ix. Registrar and Share Transfer Agents:

Kfin Technologies Limited
 Karvy Selenium Tower B, 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 1st April, 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, 2022

POWER MECH PROJECTS LIMITED					
Distribution of Shareholding as on 31.03.2022					
Sl. No.	Category (No. of Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 500	15,494	94.82	6,89,425	4.69
2	501 - 1000	316	1.93	2,36,314	1.61
3	1001 - 2000	208	1.27	3,04,992	2.07
4	2001 - 3000	91	0.56	2,29,159	1.56
5	3001 - 4000	44	0.27	1,54,655	1.05
6	4001 - 5000	37	0.23	1,68,471	1.15
7	5001 - 10000	73	0.45	5,25,557	3.57
8	10001 and above	78	0.48	1,24,02,191	84.31
	TOTAL	16,341	100.00	1,47,10,764	100.00

REPORT ON CORPORATE GOVERNANCE

xii. Dematerialization

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

Category	Number of shares	Percentage (%)
NSDL	43,10,359	29.30
CDSL	1,03,90,919	70.63
PHYSICAL	9,486	0.06
TOTAL	1,47,10,764	100.00

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

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

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

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

xv. Plant Location

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

xvi. Address for Correspondence of Compliance Officer

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

xvii. Compliance Certificate from Auditors

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

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

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

xix. Secretarial Standards:

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

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

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



REPORT ON CORPORATE GOVERNANCE

All the Board members and senior management personnel have affirmed compliance to the code as on 31st March, 2022.

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

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

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

(in ₹ Cr)

Type of Service	FY 2021-22	FY 2020-21
Audit Fees	0.12	0.12
Tax Fees	--	--
Others	--	--

xxii. Code for Prevention of Insider Trading

On 31st December, 2018, Securities and Exchange Board of India amended the Prohibition of Insider Trading Regulations, 2015, prescribing various new requirements with effect from 1st April, 2019. In line with the amendments, your Company has adopted an amended Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on the Company's website at www.powermechprojects.com.

xxiii. Credit Ratings

During the FY 2021-22, the Company has obtained revised credit rating from Care Ratings as CARE A- (Single A Minus); Stable for Long-term Bank Facilities (Fund based Limits) and CARE A-; Stable/CARE A2+ (Single A minus, Outlook: Stable / A Two Plus) for Long-term / Short-term Bank Facilities (Non Fund based Limits).

xxiv. 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- 01-04-2020.	Nil	Nil
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year.	Nil	Nil
Number of shareholders to whom share were transferred from suspense account during the year.	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year - 31.03.2022.	Nil	Nil
The voting rights on these shares shall remain frozen till rightful owners of such shares claim the shares.		

REPORT ON CORPORATE GOVERNANCE

xxv. 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.

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

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

For and on behalf of the Board of Directors

Sd/-

S Kishore Babu

Chairman & Managing Director

DIN: 00971313

Place: Hyderabad

Date: 13.08.2022



Annexure -10

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy

Our Company always believes that Corporate Social Responsibility requires the Company to pursue social goals, especially those relating to sustainable development, environmental protection, social justice and economic development. Corporate Social Responsibilities strengthen the relationship between the Company and the Society. The policy is hosted on the Company's website at www.powermechprojects.com/investorrelations

2. Composition of the CSR Committee

Sl No	Name of the Director	Designation/Nature of Directorship	Number of Meeting of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	S. Kishore Babu	Chairman and Managing Director- Chairman of the Committee	1	1
2	S. Lakshmi	Non-Executive, Non-Independent Director - Member of the Committee	1	1
3	G D V Prasada Rao	Non-Executive Independent Director - Member of the Committee	1	1

- Web link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: www.powermechprojects.com/investorrelations.
- Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable, attach the report: Not applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl No	Financial Year	Amount available for set off from preceding financial years (in ₹)	Amount required to be set off for the financial year, if any (in ₹)
NIL			

- Average net profit of the Company as calculated as per Section 135(5): ₹67.87 Cr
- Two percent of Average net profit of the Company as per Section 135(5) of the Act: ₹1.36 Cr
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial year: NIL
 - Amount required to be set off for the financial year, if any: NIL
 - Total CSR Obligation for the Financial Year (7a+7b-7c): ₹1.36 Cr
- CSR amount spent or unspent for the financial year

Total amount spent for the financial year (in ₹)	Amount unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)		
1.53 Cr	Amount	Date of transfer	Name of Fund	Amount	Date of Transfer
		-	-	-	-

b) Details of CSR amount spent against ongoing projects for the financial year:

Sl No	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹)	Mode of implementation Direct (Yes/NO)	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration Number
-	-	-	-	-	-	-	-	-	-	-	-	-

c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl no	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount Spent for the project (in ₹)	Mode of implementation- Direct (Yes/No)	Mode of implementation through implementing agency	
				State	District			Name	CSR Registration Number
1	Eradicating Hunger	Distribution of food and edibles	No	Andhra Pradesh	Krishna	8.68 Lakhs	No	Power Mech Foundation	CSR00009836
2	Promoting education, including special education	Education	No	Andhra Pradesh	Krishna	87.64 Lakhs	No	Power Mech Foundation	CSR00009836
3	Promoting education, including special education	Education	Yes	Telangana	Hyderabad	1.25 Lakhs	No	Power Mech Foundation	CSR00009836
4	Promoting education, including special education	Education	No	New Delhi	New Delhi	20.00 Lakhs	No	Power Mech Foundation	CSR00009836
5	Promoting health care including preventive health care	Health and Hygiene	No	Uttar Pradesh	Noida	10.00 Lakhs	No	Power Mech Foundation	CSR00009836
6	Promoting health care including preventive health care	Health and Hygiene	No	Telangana	Yadadri	7.07 Lakhs	No	Power Mech Foundation	CSR00009836
7	Promoting health care including preventive health care	Health and Hygiene	No	Karnataka	Raichur	4.97 Lakhs	No	Power Mech Foundation	CSR00009836
8	Promoting health care including preventive health care	Health and Hygiene	No	Andhra Pradesh	Vijayawada	1.50 Lakhs	No	Power Mech Foundation	CSR00009836
9	Promoting health care including preventive health care	Health and Hygiene	No	Madhya Pradesh	Bhopal	10.00 Lakhs	Yes	-	-
10	Environmental Sustainability	Protection of Flora and Fauna	No	Madhya Pradesh	Bhopal	1.50 Lakhs	Yes	-	-



- d) Amount spent on administrative overheads: Nil
- e) Amount Spent on Impact Assessment, if applicable: Not Applicable
- f) Total Amount Spent for the Financial Year (8b+8c+8d+8e) = 1.53 Cr
- g) Excess amount for set off, if any: NIL

S No	Particulars	Amount (in ₹ Cr)
i)	Two percent of average profit of the company as per Sec. 135(5)	1.36
ii)	Total amount spent for the financial year	1.53
iii)	Excess amount spent for the financial year (ii-i)	0.17
iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	NIL
v)	Amount available for set-off in succeeding financial years (iii+iv)	0.17

- 9 (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable
- b) Details of CSR amount spent in the financial year for ongoing projects for the preceding financial year(s): Not Applicable
10. In case of creation or acquisition of capital asset, furnish details relating to the asset so created or acquired through CSR spent in the financial year: Not applicable
11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135 (5): Not applicable

For **Power Mech Projects Limited**

Date: 13.08.2022
Place: Hyderabad

Sd/-
S.Kishore Babu
Chairman & Managing Director

BUSINESS RESPONSIBILITY REPORT

The Company has in Compliance with regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, prepared the business Responsibility Report as under:

1	Corporate Identity number (CIN) of the Company	L74140TG1999PLC032156
2	Name of the Company	Power Mech Projects Limited
3	Registered address	Plot No.77, Jubilee Enclave, Opposite: Hitex, Madhapur, Hyderabad, Telangana - 81
4	Website	www.powermechprojects.com
5	E-mail ID	info@powermech.net
6	Financial Year Reported	2021-22
7	Sector(s) that the company is engaged in (Industrial activity code-wise)	Construction, Engineering & Infrastructure Development
8	List three key products / services that the company manufactures / provides	Construction, Engineering & Infrastructure Development
9	Total Number of locations where business activity is undertaken by the Company Number of International Locations (Provide details of major 5) Number of national locations	The Company's operations are spread across countries in Asia and Africa
10	Markets served by the Company - Local / State / National / International	Countries in Asia and Africa

SECTION B: FINANCIAL DETAILS OF THE COMPANY (in ₹ Cr.)

1	Paid up capital	147.41
2	Total Turnover	2629.94
3	Total Profit after taxes	140.96
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.53
5	List of activities in which expenditure in 4 above has been incurred:-	Education, Health and Social Service

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes. The subsidiaries are Hydro Magus Private Limited, Power Mech Industri Private Limited, Power Mech BSCPL Consortium Private Limited, Power Mech SSA Structures Private Limited, Aashm avenues Private Limited, KBP Mining Private Limited, Energy Advisory and Consulting Services Private Limited, Power Mech Projects Limited LLC, Power Mech Projects (BR) FZE and Power Mech Environmental Protection Private Limited
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Business Responsibility initiatives of the Company are applicable to the subsidiary Company to the extent that is material in relation to the business activities of the Company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No entity participates in the BR initiatives of the Company. However, the Company encourages its suppliers, distributors, contractors etc to adopt BR initiatives and follow good business practices.



BUSINESS RESPONSIBILITY REPORT

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR

(a) Details of the Director / Director responsible for implementation of the BR policy/policies

1. DIN Number: 00971313
2. Name: Sajja Kishore Babu
3. Designation: Chairman & Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00971313
2	Name	Sajja Kishore Babu
3	Designation	Chairman & Managing Director
4	Telephone number	040-30444418
5	e-mail ID	info@powermech.net

2. Principle-wise (as per NVGs) BR Policy/policies

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability (P1)

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (P2)

Principle 3: Businesses should promote the wellbeing of all employees (P3)

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized (P4)

Principle 5: Businesses should respect and promote human rights (P5)

Principle 6: Business should respect, protect, and make efforts to restore the environment (P6)

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner (P7)

Principle 8: Businesses should support inclusive growth and equitable development (P8)

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner (P9)

(a) Details of Compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for Principles stated above	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Company believes in benchmarking practices and global standards to the best possible extent								

BUSINESS RESPONSIBILITY REPORT

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.powermechprojects.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

- b) if answer to the question at serial number against any principle is 'No', please explain why:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	
1	The company has not understood the Principles	NOT APPLICABLE								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance Related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
The Management Assesses the BR performance of the Company on a quarterly basis.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report will be published annually by the Company as a part of its Annual Report. The link for Business Responsibility Report is www.powermechprojects.com



BUSINESS RESPONSIBILITY REPORT

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability (P1)

Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No.

Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Your company has been following fair, transparent and ethical governance practices and believes it to be essential for enhancing long-term shareholder value and retaining investor trust. The Company believes that the policies and practices should be ethical and sustainable while being competitive.

The Board has adopted two detailed sets of code of conduct, one for Board of Directors and other for Senior Management and Employees. The code of Conduct for Senior Management and employees forms an integral part of the induction of new employees. The policy does not extend to the Group/Joint Venture/Suppliers, etc. However, the Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc., to follow the principles envisaged in the policy.

An effect vigil mechanism/whistle blower policy is in place to report to the management, instances on unethical behavior and any violation of the Company's Code of Conduct. No complaint was received during the year 2021-22.

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Please refer Corporate Governance section.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (P2)

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

(a) **Construction, Engineering and Infrastructure Development**

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company is not engaged in the business of manufacturing goods and consumer products. The Company however takes necessary steps to ensure efficient use of raw materials and goods required for execution of projects including in relation to energy, water, raw material etc.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes. The Company to the extent possible/permitted under the contracts being awarded to it, procures raw materials from local suppliers and small producers.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Recycling of products is not applicable as the Company is not engaged in manufacturing activities. The Hazardous wastes are disposed in compliance with the Statutory Provisions.

Principle 3: Businesses should promote the wellbeing of all employees (P3)

1. Please indicate the Total number of employees.
14,044

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

The Company engages employees on contractual basis depending upon the requirements of the projects being awarded to it.

3. Please indicate the Number of permanent women employees.
91

4. Please indicate the Number of permanent employees with disabilities
NIL

BUSINESS RESPONSIBILITY REPORT

5. Do you have an employee association that is recognized by management.

NIL

6. What percentage of your permanent employees is members of this recognized employee association?

NIL

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

NIL

No	Category	No of Complaints filed during the financial year	No of Complaints pending as on end of financial year
1	Child labour / forced labour / involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & Skill up gradation training in the last year?

- Permanent employees
- Permanent Women employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

Training Programmes in respect of Environment, Health & Safety were conducted at sites during the year. The Company also conducted health programme viz., Eye and General check up etc.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized (P4)

Has the company mapped its internal and external stakeholders? Yes/NO

Yes

Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the Company has been identifying the disadvantaged, vulnerable and marginalized stakeholders.

Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company endeavors to understand their concerns, defines purpose and scope engagement, commits to engaging with them and resolves differences with stakeholders in a just, fair and equitable manner.

Principle 5: Businesses should respect and promote human rights (P5)

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company values and respects the human rights and always remains committed for its protection. The Company's Code of Business Conduct, policy on Sexual Harassment at workplace and the human resource practices cover most of these aspects. The Company encourages all its suppliers, Subsidiary, Vendors and contractors to adopt good practices in this regard.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

NIL

Principle 6: Business should respect, protect, and make efforts to restore the environment (P6)

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others

The Company's health, safety and environment (HSE) culture is driven by a high commitment.

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

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

2. Does the Company have strategies / initiatives to address the global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.

Yes, issues such as climate change and global warming are addressed by the Company by conservation of natural resources.

To protect the environment, hazardous wastes are disposed off in compliance with the statutory provisions.



BUSINESS RESPONSIBILITY REPORT

3. Does the Company identify and assess potential environmental risks? Y/N?

Y

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Wherever the projects awarded to the Company permit adoption of Clean Development Mechanism, the Company adheres to them.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

As part of the execution of projects, the Company undertook initiatives relating to clean technology, energy efficiency, renewable energy, etc.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, complied to the extent applicable

7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner (P7)

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with

a. FTAPCCI

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company is associated with above institution with an intention of mutual learning and contribution in the development process.

Principle 8: Businesses should support inclusive growth and equitable development (P8)

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof

Yes, the Company considers social development as an important aspect of its operations. It has aligned its thrust areas in line with the requirements of

Schedule VII of the Companies Act, 2013. To oversee implementation of various initiatives, the Company has formed Corporate Social Responsibility Committee.

The Company has adopted a policy on Corporate Social Responsibility to streamline its efforts towards Corporate Social Responsibility and support inclusive growth and equitable development of the region it is located in specified area and society in general.

2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures/any other organization?**

The projects are mostly undertaken through Company's NGO, Power Mech Foundation.

3. Have you done any impact assessment of your initiative?

Impact Assessment is conducted on a regular basis and is reviewed from time to time and collective action being taken to mitigate the perceived risk.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The Company has spent an amount of ₹1.53 Cr in various CSR activities during the financial year 2021-22. Please refer Corporate Social Responsibility Report annexed to and forming part of this annual report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner (P9)

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year

NIL

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information

NA

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

NO

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Not applicable

CMD / CFO CERTIFICATION TO THE BOARD

(Pursuant to Regulation 17(8) under Chapter IV of
Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015

We, S Kishore Babu, Chairman & Managing Director and J Satish, CFO of the Company responsible for the finance function hereby certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year 2021-22 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 2021-22, 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 2021-22
 - (ii) Significant changes in accounting policies during the year 2021-22 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.

Place: Hyderabad
Date: 13.08.2022

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

Sd/-
J Satish
Chief Financial Officer

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the code of conduct of the Company for the financial year ended on 31st March, 2022 as envisaged in the Chapter IV of the Securities Exchange board of India (Listing Obligations and Disclosures Regulations) 2015.

Place: Hyderabad
Date: 13.08.2022

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



CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
POWER MECH PROJECTS LIMITED
Plot No.77, Jubilee Enclave, Opp: Hitex,
Madhapur, Hyderabad, TG - 500081.

We have examined the compliance of the conditions of Corporate Governance by Power Mech Projects Limited (hereinafter referred to as "the Company") for the year ended 31st March, 2022, as stipulated in Chapter IV of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination of the Corporate Governance Report in accordance with the established systems and procedures selected by us depending on our judgment, including an assessment of the risks associated with compliance of the Corporate Governance Report with the applicable criteria. The procedures include but are not limited to, verification of secretarial records and other information of the Company, as we deem necessary to arrive at an opinion.

Based on the procedures performed by us as mentioned above and according to the information and explanations provided to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended 31st March, 2022.

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

For P.S. Rao & Associates
Company Secretaries

Date:13.08.2022
Place: Hyderabad

Sd/-
CS P.S. RAO
FCS. No.:10322
C.P. No.:3829
UDIN:F010322D000792422
PEER REVIEW CER NO.: 710/2020

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, TG - 500081.

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 with 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, 2022, 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	Lakshmi Sajja	Non-Executive Director	00068991
3	Rajiv Kumar Motihari	Non-Executive Director	07336483
4	Durgavaraprasada Rao Gorijala	Independent Director	02754904
5	Lasya Yerramneni	Independent Director	03150397
6	Vivek Paranjpe	Independent Director	03378566
7	Thiagarajan Sankaralingam	Independent Director	00015954

Ensuring eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P.S. Rao & Associates
Company Secretaries

Sd/-

CS P.S. RAO

FCS. No.:10322

C.P. No.:3829

UDIN:F010322D000792422

PEER REVIEW CER NO.: 710/2020

Date:13.08.2022
Place: Hyderabad



STANDALONE FINANCIALS

INDEPENDENT AUDITORS' REPORT

To the Members of
POWER MECH PROJECTS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **POWER MECH PROJECTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of affairs of the Company as at 31st March, 2022, the Profit and 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.

INDEPENDENT AUDITORS' 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 understatement of revenues and profit.</p>	<p>As part of our audit, we obtained an understanding of the methodology applied, the internal process and controls used for determination of the physical proportion of work completed. We evaluated the process and systems used to record the quantum of work completed against which invoices were raised.</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>
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 creditability in making payments since most of the customers are public sector 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>



INDEPENDENT AUDITORS' REPORT

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon which are expected to be made available to us at a later date.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information, which is not available to us as on the date of this report. In the absence of the said other information, we are unable to comment upon whether the other information is materially misstated or not.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, 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

INDEPENDENT AUDITORS' REPORT

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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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



INDEPENDENT AUDITORS' REPORT

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.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend

or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend was declared by the company during the financial year 2021-22 relating to the final dividend for the previous financial year or interim dividend for the current financial year.
2. As required by the Companies (Auditor's Report) Order, 2022 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **K.S. Rao & Co**
Chartered Accountants
(Firm Registration No. 003109S)

Gopikrishna Chowdary Manchinella
Partner

Place: Hyderabad
Date: 21.05.2022

Membership No. 235528
UDIN: 22235528AJJTU2200

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 2 under "Report on other legal and regulatory requirements" section of our report to the members of POWER MECH PROJECTS LIMITED ("Company") for the year ended March 31, 2022.

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 Property, Plant and Equipment. However, the Property, Plant and Equipment register has not been updated with the location of assets when there is 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 maintained proper records showing full particulars of intangible assets.
 - c) The Company has a programme of physical verification to cover all items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the programme, some of the property, plant and equipment 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.
 - d) 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.
 - e) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
 - f) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. In respect of its inventories:
 - a) According to the information and explanations furnished to us, the Company has physically verified its inventories of Stores and consumables covering nearly 93% value and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification to the extent carried out during the year is reasonable.
 - b) In respect of statement of current assets as submitted by the company to its bankers in respect of working capital loans availed, the following material discrepancies were noticed between the amounts disclosed in the returns submitted and books of accounts. In our opinion and according to the information and explanations give to us, the quarterly returns and statements comprising stock statements, payables and receivables(including retention and security deposit amounts) filed by the company with the banks are in agreement with the unaudited books of the company of the respective quarters and no material discrepancies have been noticed.
- 3) According to the information and explanations given to us, the Company has made investments in or granted unsecured loans to the companies during the year. However, no guarantees or securities has been provided to any of the companies, firms, LLP or any other parties.
 - a) The following are the details of aggregate amount of loans granted during the year and outstanding as on date of balance sheet with respect to Subsidiaries, Joint ventures and associates and other than the said parties.

Particulars	Loans granted (In ₹ Cr)
Aggregate amount of loans provided during the year	
- Subsidiaries*	17.00
- Joint Venturers	0.08
- Associates	-
- Others	-
Balance outstanding as on 31.3.2022	
- Subsidiaries	32.83



ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

Particulars	Loans granted (In ₹ Cr)
- Joint Venturers	0.64
- Associates	-
- Others	-

* including expenses paid on their behalf

- b) The loans given by the Company and investments made are prima-facie, not prejudicial to the interests of the Company considering the relationship and business expedience of the companies.
- c) In the absence of terms of schedule of repayment and absence of payment of Interest, the reporting requirements in terms of clause 3(iii) (c),(d) and (e) of the Order does not apply during the year under report.
- d) The loans granted during the year and outstanding as on date of balance sheet without specifying terms or period of repayment, the aggregate amount of the total loans granted and the aggregate amount of loans granted to related parties as defined u/s 2(76) of the Act is as follows.

(In ₹ Cr)

Particulars	All parties	Promoters	Related parties
Aggregate amount of loans as on 31.3.2022			
- Repayable on demand (A)	Nil	Nil	Nil
- Agreement does not specify any terms or period of repayment (B)	33.47	Nil	33.47
Total (A+B)	33.47	Nil	33.47
% of loans to the total loans	100%	Nil	100%

- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the grant of loans, investments made and providing guarantees as applicable.
- 5) The Company has not accepted any deposits from the public within the meaning of section 73-76 of the Act and therefore the provisions of clause 3(V) of the Order are not applicable to the Company.
- 6) The central government has not prescribed the maintenance of cost records under section 148(1) of the Act read with Companies (Cost Records and Audit) Rules, 2014 and hence the reporting requirements in terms of clause 3(vi) of the Order does not apply.
- 7)
 - a) According to the information furnished to us, the Company made delays in remittance of its statutory dues such as TDS, GST and is regular in depositing the other statutory dues.
 - b) There were no undisputed statutory dues in arrears in respect of PF, ESI, Customs duty, GST, Income-tax and other material statutory dues as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.
 - c) According to the information and explanations furnished to us, the following amounts of Value added tax have been disputed by the Company, and hence were not remitted to the authorities concerned at the date of the Balance Sheet under report.

Name of the Statute	Nature of Dues	Amount In ₹ Cr (net of amounts paid under protest)	Period to which it relates	Forum where dispute is pending
Bihar VAT Act	VAT	1.26 Cr (net of payment of 0.54 Cr)	2014-15	Joint Commissioner of Commercial taxes, Patna

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

- 8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 9) (a) In our opinion and according to the information and explanations furnished to us by the Company, there were no defaults in repayment of loans or other borrowings or in the payment of interest thereon to the lenders.
- (b) The Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.
- (c) The term loans obtained by the company from the banks were applied for the purpose for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The company has not taken any funds from any entity or person to meet the obligations of its subsidiaries, associates and Joint Ventures and hence the reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The company has not raised any loans on pledge of its securities held in subsidiaries, associates and Joint ventures and hence reporting under clause 3(ix)(f) of the Order is not applicable.
10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
11. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year under report.
- (c) According to the information and explanations furnished to us by the company, no whistle blower complaints has been received by the Company during the year.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit issued to the Company during the year in determining the nature, timing and extent of our audit procedures.
15. In our opinion, the Company has not entered into any non-cash transactions during the year with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit but incurred in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our



ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section

135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

- (b) The company is not carrying on any CSR activities towards ongoing projects and hence the reporting under clause (3)(xx)(b) of the order is not applicable for the year under report.

For **K.S. Rao & Co**
Chartered Accountants
(Firm Registration No. 003109S)

Gopikrishna Chowdary Manchinella
Partner

Place: Hyderabad
Date: 21.05.2022

Membership No. 235528
UDIN: 22235528AJJTU2200

Annexure “B” to the Independent Auditors’ Report

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **POWER MECH PROJECTS LIMITED** (“the Company”) as of 31st March, 2022 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

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 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K.S. Rao & Co**
Chartered Accountants
(Firm Registration No. 003109S)

Gopikrishna Chowdary Manchinnella
Partner

Place : Hyderabad
Date : 21.05.2022

Membership No. 235528
UDIN: 22235528AJJJTU2200



Balance Sheet as at 31st March, 2022

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

Particulars	Note No.	As at 31 st March, 2022	As at 31 st March, 2021
ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	4.1	148.03	137.79
(b) Right-of-use assets	4.2	3.66	5.30
(c) Capital Work-in-progress	4.3	1.73	5.28
(d) Intangible Assets	5	0.19	0.23
(e) Financial Assets			
(i) investments	6.1	13.91	13.88
(ii) Loans	7	-	-
(iii) Other financial assets	8	302.66	274.13
(f) Deferred Tax Asset (Net)	18	10.26	20.20
(g) Other Non-current Assets	9	1.32	2.13
Total Non-Current assets		481.76	458.94
2. Current Assets			
(a) Inventories	10	125.81	106.81
(b) Financial Assets			
(i) Investments	6.2	2.45	2.36
(ii) Trade receivables	11	641.19	486.51
(iii) Cash and cash equivalents	12	71.45	12.08
(iv) Other bank balances	12	75.70	50.10
(v) Loans	7	38.43	30.56
(vi) Other financial assets	8	524.75	511.11
(c) Other Current assets	9	468.60	439.68
(d) Current tax Asset (Net)	22	57.24	33.22
Total Current assets		2,005.62	1,672.43
Total Assets		2,487.38	2,131.37
EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	13	14.71	14.71
(b) Other Equity	14	978.89	836.67
Total Equity		993.60	851.38
Liabilities			
2. Non-current liabilities			
(a) Financial Liabilities			
(i) Long-term borrowings	15	34.94	15.84
(ii) Lease liabilities	16	1.72	2.74
(iii) Other financial liabilities	16	79.95	71.58
(b) Provisions	17	6.61	4.31
(c) Deferred Tax Liabilities (Net)	18	-	-
(d) Other non-current liabilities	19	68.83	10.37
Total non-current liabilities		192.05	104.84
3. Current liabilities			
(a) Financial Liabilities			
(i) Short-term borrowings	20	472.20	493.40
(ii) Lease liabilities	16	1.64	2.53
(iii) Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises		1.47	0.11
b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		530.01	486.91
(iv) Other financial liabilities	16	115.53	91.43
(b) Other current liabilities	19	179.33	99.59
(c) Provisions	17	1.55	1.18
(d) Current tax Liabilities (Net)	22	-	-
Total current liabilities		1,301.73	1,175.15
Total Liabilities		1,493.78	1,279.99
Total Equity and Liabilities		2,487.38	2,131.37

Corporate Information

1

Basis of Preparation and Significant Accounting Policies

2-3

The accompanying notes 32-52 from an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

For **K S RAO & CO**

Chartered Accountants

Firm Registration Number: 003109S

Sd/-

S. Kishore Babu

Chairman and Managing Director

DIN: 00971313

Sd/-

(GopiKrishna Chowdary Manchinella)

Partner

Membership Number: 235528

UDIN: 22235528AJJTU2200

Place: Hyderabad

Date: 21.05.2022

Sd/-

J Satish

CFO

Sd/-

Mohith Kumar Khandelwal

Company Secretary

Statement of Profit and Loss for the Year ended 31st March, 2022

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

Particulars	Note No.	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
I Revenue from Operations	23	2,631.13	1,754.40
II Other Income	24	25.41	20.14
III Total Income (I+II)		2,656.54	1,774.54
IV Expenses			
Cost of Material Consumed	25	323.77	249.71
(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	26	1.78	4.62
Contract execution expense	27	1,595.72	1,134.70
Employee benefits expense	28	404.58	295.31
Finance cost	29	76.06	77.89
Depreciation and Amortization expense	30	34.48	33.21
Other expense	31	32.80	24.81
Total Expenses (IV)		2,469.19	1,820.25
V Profit / (Loss) before exceptional items and tax (III-IV)		187.35	(45.71)
VI Exceptional Items		-	-
VII Profit / (Loss) before tax (V-VI)		187.35	(45.71)
VIII Tax expense:			
Current tax		36.45	2.00
Deferred tax charge / (credit)		9.94	(13.10)
IX Profit / (Loss) after tax for the year (VII-VIII)		140.96	(34.61)
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		0.01	0.02
b) Remeasurement of defined employee benefit plans		1.25	1.37
Total Other Comprehensive income		1.26	1.39
XI Total Comprehensive Income / (Loss) for the year (IX+X)		142.22	(33.22)
XII Earnings per Share - Basic and Diluted		95.82	(23.53)

Corporate Information 1
 Basis of Preparation and Significant Accounting Policies 2-3
 The accompanying notes 32-52 from an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

For **K S RAO & CO**
 Chartered Accountants
 Firm Registration Number: 003109S

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

Sd/-
(GopiKrishna Chowdary Manchinella)
 Partner
 Membership Number: 235528
 UDIN: 22235528AJJTU2200

Sd/-
J Satish
 CFO

Sd/-
Mohith Kumar Khandelwal
 Company Secretary

Place: Hyderabad
 Date: 21.05.2022



Cash Flow Statement for the Year ended 31st March, 2022

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

Particulars	2021-22	2020-21
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	187.35	(45.71)
Add / Less: Adjustments for :		
Depreciation	34.48	33.21
Interest and Finance charges	75.35	77.87
Interest on Income Tax	0.70	0.02
Loss on sale of assets	3.12	0.34
Net loss arising on financial assets measured at FVTPL	(0.07)	(0.05)
Fair value gain on current investments	(0.19)	(0.11)
Interest income	(6.69)	(6.47)
Profit on sale of assets	(0.22)	(0.46)
Dividend income	(15.58)	(10.74)
Amortisation of Deferred Government grants	(0.09)	(0.12)
Remeasurement benefits on defined benefit Plans/Obligations Considered in Other Comprehensive Income	1.25	1.37
Operating profit before working capital changes	279.41	49.15
Movements in Working Capital		
Adjustments for (increase)/decrease in operating assets:		
- Trade Receivables	(154.68)	(18.63)
- Inventories	(19.00)	8.42
- Other Assets	(85.44)	85.33
Adjustments for increase / (decrease) in operating liabilities:		
- Trade Payables	44.46	(34.49)
- Other Liabilities and Provisions	173.31	43.30
Cash generated from operations	238.06	133.08
Less: Direct taxes paid	(61.18)	(28.01)
Net cash from Operating activities (A)	176.88	105.07
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets/Capital work in progress	(45.17)	(26.26)
Proceeds from sale of fixed assets	3.36	1.10
Investment in equity shares of Subsidiary Companies (Investment)/Redemption in Mutual Funds (Net)	(0.02)	-
Margin money deposits with banks and other balances	(18.29)	(26.46)
Dividend received	15.58	10.74
Interest received	6.69	6.47
Net cash (used in) Investing activities (B)	(37.84)	(36.66)
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) borrowings	(2.10)	0.82
Interest and Finance charges paid	(74.91)	(77.27)
Lease Rent Paid	(2.65)	(2.51)
Dividend paid	-	(1.47)
Net cash (used in) financing activities (C)	(79.66)	(80.43)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	59.38	(12.02)
Cash and cash equivalents at the beginning of the period	12.08	24.10
Cash and cash equivalents at the end of the period	71.45	12.08
Net Increase/(decrease) in cash and cash equivalents	59.37	(12.02)

Note: The above cash flow statement has been prepared under "Indirect method" as set out in the Indian Accounting Standard (IND AS 7) - Statement of Cash flows.

Cash Flow Statement for the Year ended 31st March, 2022

Components of cash and cash equivalents

Particulars	2021-22	2020-21
Cash on hand	1.28	1.57
In Current accounts	69.15	10.45
Deposits having maturity period for less than 3 months	1.02	0.06
Total	71.45	12.08

Reconciliation of Changes in Liability arising from Financing activities for the year ending 31.03.2022

Particulars	Opening	Ind As 116 changes	Cash flows	Non-Cash changes	Net Cash flow	Closing
Long term borrowings	55.71	-	-	0.06	26.68	82.45
Short term borrowings	453.53	-	-	-	(28.84)	424.69
Lease Liabilities (Refer Note no.47)	5.27	0.31	(2.65)	0.43	(2.34)	3.36

Reconciliation of Changes in Liability arising from Financing activities for the year ending 31.03.2021

Particulars	Opening	Ind As 116 changes	Cash flows	Non-Cash changes	Net Cash flow	Closing
Long term borrowings	90.77	-	-	0.08	(35.14)	55.71
Short term borrowings	417.65	-	-	-	35.88	453.53
Lease Liabilities (Refer Note no.47)	6.96	0.33	(2.63)	0.61	(2.30)	5.27

Corporate Information 1

Basis of Preparation and Significant Accounting Policies 2-3

The accompanying notes 32-52 from an integral part of the financial statements.

As per our report of even date

For **K S RAO & CO**
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number: 235528
UDIN: 22235528AJJYTU2200

Place: Hyderabad
Date: 21.05.2022

For and on behalf of the Board

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

Sd/-
J Satish
CFO

Sd/-
Mohith Kumar Khandelwal
Company Secretary



Statement of Changes in Equity for the year ended 31st March, 2022

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

A. Equity share capital

Particulars	No's	Total
As at 31st March, 2020	1,47,10,764	14.71
Changes in equity during the year	-	-
As at 31st March, 2021	1,47,10,764	14.71
Changes in equity during the year	-	-
As at 31st March, 2022	1,47,10,764	14.71

B. Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Total
	Securities Premium	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Re-Measurement of defined employee benefit plans	
Balance as at 31st March 2020	160.93	36.96	670.84	-	2.63	871.36
Loss for the year	-	-	(34.61)	-	-	(34.61)
Other Comprehensive Income	-	-	-	0.02	1.37	1.39
Total Comprehensive Loss for the year	-	-	(34.61)	0.02	1.37	(33.22)
Less: Appropriations						
Final Dividend for the Financial year 2019-20 proposed & paid during the year	-	-	1.47	-	-	1.47
Balance as at 31st March 2021	160.93	36.96	634.76	0.02	4.00	836.67
Profit for the year	-	-	140.96	-	-	140.96
Other Comprehensive Income	-	-	-	0.01	1.25	1.26
Total Comprehensive Income for the year	-	-	140.96	0.01	1.25	142.22
Less: Appropriations	-	-	-	-	-	-
Balance as at 31st March 2022	160.93	36.96	775.72	0.03	5.25	978.89

Corporate Information 1
Basis of Preparation and Significant Accounting Policies 2-3

The accompanying notes 32-52 from an integral part of the financial statements.

As per our report of even date

For **K S RAO & CO**
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number: 235528
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Place: Hyderabad
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Sd/-
S. Kishore Babu
Chairman and Managing Director
DIN: 00971313

Sd/-
J Satish
CFO

Sd/-
Mohith Kumar Khandelwal
Company Secretary

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

Note 1: CORPORATE INFORMATION

Power Mech Projects Limited is incorporated in the year 1999 and is an engineering and construction company providing integrated service in erection, testing and commissioning (ETC) of boilers, turbines and generators and balance of plant (BOP), civil works and operation and maintenance (O&M). The company is undertaking projects of all types, sizes and in all environments in India and abroad which include ultra mega power projects, super critical thermal power projects, sub critical power projects, heat recovery steam generator, waste heat recovery steam generator, circulating 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, mining of sand, a new venture of diversification and the company has already undertaken some major projects. Thus, Power Mech is proud to be a vital part of India's Power generation capacity augmentation. Also, the company as a part of diversifying its operations, entering into development and operation of coal mines.

Note 2: BASIS OF PREPARATION

2.1 a) Basis of preparation of financial statements

These financial Statements are the separate financial statements of the company (called Standalone financial statements). These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention and on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

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.



COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

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 in respect of uncertified works is based on estimates at the reporting date.

x) Other estimates:

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns,

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

xi) Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets, receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact assessment of COVID-19 is a continuous process given the uncertainty associated with its nature and durations and accordingly the eventual outcome may be different from those estimates as on the date of approval of these Financial Statements.

Note 3: Significant accounting policies

a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are 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 amortisation. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis from the date they are available for use.

c) Depreciation and Amortisation

The depreciation on property, plant and equipment is provided under the Straight-line method over the useful lives of the assets estimated by the management. The management based on internal assessment, taking into account the nature of the asset, estimated usage of the asset, operating conditions of the asset, past history of replacement, anticipated technical changes and independent technical evaluation carried out by external valuers, believes that the useful lives given below best represent the period over which the management expects to use these assets.

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

Name of the asset	Estimated useful life (No. of years)
Office buildings	20
Plant and machinery	5
Furniture and fixtures	5
Computers	4
Office equipments	5
Vehicles	5
Cranes	12.5
Mobile Phones	1
Temporary sheds	1-3



COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

d) Government Grants

Government grants are not 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, joint ventures and Associate

Investments in subsidiaries, joint ventures and associate 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.

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.

Contracts awarded to the company and not commenced as on date of balance sheet, the cost

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

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



COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

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 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

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

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

p) Leases

The Company's leased assets primarily consist of buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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 amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income.

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments



COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

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 amortised cost using the effective interest method. The effective method is a method of calculating the amortisation cost of a financial liability and of allocating interest expense over the relevant period. The effective interest is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

De-recognition of financial liability

The company de-recognises financial liabilities when the company's obligations are discharged, cancelled or expired. The difference between the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit and loss over the contractual terms using the effective interest method.

- s) **Recent Accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022. The amendment is not expected to have a material impact on the Standalone financial statements of the Company.

Notes on Standalone Financials Statements

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

Note 4.1: Property, Plant & Equipment and Capital Work-In-Progress

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Carrying Amounts of:		
Land	3.42	3.60
Office Buildings	15.62	16.75
Plant and Equipment	18.36	11.35
Furniture and Fixtures	1.79	1.73
Computers	1.74	1.29
Office Equipment	3.34	2.72
Motor vehicles	22.37	15.79
Cranes	67.32	74.90
Temporary Sheds	14.07	9.66
	148.03	137.79
Capital Work-in-progress (Refer Note No 4.3)	1.73	5.28



Notes on Standalone Financials Statements

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

Note 4.1: Property, Plant and Equipment

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, 2020	3.60	21.97	41.64	9.61	4.02	10.71	40.97	147.07	34.51	314.10
Additions	-	-	1.96	0.55	0.47	0.82	7.12	8.40	4.21	23.53
Disposals	-	-	0.53	0.00	0.00	0.26	1.60	1.35	1.69	5.43
As at 31st March, 2021	3.60	21.97	43.07	10.16	4.49	11.27	46.49	154.12	37.03	332.20
Additions	-	-	10.88	1.03	0.97	1.79	11.93	10.18	9.58	46.36
Disposals	0.18	-	0.62	0.02	0.01	0.03	1.43	5.51	0.41	8.21
As at 31st March, 2022	3.42	21.97	53.33	11.17	5.45	13.03	56.99	158.79	46.20	370.35
Accumulated Depreciation and Impairment:										
As at 31st March, 2020	-	4.09	28.62	6.89	2.79	7.53	28.15	64.39	25.46	167.92
Depreciation charge for the year	-	1.13	3.35	1.54	0.41	1.23	3.92	15.84	3.52	30.94
On disposals	-	-	0.25	0.00	0.00	0.21	1.37	1.01	1.61	4.45
As at 31st March, 2021	-	5.22	31.72	8.43	3.20	8.55	30.70	79.22	27.37	194.41
Depreciation charge for the Year	-	1.13	3.81	0.97	0.52	1.15	5.11	14.42	5.11	32.22
On disposals	-	-	0.56	0.02	0.01	0.01	1.19	2.17	0.35	4.31
As at 31st March, 2022	-	6.35	34.97	9.38	3.71	9.69	34.62	91.47	32.13	222.32
Net Block :										
As at 31st March, 2022	3.42	15.62	18.36	1.79	1.74	3.34	22.37	67.32	14.07	148.03
As at 31st March, 2021	3.60	16.75	11.35	1.73	1.29	2.72	15.79	74.90	9.66	137.79

Notes:

- 1) Term loans taken by the company for purchase of property, plant & equipment 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 property, plant & equipment against which charge was given to equipment financiers.
- 3) None of the property, plant & equipment were acquired / transferred by way of business combinations .
- 4) The carrying values of any of the property, plant & equipment does not include any changes made on account of revaluation as on date of balance sheet.
- 5) The title deeds of immovable properties were held in the name of the company.
- 6) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

Notes on Standalone Financials Statements

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

Note No.4.2: Right-of-use assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Right-of-use assets	3.66	5.30
	3.66	5.30

Particulars	Lease hold land & Improvements	Buildings	Total
(A) Cost or deemed cost :			
Balance at 31st March, 2020	0.55	8.84	9.39
Additions	-	0.33	0.33
Disposals / adjustments	-	-	-
Balance at 31st March, 2021	0.55	9.17	9.72
Additions	-	0.57	0.57
Disposals / adjustments	-	-	-
Balance at 31st March, 2022	0.55	9.74	10.29
(B) Accumulated Amortisation and impairment :			
Balance at 31st March, 2020	0.01	2.18	2.19
Amortization expense for the year	0.01	2.22	2.23
Eliminated on disposal	-	-	-
Balance at 31st March, 2021	0.02	4.40	4.42
Amortization expense for the year	0.01	2.20	2.21
Eliminated on disposal	-	-	-
Balance at 31st March, 2022	0.03	6.60	6.63
(C) Carrying amount :			
As at 31st March, 2022	0.52	3.14	3.66
As at 31st March, 2021	0.53	4.77	5.30



Notes on Standalone Financials Statements

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

Note No.4.3 Capital Work-in-Progress

Particulars	Amount
At Cost	
As at 31st March, 2020	2.56
Additions	2.93
Capitalised during the year	0.21
As at 31st March, 2021	5.28
Additions	1.73
Capitalised / written off during the Year	5.28
As at 31st March, 2022	1.73

Capital Work-in-progress ageing schedule as on 31.03.2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	1.73	-	-	-	1.73
Projects temporarily suspended	-	-	-	-	-

Note: None of the above projects were overdue for its completion and does not exceeded its cost compared to its original plan.

Capital Work-in-progress ageing schedule as on 31.03.2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years*	
Projects in progress	2.93	-	-	2.35	5.28
Projects temporarily suspended	-	-	-	-	-

* Assets pending installation/assembling due to closure of site for reasons beyond the control of the company.

Note: None of the above projects were overdue for its completion and does not exceeded its cost compared to its original plan.

Note No.5: INTANGIBLE ASSETS

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Power Mech Brand *	0.00	0.00
Computer Software	0.19	0.23
Total	0.19	0.23

* Amount below ₹1 Lakh

Notes on Standalone Financials Statements

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

Particulars	Power Mech Brand	Computer Software	Total
Gross Block :			
As at 31st March, 2020	0.00	1.43	1.43
Additions	-	-	-
Disposals	-	-	-
As at 31st March, 2021	0.00	1.43	1.43
Additions	-	0.01	0.01
Disposals	-	-	-
As at 31st March, 2022	0.00	1.44	1.44
Accumulated Amortization and Impairment:			
As at 31st March, 2020	0.00	1.15	1.15
Amortization expense for the year	0.00	0.05	0.05
On disposals	-	-	-
As at 31st March, 2021	0.00	1.20	1.20
Amortization expense for the year	-	0.05	0.05
On disposals	-	-	-
As at 31st March, 2022	0.00	1.25	1.25
Net Block :			
As at 31st March, 2022	0.00	0.19	0.19
As at 31st March, 2021	0.00	0.23	0.23

- None of the intangible assets were acquired/transferred by way of business combinations.
- The carrying values of any of the assets does not include any changes made on account of revaluation as on date of balance sheet.

Note No.6.1: INVESTMENTS (NON-CURRENT)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
A. Investment in Equity Instruments		
(a) (i) Quoted - Trade (Carried at fair value through OCI)		
a) 24(24) Equity shares of ₹10/ each in Reliance Power Limited*	0.00	0.00
(ii) Quoted - Non Trade (Carried at fair value through OCI)		
a) 200(200) Equity shares of ₹10/- each in Assam Company Limited*	0.00	0.00
Total Investment in Quoted Equity Instruments (a)	0.00	0.00



Notes on Standalone Financials Statements

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(b) (i) Unquoted - Trade		
Investment in Subsidiaries (Carried at cost):		
a) 1,85,000 (1,85,000) Equity shares of ₹10 each in Hydro Magus Private Limited	2.94	2.94
b) 18,937 (18,937) Equity shares of ₹10 each in Power Mech Industri Private Limited (Wholly owned subsidiary)	4.31	4.31
c) 1,75,000 (1,75,000) ordinary shares of RO 1 each in Power Mech Projects Limited LLC	3.02	3.02
d) 5,100 (5,100) Equity shares of ₹10 each in Power Mech BSCPL Consortium Private Limited	0.01	0.01
e) 1,00,000 (1,00,000) Equity shares of ₹10 each in Power Mech SSA Structures Private Limited (Wholly owned subsidiary)	0.10	0.10
f) 1,00,000 (1,00,000) Equity shares of ₹10 each in Aashm Avenues Private Limited (Wholly owned subsidiary)	0.10	0.10
g) 1,00,000 (1,00,000) Ordinary shares of USD 1 each in Power Mech Projects (BR) FZE (Wholly owned subsidiary) (Investment by way of subscription of assets)	0.69	0.69
h) 10,000 (10,000) Equity shares of ₹10 each in Power Mech Environmental Protection Private Limited (Wholly owned subsidiary)	0.01	0.01
i) 10,000 (Nil) Equity shares of ₹10 each in Energy Advisory and Consulting Services Private Limited (Wholly owned subsidiary)	0.01	-
j) 7,400 (Nil) Equity shares of ₹10 each in KBP Mining Private Limited	0.01	-
Investment in Joint Venture (Carried at cost):		
a) 1,50,00,000 (1,50,00,000) equity shares of 1 Naira each in GTA Power Mech Nigeria Limited	0.32	0.32
b) 50 (50) Equity shares of AED 1000 each in GTA Power Mech DMCC (Company with limited liability)	0.09	0.09
c) 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) **	-	-
f) Investment in PMPL-SRC INFRA JV - Mizoram (Capital introduced Nil) **	-	-
g) Investment in PMPL-SRC INFRA JV - Hassan (Capital introduced Nil) **	-	-
h) Investment in PMPL-BRCC INFRA JV (Capital introduced Nil) **	-	-

Notes on Standalone Financials Statements

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
i) Investment in PMPL-KVRECPL Consortium JV (Capital introduced Nil)**	-	-
j) Investment in PMPL-PIA JV (Capital introduced Nil)**	-	-
Investment in Associate (Carried at cost) :		
a) 332 (332) Equity shares of SR 1000 each in MAS Power Mech Arabia	2.25	2.25
Total Investment in Un-Quoted Equity Instruments (b)	13.86	13.84
Total Investment in Equity Instruments (A)= (a+b)	13.86	13.84
B. Investment in Mutual Funds - Quoted: (Carried at fair value through OCI)		
a) 20,000(20,000) units of SBI Infra structure fund - I - Growth ₹10/- each	0.05	0.04
Total Investment in Mutual Funds (B)	0.05	0.04
Total (A+B)	13.91	13.88
Aggregate amount of : Quoted investments -		
- At cost	0.02	0.02
- Market value	0.05	0.04
Aggregate amount of unquoted investments	13.86	13.84

* Amont below ₹1 Lakh

** The company has become a venturer in Joint Ventures incorporated during the Financial year 18-19 to 21-22. However no investment has been made in the said JV's as on date of Balance Sheet.

Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised
Investments measured at:				
(i) Fair value through Other Comprehensive Income				
a) 24(24) Equity shares of ₹10/ each in Reliance Power Limited	0.00	-	0.00	-
b) 200(200) Equity shares of ₹10/ each in Assam Company Limited	0.00	-	0.00	-
c) 20,000(20,000) units of SBI Infra structure fund I Growth ₹10/ each - Mutual Funds	0.05	-	0.04	-
(ii) Investment in Subsidiary Companies, Joint Ventures and Associates (Carried at cost)	13.86	15.58	13.84	10.74
Total	13.91	15.58	13.88	10.74



Notes on Standalone Financials Statements

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

Note No.6.2: INVESTMENTS (CURRENT)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Investment in Mutual Funds - Quoted: (Carried at fair value through P&L)		
a) 2,50,000 (2,50,000) units of Baroda PNB Paribas Large & Mid Cap Fund	0.41	0.32
b) 16,30,879 (16,82,808) units of Union Bank Corporate Fund Regular Plan - Growth Fund	2.04	2.04
Total Investment in Mutual Funds	2.45	2.36
Aggregate amount of : Quoted investments -		
- At cost	2.15	2.25
- Market value	2.45	2.36

Note No.7 LOANS

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured, Considered Good				
a) Employee related advances	-	-	4.96	5.15
b) Loans to related parties				
- Subsidiaries				
- Power Mech Industri Private Limited	-	-	27.71	22.65
- Power Mech SSA Structures Private Limited	-	-	2.21	2.21
- KBP Mining Private Limited			2.91	-
c) Loans to Others - GTA Power Mech FZE	-	-	0.64	0.55
(Subsidiary to GTA Power Mech Nizeria, a JV)				
Total	-	-	38.43	30.56

The above Loans are sub-classified as :

a) Loans considered good - Secured	-	-	-	-
b) Loans considered good - Unsecured	-	-	38.43	30.56
c) Loans which have significant increase in Credit Risk	-	-	-	-
d) Loans - credit impaired	-	-	-	-
	-	-	38.43	30.56

Notes on Standalone Financials Statements

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

Note:

- 1) No loans are due from directors or other officers of the company either severally or jointly with any other person nor any other loans are due from firms in which any director is a partner, a director or a member.
- 2) All the above advances given to subsidiaries / joint ventures are utilised for their business purposes.

Particulars of Loans granted	As at 31 st March, 2022	% out of Total Loans advanced	As at 31 st March, 2021	% out of Total Loans advanced
Repayable on demand	-	-	-	-
without specifying the terms or period of repayment	-	-	-	-
a) Promoters	-	-	-	-
b) Directors	-	-	-	-
c) KMP	-	-	-	-
d) Related parties	33.47	100.00	25.41	100.00

Note No.8 OTHER FINANCIAL ASSETS

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
a) Security deposits with Govt. authorities and others	9.38	10.14	-	-
b) EMD with customers	37.59	59.70	-	-
c) Earmarked balances with banks held as margin money against LC and guarantees having a maturity period for more than 12 months from the date of balance sheet	57.85	65.15	-	-
d) Retention Money and Security Deposit with customers - Unsecured	203.94	142.48	112.28	129.12
e) Uncertified Revenue	-	-	412.47	381.99
Total	308.76	277.47	524.75	511.11
Less: Provision for doubtful receivables (Retention Money and Security Deposit with customers)	(6.10)	(3.34)	-	-
Total	302.66	274.13	524.75	511.11

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



Notes on Standalone Financials Statements

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

Uncertified revenue ageing schedule as on 31.03.2022

Particulars	Outstanding for following periods					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Uncertified revenue	303.09	70.08	35.03	4.27	-	412.47

Uncertified revenue ageing schedule as on 31.03.2021

Particulars	Outstanding for following periods					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Uncertified revenue	286.00	56.58	34.00	5.41	-	381.99

Note No.9 OTHER ASSETS

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured, Considered Good				
a) Advances for Capital goods	1.32	2.13	-	-
b) Mobilisation advances to Sub-Contractors	-	-	9.74	8.90
c) Advances to creditors against supplies	-	-	19.30	26.31
d) Advances to sub-contractors against works - Unsecured	-	-	339.51	337.60
e) Prepaid Royalty and Other expenses	-	-	30.97	38.85
f) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	63.27	21.50
Works contract tax (TDS)	-	-	-	0.19
Taxes paid under protest	-	-	0.54	0.54
Sales Tax Refund Receivable	-	-	-	0.14
Duty credit scrip on hand	-	-	0.10	0.02
g) Other advances	-	-	6.39	6.85
Total	1.32	2.13	469.82	440.90
Less: Provision for doubtful advances (Advance to sub-contractors against works)	-	-	(1.22)	(1.22)
Total	1.32	2.13	468.60	439.68

Note: No advances are due from directors or other officers of the company either severally or jointly with any other person nor any other loans are due from firms or private company in which any director is a partner, a director or a member.

Notes on Standalone Financials Statements

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

Note No.10: INVENTORIES

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
a) Stores and spares	117.44	96.66
b) Work-in-progress	8.37	10.15
Total	125.81	106.81

Note:

- (i) The mode of valuation of inventories has been stated in Note 3(h) in Accounting Policies.
- (ii) The cost of inventories recognised as an expense for the year ended 31st March, 2022 was ₹323.77 Cr (for the year ended 31st March, 2021: ₹249.71 Cr)
- (iii) All the above inventories are offered as security in respect of working capital loans availed by the company from all the banks.
- (iv) There are no inventories expected to be liquidated after more than twelve months.

Note No.11: TRADE RECEIVABLES

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured*	641.19	486.51
Trade receivables which have significant increase in Credit Risk	4.06	2.53
Trade receivables - credit impaired	-	-
Less: Provision for doubtful receivables	(4.06)	(2.53)
Total	641.19	486.51

*Includes receivables from Subsidiary Companies / Joint ventures / Associates:

- Hydro Magus Private Limited	3.50	0.91
- Power Mech BSCPL Consortium Private Limited	47.84	25.73
- M/S POWER MECH-M/S ACPL JV	0.58	-
- PMPL-STC JV	8.54	16.76
- PMPL-SRC INFRA JV (Mizoram)	0.63	2.08
- PMPL-SRC INFRA JV (Hassan)	-	8.08
- PMPL-BRCC INFRA JV	10.96	-
- PMPL-KHILARI Consortium JV	4.18	7.92
- PMPL-PIA JV	2.48	-
- MAS Power Mech Arabia	13.39	14.31
- GTA Power Mech Nigeria Ltd	-	0.15
- Power Mech Projects (BR) FZE	12.69	13.53



Notes on Standalone Financials Statements

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

- 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, ₹166.15 Cr (as at 31st March, 2021: ₹95.06 Cr) is due from one of the Company's largest customer.

Further, an amount of ₹87.48 Cr (as at March 31, 2021 : ₹25.73 Cr) is due from customers who represent more than 5% of the total balance of trade receivables.

- c) In determining the provision for trade receivables, the company has used practical expedients based on the financial conditions of the customer, historical experience of collections from customers, possible outcome of negotiations with customers etc., The concentration of risk with respect to trade receivables is reasonably low as most of the receivables are from Government organisations, high profile and net worth companies though there may be normal delay in collection. The expected credit loss allowance is based on the estimates by the management about their recoverability.

Trade Receivables ageing schedule as on 31.03.2022

Particulars	Outstanding for following periods from the date of transaction					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) undisputed trade Receivables - considered good	536.62	44.35	56.90	3.32	-	641.19
(ii) undisputed trade Receivables - which have significant increase in credit risk	-	-	-	4.06	-	4.06
(iii) undisputed trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade Receivables - credit impaired	-	-	-	-	-	-
Provision for expected credit loss				(4.06)		(4.06)
Total	536.62	44.35	56.90	3.32	-	641.19

Notes on Standalone Financials Statements

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

Trade Receivables ageing schedule as on 31.03.2021

Particulars	Outstanding for following periods from the date of transaction					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) undisputed trade Receivables - considered good	353.81	126.07	3.61	3.02	-	486.51
(ii) undisputed trade Receivables - which have significant increase in credit risk	-	-	-	2.53	-	2.53
(iii) undisputed trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade Receivables - credit impaired	-	-	-	-	-	-
Provision for expected credit loss				(2.53)		(2.53)
Total	353.81	126.07	3.61	3.02	-	486.51

Note No.12: CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
i) Balances with banks		
a. In Current accounts	69.15	10.45
ii) Cash on hand	1.28	1.57
iii) Fixed Deposits with original maturity period of less than 3 months	1.02	0.06
Total	71.45	12.08

Note No.12: OTHER BANK BALANCES

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
a. Earmarked balances with banks held as margin money against LC and guarantees falls due for maturity within 12months from the date of Balance sheet	75.68	50.08
b. Earmarked balances with banks towards unclaimed dividends	0.02	0.02
Total	75.70	50.10

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



Notes on Standalone Financials Statements

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

Note No.13: SHARE CAPITAL

a) Authorised Share Capital

Particulars	Equity	
	No's	Total
As at 31st March, 2020	2,60,00,000	26.00
Changes during the year	-	-
As at 31st March, 2021	2,60,00,000	26.00
Changes during the year	-	-
As at 31st March, 2022	2,60,00,000	26.00

b) Issued Share Capital

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

Particulars	No's	Total
As at 31st March, 2020	1,47,10,764	14.71
Increase/(Decrease) during the Year	-	-
As at 31st March, 2021	1,47,10,764	14.71
Increase/(Decrease) during the Year	-	-
As at 31st March, 2022	1,47,10,764	14.71

c) Rights, Preferences and restrictions attached to Equity shares

The Company has only one class of Equity shares having a face value of ₹10/- each. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

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

Name of the Share Holder	As at 31 st March, 2022		As at 31 st March, 2021	
	No of Shares held	% out of total number of shares of the Company	No of Shares held	% out of total number of shares of the Company
S. Kishore Babu	38,64,942	26.27%	38,64,942	26.27%
S. Kishore Babu (HUF)	12,44,000	8.46%	12,44,000	8.46%
S. Lakshmi	37,28,626	25.35%	37,28,626	25.35%
S. Rohit	19,413	0.13%	19,413	0.13%
HDFC Small Cap Fund	12,27,393	8.34%	10,03,126	6.82%
	1,00,84,374	68.55%	98,60,107	67.03%

Notes on Standalone Financials Statements

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

e) Details of shares held by promoters as on 31.03.2022

Name of the promoters	As at 31 st March 2022		% Change during the FY 2021-22
	No. of shares	% of total shares	
SAJJA KISHORE BABU	38,64,942	26.27	0.00
SAJJA KISHORE BABU (HUF)	12,44,000	8.46	0.00
LAKSHMI SAJJA	37,28,626	25.35	0.00
SAJJA ROHIT	19,413	0.13	0.00
SAJJA VIGNATHA	3,83,054	2.60	0.00
AISHWARYA KURRA	87,513	0.59	4.47
GOGINENI BABU	25,958	0.18	0.00
SIREESHA GOGINENI	3,360	0.02	0.00
SEKHAR GOGINENI	4,071	0.03	0.00
SIVARAMA KRISHNA PRASAD SAJJA	2,930	0.02	(0.09)
SUBHASHINI KANTETI	2,520	0.02	0.00
UMA DEVI KOYI	3,026	0.02	(0.33)
SAI MALLESWARA RAO SAJJA	255	-	0.00

Details of shares held by promoters as on 31.03.2021

Name of the promoters	As at 31 st March 2021		% Change during the FY 2020-21
	No. of shares	% of total shares	
SAJJA KISHORE BABU	38,64,942	26.27	0.06
SAJJA KISHORE BABU (HUF)	12,44,000	8.46	-
LAKSHMI SAJJA	37,28,626	25.35	0.19
SAJJA ROHIT	19,413	0.13	(0.98)
SAJJA VIGNATHA	3,83,054	2.60	0.29
AISHWARYA KURRA	15,990	0.11	0.11
GOGINENI BABU	25,958	0.18	0.05
SIREESHA GOGINENI	3,360	0.02	-
SEKHAR GOGINENI	4,071	0.03	9.18
SIVARAMA KRISHNA PRASAD SAJJA	3,230	0.02	-
SUBHASHINI KANTETI	2,520	0.02	-
UMA DEVI KOYI	4,526	0.03	-
SAI MALLESWARA RAO SAJJA	255	-	-



Notes on Standalone Financials Statements

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

- f) The Company is not a subsidiary Company to any of the Company. The Company had 8 Indian subsidiary companies Hydro Magus Private Limited, Power Mech Industri Private Limited, Power Mech BSCPL Consortium Private Limited, Aashm Avenues Private Limited, Power Mech SSA Structures Private Limited, Power Mech Environmental Protection Private Limited, Energy Advisory and Consulting Services Private Limited and KBP Mining 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 8 Indian Joint venture companies M/S POWER MECH-M/S ACPL JV, PMPL-STC JV, PMPL-KHILARI Consortium JV, PMPL-SRC INFRA JV(Mizoram), PMPL-SRC INFRA JV(Hassan), PMPL-BRCC INFRA JV, PMPL-PIA JV, PMPL-KVRECPL 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.

- g) Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:
No Bonus shares were issued during the period of five immediately preceding financial Years.
- h) No shares were issued pursuant to a contract without payment being received in cash.

Note No.14: OTHER EQUITY

Securities Premium

Particulars	Amount
As at 31st March, 2020	160.93
Changes during the year	-
As at 31st March, 2021	160.93
Changes during the year	-
As at 31st March, 2022	160.93

General Reserve

Particulars	Amount
As at 31st March, 2020	36.96
Transfers during the year	-
As at 31st March, 2021	36.96
Transfers during the year	-
As at 31st March, 2022	36.96

Notes on Standalone Financials Statements

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

Retained Earnings

Particulars	Amount
As at 31st March, 2020	673.47
Add: Total comprehensive loss for the year transferred from statement of profit and loss	(33.22)
Less: Appropriations.	
Final Dividend for the Financial year 2019-20 proposed & paid during the year	1.47
As at 31st March, 2021	638.78
Add: Total comprehensive income for the year transferred from statement of profit and loss	142.22
Less: Appropriations.	-
As at 31st March, 2022	781.00

Summary of Other Equity

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Securities Premium	160.93	160.93
General Reserve	36.96	36.96
Retained Earnings	781.00	638.78
Total	978.89	836.67

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.



Notes on Standalone Financials Statements

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

Note No.15: LONG TERM BORROWINGS

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
A. Secured				
i. Term loans				
a) From Banks :				
i) Axis Bank	7.92	7.89	11.95	21.64
ii) HDFC Bank	0.95	0.65	2.06	0.99
iii) ICICI Bank	7.06	3.60	9.24	2.58
iv) Kotak Mahindra Bank	6.16	-	5.29	1.30
v) Yes Bank	0.31	0.65	0.34	0.48
vi) Emirates Islamic Bank	0.63	0.52	0.46	0.49
b) From Others :				
i) HDB Financial Services	4.35	1.77	3.34	1.22
ii) TATA Capital	6.43	0.03	12.49	8.00
iii) Mahindra finance	1.13	0.73	2.34	0.58
Total (a)	34.94	15.84	47.51	37.28
B. Unsecured				
a) Deferred payment liabilities				
Due to suppliers on deferred credit basis	-	-	-	2.59
Total (b)	-	-	-	2.59
Total (a+b)	34.94	15.84	47.51	39.87

- 1) The term loans from banks and companies are secured by way of hypothecation of assets funded under the said facility. Further, the loans are guaranteed by Managing Director and a Director in their personal capacities.
- 2) The above loans carries interest varies from 7.35% to 12.50%
- 3) The above loans are repayable in monthly/quarterly installments.
- 4) Maturity pattern of above term loans (Non-Current) is as follows.
Banks : 2023-24 - ₹19.49 Cr & 2024-25 - ₹3.54 Cr
Companies : 2023-24 - ₹9.05 Cr & 2024-25 - ₹2.86 Cr
- 5) Registration, Modification and Satisfaction of charges relating to the new loans taken during the year, had been filed with the Registrar of Companies, within the prescribed time or within the extended time requiring the payment of additional fees.
- 6) No defaults were made in repayment of above term loans

Notes on Standalone Financials Statements

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

Note No.16: OTHER FINANCIAL LIABILITIES

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
a) Retention Money & Security deposits recovered from Sub-Contractors	79.95	71.58	12.46	10.32
b) Creditors for capital goods	-	-	0.71	2.15
c) Interest accrued and due	-	-	0.24	0.04
d) Interest accrued but not due	-	-	0.21	-
e) Unclaimed dividend	-	-	0.02	0.02
f) Employee related payments	-	-	61.96	42.59
g) Share application money refundable	-	-	0.11	0.11
h) Other Liabilities	-	-	39.82	36.20
	79.95	71.58	115.53	91.43
a) Lease liability	1.72	2.74	1.64	2.53
Total	81.67	74.32	117.17	93.96

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 No.17: PROVISIONS

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	2.25	0.95	0.56	0.45
- Leave Encashment (Unfunded)	4.36	3.36	0.99	0.73
Total	6.61	4.31	1.55	1.18

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 ₹18.90 Cr (Year ended 31st March, 2021: ₹12.68 Cr) for provident fund contributions, and ₹1.85 Cr (Year ended 31st March, 2021: ₹1.12 Cr) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

b. Defined benefit plans

The Company provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.



Notes on Standalone Financials Statements

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

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Risk Management:

Investment risk - The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest rate risk - The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity risk - The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

(i) Balance Sheet

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Present value of obligation	12.53	11.04
Fair Value of plan assets	9.72	9.64
Net Liability/(Asset) recognised in the Balance Sheet	2.81	1.40

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

Particulars	Plan Obligation	Plan Assets	Deficit/(Surplus)
As at 31st March, 2020	9.63	7.51	2.12
Current service cost	2.55	0.00	2.55
Interest cost	0.64	0.00	0.64
Interest Income	0.00	0.56	(0.56)
Actuarial gain arising from changes in experience adjustments	(1.22)	0.00	(1.22)
Actuarial gain arising from changes in financial assumptions	(0.17)	0.00	(0.17)
Contributions by employer	0.00	1.97	(1.97)
Benefit payments	(0.39)	(0.39)	0.00
Return on plan assets, excluding interest income	0.00	(0.01)	0.01
As at 31st March, 2021	11.04	9.64	1.40
Current service cost	2.87	0.00	2.87
Interest cost	0.74	0.00	0.74
Interest Income	0.00	0.65	(0.65)
Actuarial gain arising from changes in experience adjustments	(0.60)	0.00	(0.60)

Notes on Standalone Financials Statements

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

Particulars	Plan Obligation	Plan Assets	Deficit/(Surplus)
Actuarial gain arising from changes in financial assumptions	(0.76)	0.00	(0.76)
Contributions by employer	0.00	0.30	(0.30)
Benefit payments	(0.76)	(0.76)	0.00
Return on plan assets, excluding interest income	0.00	(0.11)	0.11
As at 31st March, 2022	12.53	9.72	2.81

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31 st March, 2021
Employee Benefit Expenses	
Current service cost	2.55
Past Service cost	0.00
Interest cost	0.64
Interest Income	(0.56)
Net impact on profit before tax	2.63
Remeasurement of the net defined benefit plans:	
Actuarial gain arising from changes in Financial assumptions	(0.16)
Actuarial (gain) / loss arising from changes in Experience adjustments	(1.22)
Return on plan assets, excluding interest income	0.01
Net impact on other comprehensive income	(1.37)

Particulars	Year ended 31 st March, 2022
Employee Benefit Expenses	
Current service cost	2.86
Past Service cost	0.00
Interest cost	0.74
Interest Income	(0.65)
Net impact on profit before tax	2.95
Remeasurement of the net defined benefit plans:	
Actuarial gain arising from changes in Financial assumptions	(0.76)
Actuarial (gain) / loss arising from changes in Experience adjustments	(0.60)
Return on plan assets, excluding interest income	0.11
Net impact on other comprehensive income	(1.25)



Notes on Standalone Financials Statements

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

(iv) Assets

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Insurance policies	100%	100%

(v) Investment details

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Insurance Policies	9.72	9.64

(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 31 st March, 2022	As at 31 st March, 2021
Discount rate	7.34%	6.90%
Salary escalation rate	3.00%	3.00%

(vii) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below have been determined based on the reasonably possible changes of the assumptions 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 31 st March, 2022
Salary Escalation - Up by 1%	14.48
Salary Escalation - Down by 1%	10.91
Withdrawal Rates - Up by 1%	13.36
Withdrawal Rates - Down by 1%	11.56
Discount Rates - Up by 1%	11.04
Discount Rates - Down by 1%	14.35

(viii) Maturity profile of Defined Benefit Obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non Current
Defined Benefit Obligation	0.56	2.55	4.01

Notes on Standalone Financials Statements

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

Note No.18: DEFERRED TAX

The following is the analysis of deferred tax Assets / (Liabilities) presented in the Balance Sheet

Particulars	Components	
	As at 31 st March, 2022	As at 31 st March, 2021
Liability:		
Towards depreciation	-	-
Asset:		
Dis-allowances under Income-tax	4.92	3.21
On account of Unabsorbed Losses	-	12.44
Towards depreciation	5.34	4.55
Total	10.26	20.20

Movement in Deferred Tax Assets/(Liabilities)

Component	As at 31 st March, 2020	(Credit) / Charge to Statement of P&L	As at 31 st March, 2021	(Credit) / Charge to Statement of P&L	As at 31 st March, 2022
Deferred tax asset in relation to:					
Depreciation	3.77	(0.78)	4.55	(0.79)	5.34
Expenses allowable under Income tax when paid	3.33	0.12	3.21	(1.71)	4.92
On account of unabsorbed losses	-	(12.44)	12.44	12.44	-
Total	7.10	(13.10)	20.20	9.94	10.26

Note No.19: OTHER LIABILITIES

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
a) Mobilisation advances received from customers	68.34	10.05	88.12	51.32
b) Advances received from customers against supplies or works	-	-	16.99	13.32
c) Statutory Liabilities	-	-	74.22	34.95
d) Deferred government grants (Refer note i below)	0.49	0.32	-	-
Total	68.83	10.37	179.33	99.59



Notes on Standalone Financials Statements

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

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.

Note No.20: SHORT TERM BORROWINGS

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
A. Secured		
1. Loans repayable on demand:		
Working Capital Loans from Banks		
i) State Bank of India	82.95	125.37
ii) Standard Chartered Bank	12.00	23.50
iii) Axis Bank	3.03	2.96
iv) IDFC First Bank	35.55	39.66
v) PNB Bank	19.81	20.75
vi) Bank of India	20.87	27.18
vii) IndusInd Bank	0.25	7.42
viii) Union Bank of India	35.30	37.66
ix) Bank of Baroda	44.42	44.47
x) UCO Bank	49.94	49.45
xi) Central Bank of India	1.59	5.78
xii) Bandhan Bank	19.13	-
2. Current maturities of long-term debt	47.51	39.87
B. Un Secured		
1. Loans repayable on demand:		
a) Working Capital Loans from Banks		
i) HDFC Bank	-	9.37
ii) Bank of Bahrain & Kuwait	49.85	59.96
2. Short term loans :		
a) Inter Corporate loan		
i) From Power Mech Infra Limited	50.00	-
Total	472.20	493.40

Notes on Standalone Financials Statements

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

- a) Working capital loans from State Bank of India, Standard Chartered bank, Axis bank, IDFC First bank, Punjab National bank, Bank of India, IndusInd bank, Union Bank of India, Bank of Baroda, UCO bank, Central bank of India and Bandhan bank are secured by way of first charge on entire current assets of the company on pari passu basis. Further these loans are secured by way of first charge on fixed assets both present and future excluding those assets against which charge was given to equipment financiers. The said loans are collaterally secured by way of equitable mortgage of immovable properties belonging to the Company, Managing director, director and a firm.
- b) Overdraft facility from banks is secured against fixed deposits with banks.
- c) All the above loans are guaranteed by Managing Director and a director in their personal capacities.
- d) The above loans carries interest varies from 7.50% to 9.50%.
- e) Registration, Modification and Satisfaction of charges relating to the loans sanctioned / renewed during the year under review, had been filed with the Registrar of Companies, within the prescribed time or within the extended time requiring the payment of additional fees.
- f) The company availed working capital loans against security of current assets. The following are the discrepancies noticed between the amounts as per unaudited books of accounts and amounts as reported in the statement submitted to the banks and the differences are immaterial.

Quarter	Amount as per Books of accounts	Amount as Reported in quarterly return	Difference	% of Difference
June, 2021				
- Inventory	77.83	76.32	1.51	1.93%
- Receivables (incl Retention and Security deposits)	961.40	956.40	5.00	0.52%
- Payables	111.00	108.54	2.46	2.21%
September, 2021				
- Inventory	75.42	74.15	1.28	1.69%
- Receivables (incl Retention and Security deposits)	986.64	976.16	10.48	1.06%
- Payables	114.18	111.18	3.00	2.63%
December, 2021				
- Inventory	82.43	80.44	1.99	2.41%
- Receivables (incl Retention and Security deposits)	987.79	979.47	8.32	0.84%
- Payables	106.52	104.53	1.99	1.87%
March, 2022				
- Inventory	97.54	99.56	(2.02)	(2.07%)
- Receivables (incl Retention and Security deposits)	1,028.96	1,031.46	(2.49)	(0.24%)
- Payables	155.60	148.11	7.49	4.81%

- g) The company has not declared as willful defaulter by any of the bank or any other institution.



Notes on Standalone Financials Statements

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

Note No.21 TRADE PAYABLES

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Dues to : Small and Micro Enterprises	1.47	0.11
: Other than Small and Micro Enterprises (Including Acceptances)*	530.01	486.91
Total	531.48	487.02

* Acceptances include arrangements where suppliers of goods and services are initially paid by banks/financiers

Ageing of Trade Payables as on 31.03.2022

Particulars	Outstanding for following periods from the date of transaction				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	1.43	0.04	-	-	1.47
(ii) others	429.97	38.60	38.99	22.45	530.01
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-

Ageing of Trade Payables as on 31.03.2021

Particulars	Outstanding for following periods from the date of transaction				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	0.11	-	-	-	0.11
(ii) others	363.39	73.23	25.46	24.83	486.91
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-

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 31 st March, 2022	As at 31 st March, 2021
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	1.47	0.11
(b) Interest due there on	0.26	0.22
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date Interest there on in terms of Sec 16 of the Act	0.06	0.23
(b) Interest paid along with such payments during the year	0.00	0.26
(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	0.04	0.02
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.	0.26	0.22

Notes on Standalone Financials Statements

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

Note No.22 CURRENT INCOME-TAX (ASSET)/LIABILITIES (NET)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for Income-tax	254.44	217.99
Less: Advance Income-tax and TDS	311.68	251.21
	(57.24)	(33.22)

Income-tax recognised in profit or loss

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Current Tax		
Tax expense in respect of current year Income	36.45	2.00
	36.45	2.00
Deferred Tax		
Deferred Tax credit/(charge) in respect of Current year	9.94	(13.10)
	9.94	(13.10)
Total tax expense recognised in profit or loss	46.39	(11.10)

The current income- tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Profit/(Loss) before tax	188.61	(44.31)
Enacted Tax Rates in India	25.17%	25.17%
Computed Tax expense	47.47	-
Add: Tax effects of expenses which are not deductible in determining taxable profit		
- Depreciation difference	0.64	-
- Expenses(net of Income) not deductible for tax purposes	12.05	-
Tax on Ind AS adjustments	0.66	-
Tax on dividend received from foreign subsidiaries u/s 115BBD @ 15%	2.34	1.84
Rounding off tax Provision	-	0.16
Current Tax Provision (A)	36.45	2.00
Increase of Deferred tax Asset on account of Fixed Assets	(0.79)	(0.78)
Increase of Deferred tax Asset on account of other Assets	(1.71)	0.12
Increase / (Decrease) of Deferred tax Asset on account of unabsorbed Losses	12.44	(12.44)
Deferred Tax Credit (B)	9.94	(13.10)
Total Tax Expense (A+B)	46.39	(11.10)



Notes on Standalone Financials Statements

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

Note No.23: REVENUE FROM OPERATIONS

Particulars	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
Contract receipts:		
Income from contracts and services	2,629.94	1,750.18
Other operating revenue:		
Crane and equipment hire charges received	1.19	4.22
Total	2,631.13	1,754.40

Note No.24: OTHER INCOME

Particulars	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
Interest from banks and others (at amortized cost)	6.69	6.47
Interest on unwinding portion of Rental Deposits (at amortized cost)	0.07	0.05
Profit on sale of assets	0.22	0.46
Dividend received	15.58	10.74
Fair value gain on current investments	0.19	0.11
Gain on exchange fluctuations	2.61	2.04
Sale of Duty credit scrip and deferment of govt. grants	0.05	0.27
Total	25.41	20.14

Note No.25 COST OF MATERIALS CONSUMED

Particulars	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
Opening Stock	96.66	100.46
Add: Purchases	344.55	245.91
	441.21	346.37
Less : Closing Stock	117.44	96.66
Total	323.77	249.71

Note No.26: CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

Particulars	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
Opening work-in-progress	10.15	14.77
	10.15	14.77
Closing work-in-progress	8.37	10.15
	8.37	10.15
Increase / (Decrease) in inventories	(1.78)	(4.62)

Notes on Standalone Financials Statements

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

Note No.27: CONTRACT EXECUTION EXPENSE

Particulars	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
Sub-contract expenses	1,213.87	839.42
Radiography charges	15.70	13.31
Royalty Charges	179.23	128.02
Hire charges	41.61	39.64
Rent at Project sites	20.45	16.48
Power and fuel	5.10	4.73
Insurance	5.44	3.43
Vehicles movement and other freight expenses	26.85	21.71
Repairs and maintenance : Plant and machinery	12.90	10.27
Other assets	2.94	2.52
Fuel and vehicle maintenance	59.34	44.07
Travelling expenses at projects	12.29	11.10
Total	1,595.72	1,134.70

Note No.28: EMPLOYEE BENEFIT EXPENSE

Particulars	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
Salaries and Wages	347.91	255.18
Remuneration to managerial personnel	5.32	-
Contribution to provident and other funds	20.76	13.80
Staff welfare expenses	27.64	23.70
Contribution towards group gratuity	2.95	2.63
Total	404.58	295.31

Note No.29: FINANCE COST

Particulars	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
Interest paid to banks and others	70.34	71.32
Loan Processing charges	4.53	5.09
Interest on Income-tax	0.70	0.87
Exchange fluctuations on deferred credit payment	0.06	-
Finance cost on lease liability	0.43	0.61
Total	76.06	77.89



Notes on Standalone Financials Statements

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

Note No.30: DEPRECIATION AND AMORTISATION

Particulars	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
Depreciation	32.22	30.93
Amortisation	0.05	0.05
Amortization of Right-to-use assets (Refer Note No.47)	2.21	2.23
Total	34.48	33.21

Refer note no 3(c) given under Significant accounting policies for method of providing depreciation.

Note No.31: OTHER EXPENSE

Particulars	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
Directors Sitting Fee	0.11	0.11
Payments to auditors		
Towards Statutory audit	0.12	0.12
Towards tax audit and taxation matters	0.01	0.01
Rates and taxes	5.95	5.31
Miscellaneous expenses	17.68	16.56
Provision towards doubtful debts and advances	4.28	-
CSR expenses	1.53	2.36
Loss on sale of assets	3.12	0.34
Total	32.80	24.81

Notes on Standalone Financials Statements

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

Note No.32: Categories of Financial Instruments

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2022 and 31st March, 2021 are as follows:

Particulars	Carrying value		Fair value	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
Financial assets				
Measured at Amortised cost				
(i) Other financial assets	827.52	785.35	827.41	785.25
(ii) Loans and advances	38.43	30.56	38.43	30.56
Measured at FVTOCI				
(i) Investments in equity instruments/Mutual Funds	0.02	0.02	0.05	0.04
Measured at FVTPL				
(i) Investments in Mutual Funds	2.15	2.25	2.45	2.36
Measured at cost				
(i) Investment in Subsidiaries, Joint ventures & Associates	13.86	13.84	13.86	13.84
Total assets	881.98	832.02	882.20	832.05
Financial liabilities				
Measured at amortised cost				
(i) Borrowings (including current maturities of Long term borrowings)	82.45	55.71	82.45	55.71
(ii) Other financial liabilities	195.48	163.01	195.48	163.01
(iii) Lease liabilities	3.36	5.28	3.36	5.28
Total liabilities	281.29	224.00	281.29	224.00

Note No.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.



Notes on Standalone Financials Statements

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

Financial Assets	Fair Value as at		Fair Value hierarchy	Valuation technique and key input
	31 st March, 2022	31 st March, 2021		
1) Investments in Quoted Mutual Funds	2.50	2.40	Level I	Quoted bid prices in an active market
2) Investments in Quoted Equity Instruments	0.00	0.00	Level I	Quoted bid prices in an active market

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and short term borrowings at carrying value because their carrying amounts approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of long term borrowings, other financial assets and financial liabilities subsequently measured at a mortised cost is not significant in each of the years presented.

Note No. 34: Financial Risk Management

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, trade and other receivables.

The Company's business activities are exposed to a variety of financial risks namely credit risk, liquidity risk and foreign currency risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of Directors of the Company.

A. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligation. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness. Credit risk is controlled by monitoring and interaction with the customers on a continuous basis.

Financial instruments that are subject to concentration of credit risk principally consists of trade receivables, retentions, deposits with customers and unbilled revenue.

Receivables from customers

Concentration of credit risk with respect to trade receivables are limited since major customers of the company are from public sector and accounts for more than 48% of its trade receivables. All trade receivables are reviewed and assessed for default on a monthly basis. On historical experience of collecting receivables credit risk is low.

The following table gives details in respect of dues from trade receivables including retention and deposit amounts.

in ₹ Cr

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Turnover from top Customer	650.61	319.73
Dues from top customer	295.00	215.63
Turnover from other top 4 customers	547.57	378.89
Dues from other top 4 customers	32.91	38.81

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.

Notes on Standalone Financials Statements

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

The Company's maximum exposure of credit risk as at 31st March, 2022, 31st March, 2021 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:

in ₹ Cr

Particulars	Currency	As at 31 st March, 2022	As at 31 st March, 2021
Letter of Credit	USD	-	2.59

- 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.

in ₹ Cr

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Net Investment in		
USD - US Dollars	9.35	12.57
SAR - Saudi Arabian Riyals	3.06	3.81
AED - Arab Emirates Dirham	19.08	13.65
BDT - Bangladeshi Taka	165.26	98.51
LYD - Libyan Dinars	1.22	1.21
KWD - Kuwaiti Dinar	5.30	4.91
Total	203.27	134.66

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 31st March, 2022 and 31st March, 2021. 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



Notes on Standalone Financials Statements

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

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.

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 31 st March, 2022	As at 31 st March, 2021
Equity	993.60	851.38
Short Term Borrowings	424.69	453.53
Long Term Borrowings (including Current maturities of Long term debt)	82.45	55.71
Cash and Cash Equivalents (including other bank balances)	(204.99)	(127.33)
Net Debt	302.15	381.91
Total Capital (Equity+Net Debt)	1,295.75	1,233.29
Gearing Ratio (Net Debt / Equity)	30.41%	44.86%

Note	Particulars	31 st March, 2022	31 st March, 2022
35	Contingent Liabilities and Commitments		
A.	Contingent Liabilities		
	a) Claims against the company not acknowledged as debts		
	VAT	1.80	1.80
B.	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	2.17	0.49
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.	1,017.44	821.20
37	CIF value of Imports made by the company during the year		
	a) Consumables & Spare parts	0.29	-
	b) Capital goods	2.71	0.78

Notes on Standalone Financials Statements

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

38	Earnings in foreign currency		
	Abu Dhabi	84.39	69.42
	Bangladesh	266.54	122.33
	Kuwait	-	4.42
	Saudi	-	0.25
	Nigeria	14.50	26.27
	Sharjah	1.03	-
	b) Dividend from foreign subsidiaries		
	Power Mech Projects Limited LLC	-	3.47
	Power Mech projects (BR) FZE	15.58	7.28
39	Expenditure in foreign currency		
	a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
	Abu Dhabi	79.16	62.00
	Bangladesh	181.07	131.02
	Kuwait	0.17	3.17
	Shuqaiq	0.58	-
	Libya	-	0.06
	Sharjah	1.04	-
	b) Foreign travel	0.01	0.01

40. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
a) Gross amount required to be spent by the company during the year	1.36	2.36
b) Amount spent during the year (Contribution paid to Power Mech Foundation / others)	1.53	2.36
c) Related party transactions in relation to Corporate Social Responsibility	0.00	2.03
d) Details of excess amount spent	0.17	-
e) Nature of CSR activities undertaken by the Company		
(i) Providing Education		
(ii) Promoting health care		
(iii) Facilities for setting up home for Orphanages & Old-Age homes		



Notes on Standalone Financials Statements

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

41. PARTICULARS DISCLOSED PURSUANT TO IND AS-24 "RELATED PARTY TRANSACTIONS"

A)	i) Key Managerial personnel	S. Kishore Babu, Chairman and Managing director
	ii) Relatives of Key Managerial personnel	S. Lakshmi - Director W/o S. Kishore Babu S. Rohit s/o S. Kishore Babu S. Kishore Babu (HUF) S. Vignatha D/o S.Kishore Babu
	iii) Companies / Firms controlled by KMP / Relatives of KMP	Power Mech Infra Limited Bombay Avenue Developers Private Limited Power Mech Foundation Lakshmi Agro Farms Vaishno infra services
	iv) Subsidiary companies	Hydro Magus Private Limited Power Mech Industri Private Limited Power Mech Projects Limited LLC Power Mech BSCPL Consortium Private Limited Power Mech SSA Structures Private Limited Aashm Avenues Private Limited Power Mech projects (BR) FZE Power Mech Environmental Protection Private Limited Energy Advisory and Consulting Services Private Limited. KBP Mining Private Limited
	v) Joint Venture	GTA Power Mech Nigeria Limited M/S POWER MECH-M/S ACPL JV PMPL-STC-JV Power Mech-Khilari Consortium JV PMPL-SRC INFRA JV - (Mizoram) PMPL-SRC INFRA JV - (Hassan) PMPL-BRCC INFRA JV PMPL-PIA JV PMPL-KVRECPL Consortium JV GTA Power Mech DMCC
	vi) Associate companies	Mas Power Mech Arabia
	vii) Wholly Owned Subsidiary of a Joint Venture company	GTA Power Mech FZE

Notes on Standalone Financials Statements

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

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	0.18					
		(0.20)					
b)	S. Lakshmi		0.16				
			(0.07)				
c)	S. Kishore Babu (HUF)		0.09				
			(0.08)				
d)	S. Vignata		0.12				
			(0.12)				
e)	Power Mech Infra Limited			1.96			
				(1.74)			
ii) Remuneration Paid							
a)	S. Kishore Babu	5.32					
		-					
b)	S. Rohit		0.36				
			(0.30)				
iii) Sub-Contract Expenses & Hire charges Paid							
a)	Hydro Magus Private Limited				-		
					(1.82)		
b)	Power Mech Industri Private Limited				0.39		
					(0.39)		
iv) Stores Material Purchased from							
a)	Power Mech Industri Private Limited				0.36		
					(0.24)		
b)	Hydro Magus Private Limited				-		
					(1.00)		
v) Assets purchased from							
a)	Hydro Magus Private Limited				-		
					(0.13)		
b)	MAS Power Mech Arabia						1.14
							(0.24)



Notes on Standalone Financials Statements

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

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
vi) Contract receipts from sale of services							
a)	MAS Power Mech Arabia						-
							(0.25)
b)	Power Mech BSCPL Consortium Private Limited				-		
					(0.15)		
c)	M/s. Power Mech - M/s. ACPL JV					87.77	
						(59.07)	
d)	Power Mech-STS-JV					30.51	
						(46.32)	
e)	Power Mech-Khilari Consortium JV					30.81	
						(22.91)	
f)	PMPLSRC INFRA JV - (Mizoram)					71.82	
						(55.63)	
g)	PMPL SRC INFRA JV (Hassan)					128.10	
						(7.31)	
h)	PMPL - PIA JV					2.25	
						-	
i)	PMPL KVRECPL Consortium JV					0.10	
						-	
j)	PMPL-BRCC INFRA JV					90.38	
						-	
k)	Power Mech Projects (BR) FZE				14.50		
					(26.27)		
vii) Dividend Received							
a)	Power Mech Projects Limited LLC					-	
						(3.47)	
b)	Power Mech projects (BR) FZE				15.58		
						(7.28)	

Notes on Standalone Financials Statements

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

Sl No.	Particulars		KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
viii) Amount paid towards Corporate Social Responsibility (CSR)								
a)	Power Mech foundation				1.41			
					(2.03)			
ix) Sitting fee paid to directors								
a)	G D V Prasada Rao	0.04						
		(0.03)						
b)	T Sankaralingam	0.03						
		(0.03)						
c)	Vivek Paranjpe	0.02						
		(0.02)						
d)	Lasya Yerramneni	0.02						
		(0.02)						

C) Balances outstanding as on 31.03.2022

Sl No.	Particulars		KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
i)	Investment in Hydro Magus Private Limited					2.94		
						(2.94)		
ii)	Investment in Power Mech Industri Private Limited					4.31		
						(4.31)		
iii)	Investment in MAS Power Mech Arabia							2.25
								(2.25)
iv)	Investment in Power Mech Projects Limited LLC					3.02		
						(3.02)		
v)	Investment in Power Mech BSCPL consortium Private Limited					0.01		
						(0.01)		
vi)	Investment in Power Mech SSA Structures Private Limited					0.10		
						(0.10)		



Notes on Standalone Financials Statements

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

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
vii)	Investment in Aashm Avenues Private Limited				0.10		
					(0.10)		
viii)	Investment in Power Mech Power Mech Projects (BR) FZE				0.69		
					(0.69)		
ix)	Investment in Power Mech Environmental Protection Private Limited.				0.01		
					(0.01)		
x)	Investment in Energy Advisory and Consulting Services Private Limited.				0.01		
					-		
xi)	Investment in KBP Mining Private Limited.				0.01		
					-		
xii)	Investment in GTA Power Mech Nigeria Limited					0.32	
						(0.32)	
xiii)	Investment in GTA Power Mech DMCC (Company with limited liability)					0.09	
						(0.09)	
xiv)	Due to Power Mech Infra Limited			1.81			
				(0.16)			
xv)	Due to Power Mech Infra Limited (Loan)			50.00			
				-			
xvi)	Rental Deposit with Power Mech Infra Limited			0.89			
				(0.89)			
xvii)	Remuneration Payable						
	S. Kishore Babu	1.10					
		-					
	S. Rohit		0.07				
			(0.04)				

Notes on Standalone Financials Statements

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

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
xviii)	Rent Payable						
	S. Kishore Babu	0.04					
		(0.03)					
	S. Lakshmi		0.02				
			(0.01)				
	S. Kishore Babu (HUF)		0.02				
			(0.02)				
	S. Vignatha		0.02				
			(0.01)				
xix)	Advances Due from Power Mech Industri Private Limited				27.71		
					(22.65)		
xx)	Advances Due from Power Mech SSA Structures Private Limited				2.21		
					(2.21)		
xxi)	Advances Due from KBP Mining Private Limited				2.91		
					-		
xxii)	Advances Due from GTA Power Mech FZE					0.64	
						(0.55)	
xxiii)	Trade Receivable - Hydro Magus Private Limited				3.50		
	(including Retention money and Security Deposits)				(0.91)		
xxiv)	Trade Receivable - Power Mech BSCPL Consortium Private Limited				80.71		
	(including Retention money and Security Deposits)				(44.43)		
xxv)	Trade Receivable - Mas Power Mech Arabia						13.39
							(14.31)
xxvi)	Trade Receivable - GTA Power Mech Nigeria Limited					-	
						(0.15)	
xxvii)	Trade Receivable -Power Mech Projects (BR) FZE				12.69		
					(13.54)		



Notes on Standalone Financials Statements

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

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
xxviii)	Trade Receivable - M/S POWER MECH-M/S ACPL JV					1.77	
	(including Retention money and Security Deposits)					(2.37)	
xxix)	Trade Receivable - PMPL-STC JV					10.92	
	(including Retention money and Security Deposits)					(19.15)	
xxx)	Trade Receivable - PMPL-KHILARI Consortium JV					8.28	
	(including Retention money and Security Deposits)					(10.82)	
xxxi)	Trade Receivable - PMPL-SRC INFRA JV - Mizoram					0.97	
	(including Retention money and Security Deposits)					(2.07)	
xxxii)	Trade Receivable - PMPL-SRC INFRA JV - Hassan					-	
	(including Retention money and Security Deposits)					(8.08)	
xxxiii)	Trade Receivable - PMPL-PIA JV					2.48	
	(including Retention money and Security Deposits)					-	
xxxiv)	Trade Receivable - PMPL-BRCC INFRA JV					10.96	
	(including Retention money and Security Deposits)					-	
xxxv)	Trade Receivable - Power Mech Infra Limited				-		
	(including Retention money and Security Deposits)			(0.02)			
xxxvi)	Mobilisation advance from GTA Power Mech FZE					10.97	
						(9.80)	
xxxvii)	Advance from GTA Power Mech FZE					2.14	
						(1.32)	
xxxviii)	Security Deposit -Power Mech BSCPL Consortium Private Limited				1.12		
					(2.00)		

Notes on Standalone Financials Statements

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

42. Balances with all the customers and suppliers accounts are subject to confirmation and reconciliation.
43. The company has claimed an amount of ₹ Nil (As on 31.03.2021 ₹ 0.19 Cr) being the Works contract tax deducted by the customers under local sales tax laws and outstanding as on 31.03.2022 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.

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.

45. Key Financial Ratios

Particulars	Numerator	Denominator	Unit of Measurement	FY 2021-22	FY 2020-21	Variation in %
Current Ratio	Current Assets	Current Liabilities	No. of times	1.54	1.42	8%
Debt-Equity Ratio	Total Debt	Shareholder's Equity	No. of times	0.51	0.60	(15%)
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	No. of times	2.04	0.65	213%
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	%	15.28%	(8.13%)	(288%)
Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	No. of times	2.77	2.21	25%
Trade receivables Turnover Ratio	Net Credit Sales	Avg. Accounts Receivable	No. of times	4.66	3.67	27%
Trade payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	No. of times	3.09	2.18	42%
Net Capital Turnover Ratio	Net Sales	Working Capital	No. of times	3.74	3.52	6%
Net Profit Ratio	Net Profit	Net Sales	%	5.36%	(1.98%)	(371%)
Return on Capital Employed	Earning before interest and taxes	Capital Employed	%	18.41%	2.34%	689%
Return on Investment						
(a) Return on Mutual funds	Income during the year	Time weighted average of investments	%	8%	5%	76%
(b) Return on Long-term investments	Income during the year	Time weighted average of investments	%	112%	77%	45%

Note: Ratios of Current year are not comparable with the Previous year due to the outbreak of COVID-19 in the previous financial year which impacted the operational performance of the company.



Notes on Standalone Financials Statements

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

46. Calculation of Earnings per Share:

Sl. No	Particulars	2021-22	2020-21
1)	Basic and Diluted Earning per share		
	No. of shares at the beginning of the year	1,47,10,764	1,47,10,764
	Change in equity during the year	-	-
	Total Weighted average number of shares	1,47,10,764	1,47,10,764
	Face value per share	10.00	10.00
	Profit / (Loss) attributable to equity share holders	140.96	(34.61)
	Basic and diluted Earning per share	95.82	(23.53)

47. Leases

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(i) The following is the breakup of current and non-current lease liabilities		
Current liabilities	1.64	2.53
Non-current liabilities	1.72	2.74
Total	3.36	5.27
(ii) The following is the movement of lease liabilities		
Balance at the Opening/Transition date	5.27	6.96
Additions during the year	0.31	0.33
Finance cost accrued during the year	0.43	0.61
Payment of lease liabilities during the year	(2.65)	(2.63)
Balance at the end	3.36	5.27
(iii) Maturity analysis of lease liabilities		
Less than one year	1.64	2.53
One to five years	1.72	2.74
More than five years	-	-
Total	3.36	5.27

(iv) The impact of change in accounting policy on account of adoption of Ind AS 116 is as follows

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Interest on lease liabilities (Refer Note 29)	0.43	0.61
Depreciation of Right-of-use assets (Refer Note 4.2)	2.21	2.23
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	2.65	2.63

(v) The impact on the profit for the year is not material.

Notes on Standalone Financials Statements

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

48. Disclosure pursuant to Ind AS 115 "Revenue from contracts with customers"

a) Movement in expected credit losses:

Particulars	Provision on contract assets	
	Retention money & security deposits with customers & Debtors	Advances given to sub contractors against works
Opening balance as at 01.04.2021	5.87	1.22
Changes in allowance for expected credit loss		
- Provision for expected credit loss	4.28	-
- Reversal of Provision for expected credit loss	-	-
Write off as baddebts	-	-
Closing balance as at 31.03.2022	10.15	1.22

b) Movement in contract balances:

Particulars	31.03.2022	31.03.2021	Net increase / Decrease
Contract Receivables			
Dues from customers	641.19	489.04	152.15
Contract assets			
Retention & SD amounts due from customers	316.22	271.60	44.62
Contract payables			
Due to Sub Contractors	342.67	266.99	75.68
Contract Liabilities			
Retention & SD amount due to Sub Contractors	92.41	81.90	10.50

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 ₹8,751 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.



Notes on Standalone Financials Statements

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

49. Dividend

The board of Directors at its meeting held on 21.05.2022 have recommended a final dividend of ₹1.50/- each per share of face value of ₹10/- each for the financial year ended 31st March, 2022. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as a liability.

50. Disclosure as per Regulation 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

(i) Loans and advances in the nature of advances given to Subsidiary / Joint Venture Companies:

Name of the Company and relationship	Balance as on 31 st March, 2022	Maximum Balance Outstanding for the year 2021-22	Balance as on 31 st March, 2021	Maximum Balance Outstanding for the year 2020-21
Subsidiaries				
Power Mech Industri pvt ltd	27.71	28.44	22.65	44.50
Power Mech SSA Structures Private Limited	2.21	2.21	2.21	2.21
KBP Mining Private Limited	2.91	2.91	-	-
Wholly owned subsidiary of Joint ventures				
GTA Power Mech FZE	0.64	0.64	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.

51. Other disclosures: Additional regulatory and other information as required by the Schedule III to the Companies Act 2013

(a) Relationship with Struck off Companies

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

(b) Compliance with number of layers of companies

The Company do not have any parent company and accordingly, compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable for the year under consideration.

(c) Scheme of arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

(d) Advance or loan or investment to intermediaries and receipt of funds from intermediaries.

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes on Standalone Financials Statements

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

The company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(e) Undisclosed Income

The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

(f) Details of Crypto Currency or Virtual Currency

The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

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

As per our report of even date

For **K S RAO & CO**
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number: 235528
UDIN: 22235528AJJTU2200

Place: Hyderabad
Date: 21.05.2022

For and on behalf of the Board

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

Sd/-
J Satish
CFO

Sd/-
Mohith Kumar Khandelwal
Company Secretary



CONSOLIDATED FINANCIALS

INDEPENDENT AUDITORS' REPORT

To The Members of

POWER MECH PROJECTS LIMITED

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of **POWER MECH PROJECTS LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Jointly ventures and associates comprising of the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and other financial information of overseas subsidiaries, Joint Ventures and Associates which have not been audited, the accompanying Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of affairs of the Group and its JV and associate as at 31st March, 2022 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. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements. We have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITORS' 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>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>
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>



INDEPENDENT AUDITORS' REPORT

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, which is not available to us as on the date of this report. In the absence of the said other information, we are unable to comment upon whether the other information is materially misstated or not.

Management's Responsibility for the 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

INDEPENDENT AUDITORS' REPORT

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 Matters

- a) The accompanying financial statements includes the financial results of 2 overseas subsidiaries, 2 overseas

Joint Ventures and 1 subsidiary of one of JV whose financial statements have not been audited by their auditors.

These statements also include financial results of 7 Indian subsidiary companies and 8 Indian Joint Ventures which have been audited by other auditors.

Also, these Consolidated financial statements include the financials results of 1 foreign associate whose financial statements have not been audited by their auditors.

- b) (i) The Consolidated financial statements include total assets of ₹72.61 Cr as at 31st March, 2022 and total revenues of ₹78.78 Cr, total profit after tax of ₹16.52 Cr, total comprehensive income of ₹14.87 Cr for the year ended 31st March, 2022 of 2 overseas subsidiaries which have not been audited by their auditors.
- (ii) The consolidated financial statements also include groups share of net loss of ₹2.93 Cr and total comprehensive loss of ₹2.93 Cr for the year ended 31st March, 2022 in respect of 2 overseas joint ventures and 1 subsidiary of one of JV which have not been audited by their auditors.
- c) (i) The consolidated financial statements also include total assets of ₹61.61 Cr as at 31st March, 2022, total revenues of ₹23.31 Cr, total net loss after tax ₹1.11 Cr and total comprehensive loss ₹1.20 Cr for the year ended 31st March, 2022 in respect of 7 Indian subsidiary companies which have been audited by other auditors.
- (ii) The consolidated financial statements also include groups share of net profit after tax of ₹0.99 Cr and total comprehensive income of ₹0.99 Cr for the year ended 31st March, 2022 in respect of 8 Indian Joint Ventures which have been audited by other auditors.
- d) These consolidated financial statements also include groups share of net loss after tax of ₹0.34 Cr and total comprehensive loss of ₹0.34 Cr for the year ended 31st March, 2022 in respect of 1 foreign associate which has not been audited by their auditors.

These unaudited financial statements in respect of 2 overseas subsidiaries, 2 overseas Joint Ventures and 1 overseas associate have been furnished to us by the management and our opinion on the statement in so far as it related to the amounts and disclosures is



INDEPENDENT AUDITORS' REPORT

based solely on such unaudited financial statements. In our opinion and according to the information and explanations furnished to us by the board of directors, this financial information is not material to the group.

In respect of subsidiaries, associates and joint ventures which are located outside India, the annual financial statements which have not been audited by their auditors have been prepared and certified by the management under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such companies located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have verified these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and Joint ventures is based on the statements prepared by the management and conversion adjustments made by the management of the Holding Company and verified by us. Our opinion is not modified in respect of this matter.

Our opinion on the consolidated financial statement and our report on the other legal and regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements and other financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiaries, JV and associate as noted in the "Other matter" paragraph, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity

and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the holding company as on 31st March, 2022 taken on record by the Board of Directors of the holding company and reports of other auditors, none of the directors of the Group, Joint Ventures incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the Holding company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of those companies for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding company and its Indian subsidiaries in the group to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated financial statements has disclosed the impact of pending litigations on its consolidated financial position of the Group and its JV and associate.

INDEPENDENT AUDITORS' REPORT

- 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.
 - iv. (a) The Management of the Parent Company has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management of the Parent Company has represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. No dividend was declared by the Parent company during the financial year 2021-22 relating to the final dividend for the previous financial year or interim dividend for the current financial year.
2. With respect to the matters specified in paragraphs 3(xx) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Parent Company and a subsidiary and the CARO reports issued by other auditors for the subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **K.S. Rao & Co**
Chartered Accountants
(Firm Registration No. 003109S)

Gopikrishna Chowdary Manchinnella
Partner

Place : Hyderabad
Date : 21.05.2022

Membership No. 235528
UDIN: 22235528AJJXS9037



Annexure-A

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, 2022, we have audited the internal financial controls over financial reporting of POWER MECH PROJECTS LIMITED ("the holding company"), its subsidiary companies incorporated in India as on that date.

Management's Responsibility for Internal Financial Controls

The respective board of directors of the holding company and its Indian subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its Indian subsidiaries based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of Indian subsidiary is sufficient and appropriate to provide a basis for our audit opinion on the Company's and its Indian subsidiaries internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors, the holding company and its Indian subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022 based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial

Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report u/s 143(1)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it related to Indian subsidiaries is based on the report of the other auditors.

For **K.S. Rao & Co**
Chartered Accountants
(Firm Registration No. 003109S)

Gopikrishna Chowdary Manchinella
Partner

Place : Hyderabad

Date : 21.05.2022

Membership No. 235528

UDIN: 22235528AJJXS9037



Consolidated Balance Sheet as at 31st March, 2022

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

Particulars	Note No.	As at 31 st March, 2022	As at 31 st March, 2021
Assets			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4.1	172.47	164.91
(b) Right-of-use assets	4.2	5.50	7.17
(c) Capital Work-in-progress	5	2.38	5.32
(d) Intangible Assets	6	2.51	2.57
(e) Financial Assets			
(i) Investments	7.1	36.65	38.58
(ii) Loans	8	-	-
(iii) Other financial assets	9	304.27	257.34
(f) Deferred Tax Asset (Net)	20	11.82	21.71
(g) Other Non-current assets	10	1.32	2.13
Total Non-Current assets		536.92	499.73
2 Current Assets			
(a) Inventories	11	137.66	114.67
(b) Financial Assets			
(i) Investments	7.2	2.45	2.36
(ii) Trade Receivables	12	666.57	533.51
(iii) Cash and cash equivalents	13	73.49	13.75
(iv) Other Bank Balances	13	76.65	50.69
(v) Loans	8	5.74	5.72
(vi) Other Financial Assets	9	545.29	563.57
(c) Other Current assets	10	491.72	448.91
(d) Current tax Assets (Net)	24	60.79	36.73
Total Current assets		2,060.36	1,769.91
Total Assets		2,597.28	2,269.64
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	14	14.71	14.71
(b) Other Equity	15	1,028.60	890.15
		1,043.31	904.86
2 Non-Controlling Interests	16	3.09	3.53
Liabilities			
3 Non-current liabilities			
(a) Financial Liabilities			
(i) Long-term borrowings	17	34.96	15.86
(ii) Lease liabilities	18	1.72	2.74
(iii) Other financial liabilities	18	80.31	71.63
(b) Provisions	19	7.20	4.83
(c) Deferred Tax Liabilities (Net)	20	-	-
(c) Other non-current liabilities	21	77.15	31.74
Total Non-Current liabilities		201.34	126.80
4 Current liabilities			
(a) Financial Liabilities			
(i) Short-term borrowings	22	492.19	493.46
(ii) Lease liabilities	18	1.64	2.53
(iii) Trade payables	23		
a) Total outstanding dues of micro enterprises and small enterprises		1.47	0.11
b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		537.85	512.50
(iv) Other financial liabilities	18	126.99	115.65
(b) Other current liabilities	21	187.73	108.89
(c) Provisions	19	1.67	1.31
(d) Current tax Liabilities (Net)	24	-	-
Total Current liabilities		1,349.54	1,234.45
Total Liabilities		1,550.88	1,361.25
Total Equity and Liabilities		2,597.28	2,269.64

Corporate Information 1
 Basis of Preparation and Significant Accounting Policies 2-3
 The accompanying notes 34-55 form an integral part of the financial statements.

As per our report of even date

For **K S RAO & CO**
 Chartered Accountants
 Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
 Partner
 Membership Number: 235528
 UDIN: 22235528AJJXS9037
 Place: Hyderabad
 Date: 21.05.2022

For and on behalf of the Board

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

Sd/-
J Satish
 CFO

Sd/-
Mohith Kumar Khandelwal
 Company Secretary

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2022

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

PARTICULARS	Note No.	Year ended 31 st March, 2022	Year ended 31 st March, 2021
I Revenue from Operations	25	2,710.49	1,884.08
II Other Income	26	17.31	16.33
III Total Income (I+II)		2,727.80	1,900.41
IV Expenses			
Cost of Material Consumed	27	336.19	264.05
(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	28	(1.97)	6.21
Contract Execution expenses	29	1,633.09	1,223.72
Employee benefits expense	30	423.16	322.22
Finance Costs	31	79.47	79.27
Depreciation and Amortization expense	32	36.90	35.76
Other expenses	33	34.02	26.04
Total Expenses (IV)		2,540.86	1,957.27
V Profit/(Loss) before share of profit/(Loss) from Joint Venture, exceptional items and tax (III-IV)		186.94	(56.86)
VI Share of Loss from Joint Venture		(2.27)	(3.09)
VII Profit/(Loss) before exceptional items and tax (V+VI)		184.67	(59.95)
VIII Exceptional Items		-	-
IX Profit/(Loss) before tax (VII-VIII)		184.67	(59.95)
X Tax Expense:			
Current tax		36.30	2.15
Deferred tax		9.88	(13.49)
XI Profit/(Loss) for the year (IX-X)		138.49	(48.61)
XII Other Comprehensive Income			
A. Items that will not be re-classified to profit and Loss account			
a) Changes in Fair value of Investments		0.01	0.02
b) Remeasurement of defined employee benefit plans		1.16	1.37
B. Items that will be re-classified to profit and Loss account			
a) Exchange fluctuations on revaluation of foreign operations		(1.65)	(0.69)
XIII Total Comprehensive Income/(Loss) for the year (XI+XII)		138.01	(47.91)
Profit/(Loss) for the year before Other Comprehensive Income		138.49	(48.61)
Attributable to			
Equity holders of the parent		138.99	(45.64)
Non-Controlling Interests		(0.50)	(2.97)
Total Comprehensive Income/(Loss) for the year		138.01	(47.91)
Attributable to			
Equity holders of the parent		138.45	(44.82)
Non-Controlling Interests		(0.44)	(3.09)
XIV Earnings per Share - Basic and Diluted		94.48	(31.02)

Corporate Information

1

Basis of Preparation and Significant Accounting Policies

2-3

The accompanying notes 34-55 form an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

For **K S RAO & CO**

Chartered Accountants

Firm Registration Number: 003109S

Sd/-

S. Kishore Babu

Chairman and Managing Director

DIN: 00971313

Sd/-

(GopiKrishna Chowdary Manchinella)

Partner

Membership Number: 235528

UDIN: 22235528AJJXS9037

Place: Hyderabad

Date: 21.05.2022

Sd/-

J Satish

CFO

Sd/-

Mohith Kumar Khandelwal

Company Secretary



Consolidated Cash Flow Statement for the Year ended 31st March, 2022

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

PARTICULARS	2021-22	2020-21
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	184.67	(59.95)
Add / Less: Adjustments for :		
Depreciation	36.90	35.76
FCTR Movement	(1.65)	(0.69)
Interest and Finance charges	78.77	79.25
Interest on Income Tax	0.71	0.02
Loss on sale of assets	3.18	0.36
Fair value gain on current investments	(0.19)	(0.11)
Net gain arising on financial assets measured at FVTPL	(0.07)	(0.05)
Interest income (excluding interest on rental deposit)	(6.73)	(6.52)
Amortisation of Deferred Government grants	(0.05)	(0.12)
Profit on sale of assets	(0.23)	(0.46)
Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income	1.16	1.37
Share of Profit / (Loss) from Joint Venture	2.27	3.09
Operating profit before working capital changes	298.74	51.95
Movements in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
-Trade Receivables	(132.99)	8.25
-Inventories	(22.99)	11.66
-Other Assets	(80.16)	95.31
Adjustments for increase / (decrease) in operating liabilities:		
-Trade Payables	26.70	(65.26)
-Other Liabilities and Provisions	146.54	46.51
Cash generated from operations	235.84	148.42
Less: Direct taxes paid	(61.19)	(26.21)
Net cash from Operating activities (A)	174.65	122.21
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(43.83)	(26.91)
Proceeds from sale of fixed assets	4.00	2.02
Investment in Mutual Funds	(0.02)	(2.25)
Margin money deposits with banks and other balances	(18.64)	(26.18)
Interest received (Excl interest on rental deposit)	6.73	6.52
Net cash (used) in Investing activities (B)	(51.76)	(46.80)
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / (Repayment of) borrowings	17.84	(7.18)
Interest and Finance charges paid	(78.34)	(78.65)
Lease rent paid	(2.65)	(2.51)
Dividend paid	-	(2.96)
Net cash (used) in financing activities (C)	(63.15)	(91.30)
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	59.74	(15.89)
Cash and cash equivalents at the beginning of the period	13.75	29.64
Cash and cash equivalents at the end of the period	73.49	13.75
Net Increase / (Decrease) in cash and cash equivalents	59.74	(15.89)

Notes to Cashflow Statement

- a) The above cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind As 7 - Statement of Cashflows

Consolidated Cash Flow Statement for the Year ended 31st March, 2022

Components of cash and cash equivalents

Particulars	2021-22	2020-21
Cash on hand	1.47	1.65
In Current accounts	71.00	12.04
Deposits having maturity period for less than 3 months	1.02	0.06
Total	73.49	13.75

Reconciliation of Changes in Liability arising from Financing activities for the year ending 31.03.2022

Particulars	Opening	Ind As 116 adoption	Cash flows	Non-Cash changes	Net cash flow	Closing
Long term borrowings	55.79	-	-	0.06	26.62	82.47
Short term borrowings	453.54	-	-	-	(8.86)	444.68
Lease Liabilities (Refer Note no. 51)	5.27	0.31	(2.65)	0.43	(2.21)	3.36

Reconciliation of Changes in Liability arising from Financing activities for the year ending 31.03.2021

Particulars	Opening	Ind As 116 adoption	Cash flows	Non-Cash changes	Net cash flow	Closing
Long term borrowings	90.89	-	-	0.08	(35.18)	55.79
Short term borrowings	425.60	-	-	-	27.94	453.54
Lease Liabilities (Refer Note no. 51)	6.96	0.33	(2.63)	0.61	(2.02)	5.27

Corporate Information 1
 Basis of Preparation and Significant Accounting Policies 2-3
 The accompanying notes 34-55 form an integral part of the financial statements.

As per our report of even date

For **K S RAO & CO**
 Chartered Accountants
 Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
 Partner
 Membership Number: 235528
 UDIN: 22235528AJJXS9037
 Place: Hyderabad
 Date: 21.05.2022

For and on behalf of the Board

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

Sd/-
J Satish
 CFO

Sd/-
Mohith Kumar Khandelwal
 Company Secretary



Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

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

A. Equity share capital

Particulars	No's	Total
As at 31st March, 2020	1,47,10,764	14.71
Changes in equity during the year	-	-
As at 31st March, 2021	1,47,10,764	14.71
Changes in equity during the year	-	-
As at 31st March, 2022	1,47,10,764	14.71

B. Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income		Total
	Securities Premium Reserve	Other Reserves (General reserve)	Foreign Currency Translation Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/ (Loses)	
Balance at the end of reporting period - 31st March 2020	160.93	37.00	2.05	733.79	0.00	2.67	936.44
Loss for the year attributable to equity share holders of parent	-	-	-	(45.64)	0.02	1.37	(44.25)
Other Comprehensive loss	-	-	(0.57)	-	-	-	(0.57)
Total Comprehensive Loss for the year	-	-	(0.57)	(45.64)	0.02	1.37	(44.82)
Less : Appropriations							
Final Dividend for the Financial year 2019-20 proposed & paid during the year	-	-	-	1.47	-	-	1.47
Balance at the end of reporting period - 31st March 2021	160.93	37.00	1.48	686.68	0.02	4.04	890.15
Profit for the year attributable to equity share holders of parent	-	-	-	138.99	0.01	1.16	140.16
Other Comprehensive loss	-	-	(1.71)	-	-	-	(1.71)
Total Comprehensive income for the year	-	-	(1.71)	138.99	0.01	1.16	138.45
Less : Appropriations	-	-	-	-	-	-	-
Balance at the end of reporting period - 31st March 2022	160.93	37.00	(0.23)	825.67	0.03	5.20	1,028.60

Corporate Information

1

Basis of Preparation and Significant Accounting Policies

2-3

The accompanying notes 34-55 form an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

For **K S RAO & CO**

Chartered Accountants

Firm Registration Number: 003109S

Sd/-

S. Kishore Babu

Chairman and Managing Director

DIN: 00971313

Sd/-

(GopiKrishna Chowdary Manchinella)

Partner

Membership Number: 235528

UDIN: 22235528AJJXS9037

Place: Hyderabad

Date: 21.05.2022

Sd/-

J Satish

CFO

Sd/-

Mohith Kumar Khandelwal

Company Secretary

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, signalling, culverts, platforms etc. and transmission and distribution portfolio, a new venture of diversification and the company has already undertaken some major projects. Thus, Power Mech is proud to be a vital part of India's Power generation capacity augmentation. Also, the company as a part of diversifying its operations, had entered into development and operation of coal mines.

The company, its subsidiaries and its joint venture and associate considered in the consolidated financial statements are:

a) Subsidiaries:

Name of the company	Country of incorporation	Principal activities	Year ended (% of holding)	
			31.03.2022	31.03.2021
Hydro Magus Private Limited	India	Maintenance contracts	88%	88%
Power Mech Industri Private Limited	India	Manufacture of spare parts	100%	100%
Power Mech BSCPL Consortium Private Limited	India	Infrastructure development	51%	51%
Power Mech SSA Structures Private Limited	India	Infrastructure development	100%	100%
Aashm Avenues Private Limited	India	Infrastructure development	100%	100%
Power Mech Environmental Protection Private Limited	India	Recycling of wastes generated by various industries and commercial establishments	100%	100%
Energy Advisory and Consulting Services Private Limited	India	Advisory and Consulting services to various energy generation companies/ power plants/ power transmitters	100%	-
KBP Mining Private Limited	India	Exploring, design & engineering, developing, operating and working on mines	76%	-
Power Mech Projects LLC	Oman	Installation and repair of electric power and transformer plants	70%	70%
Power Mech Projects (BR) FZE	Nigeria	Infrastructure development	100%	100%



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b) Joint Venture:

Name of the company	Country of incorporation	Principal activities	Year ended	
			31.03.2022	31.03.2021
M/s. Power Mech - M/s. ACPL JV	India	Construction works	80%	80%
Power Mech - Khilari Consortium JV	India	Construction works	75%	75%
Power Mech - STS JV	India	Construction works	74%	74%
PMPL - SRC INFRA JV - Mizoram	India	Construction works	74%	74%
PMPL - SRC INFRA JV - Hassan	India	Construction works	60%	60%
PMPL - BRCC INFRA JV	India	Construction works	70%	70%
PMPL-KVRECPL Consortium JV	India	Construction works	82%	-
PMPL-PIA JV	India	Construction works	79%	-
GTA Power Mech Nigeria Limited	Nigeria	Turbine repair	50%	50%
GTA Power Mech DMCC	Dubai	Construction works	50%	50%

c) Associate

Name of the company	Country of incorporation	Principal activities	Year ended	
			31.03.2022	31.03.2021
MAS Power Mech Arabia	Saudi Arabia	Installation and Maintenance services	49%	49%

Note 2: BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS:

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by the Ministry of Corporate affairs, pursuant to section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the parent Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceased to control the subsidiary.

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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. Any distributions received from investee will reduce the carrying amount of investment. The Group's investment in associates includes goodwill/capital reserve identified on acquisition.

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in Joint Venture are accounted for using the equity method of accounting. The investment is initially 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. Any distributions received from investee will reduce the carrying amount of investment. The Group's investment in joint venture includes goodwill/capital reserve identified on acquisition.

Principles of Consolidation

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the company's separate financial statements. If a member of the group uses accounting policies other than those adopted in consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that groups members financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The consolidated financial statements relate to Power Mech Projects Limited ('the company') and its subsidiary

companies and Joint ventures and associate. The consolidated statements have been prepared on the following basis.

- a) The financial statements of the parent company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group transactions and intra-group balances as per Ind AS -110.
- b) Profits and losses resulting from intra-group transactions that are 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, 2021 and for consolidation purposes additional



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financial information for the q.e 31st March, 2022 has been prepared.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to the statement of profit and loss or transferred to another category of equity as specified / permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Note 3: Other Significant Accounting policies:

a) Use of estimates and Judgements

The preparation of the Group's financial statements in conformity requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are 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

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of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

v) Impairment of non-financial assets:

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

vi) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii) Income Taxes:

The tax jurisdiction of Indian companies considered in the Group is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

viii) Defined benefit obligations:

The Group uses actuarial assumptions viz., discount rate, mortality rates, salary escalation

rate etc., to determine the obligations for employee benefits at each reporting period.

ix) Revenue recognition:

The Group uses the percentage of completion method in accounting for its fixed price contracts and is measured with reference to actual completion of physical proportion of the work to the extent of work certified by the customer. Measurement of physical quantum of work completed is based on estimates at the reporting date.

x) Other estimates:

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the group estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

xi) Estimation of uncertainties relating to the global health pandemic from COVID-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets, receivables and uncertified revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these consolidated financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact assessment of COVID-19 is a continuous process given the uncertainty associated with its nature and durations and accordingly the eventual outcome may be different from those estimates as on the date of approval of these Consolidated Financial Statements.

b) Property, plant and equipment

An item of Property, Plant and Equipment that qualified



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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 and the said useful lives are disclosed in the accounting policies of respective companies in the group.

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

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

Intangible assets, comprising of expenditure on computer software, incurred are 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.

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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



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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

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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 is accounted in the books of account in the year when they are approved by the shareholders at the Annual General Meeting.

p) Earnings per share

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

q) Leases

The Company's leased assets primarily consist of buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i)



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the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

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 loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the company reversed the impairment loss 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.

t) **Recent Accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022. The amendment is not expected to have a material impact on the Consolidated financial statements of the Company.



Notes on Consolidated Financials Statements

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

Note 4.1: PROPERTY, PLANT & EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Carrying Amounts of:		
Land	3.60	3.60
Office Buildings	30.72	32.60
Plant and Equipment	26.44	20.80
Furniture and Fixtures	1.82	1.77
Computers	1.85	1.39
Office Equipment	3.45	2.84
Motor vehicles	22.84	16.91
Cranes	67.54	75.20
Temporary Sheds	14.21	9.80
	172.47	164.91
Capital Work-in-progress	2.38	5.32

Notes on Consolidated Financials Statements

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

Note 4.1: Property, Plant and Equipment

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, 2020	3.60	40.16	54.56	9.91	4.44	12.03	43.04	148.15	39.35	355.24
Additions	-	-	2.05	0.55	0.49	0.84	7.65	8.40	4.21	24.19
Disposals	-	-	0.69	0.20	0.13	1.26	1.53	1.78	6.57	12.16
As at 31st March, 2021	3.60	40.16	55.92	10.26	4.80	11.61	49.16	154.77	36.99	367.27
Additions	-	-	11.23	1.03	1.02	1.83	11.87	10.18	9.58	46.74
Disposals	-	0.18	1.60	0.02	0.01	0.03	1.43	5.51	0.41	9.19
As at 31st March, 2022	3.60	39.98	65.55	11.27	5.81	13.41	59.60	159.44	46.16	404.82
Accumulated Depreciation including accumulated Impairment losses :										
As at 31st March, 2020	-	5.86	31.07	7.06	3.04	8.29	29.08	64.65	30.13	179.18
Depreciation charge for the year	-	1.70	4.41	1.56	0.46	1.36	4.50	15.93	3.52	33.44
On disposals	-	-	0.36	0.13	0.09	0.88	1.33	1.01	6.46	10.26
As at 31st March, 2021	-	7.56	35.12	8.49	3.41	8.77	32.25	79.57	27.19	202.36
Depreciation charge for the year	-	1.70	4.84	0.98	0.56	1.20	5.70	14.50	5.11	34.59
On disposals	-	-	0.85	0.02	0.01	0.01	1.19	2.17	0.35	4.60
As at 31st March, 2022	-	9.26	39.11	9.45	3.96	9.96	36.76	91.90	31.95	232.35
Net Block :										
As at 31st March, 2022	3.60	30.72	26.44	1.82	1.85	3.45	22.84	67.54	14.21	172.47
As at 31st March, 2021	3.60	32.60	20.80	1.77	1.39	2.84	16.91	75.20	9.80	164.91

Notes:

- 1) Term loans taken by the company for purchase of Property, Plant & Equipment are secured by way of hypothecation on respective Property, Plant & Equipment 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 Property, Plant & Equipment against which charge was given to equipment financiers.
- 3) The carrying values of any of the Property, Plant & Equipment does not include any changes made on account of revaluation as on date of balance sheet.
- 4) The carrying values of any of the Property, Plant & Equipment does not include any changes made on account of revaluation as on date of balance sheet.
- 5) The title deeds of immovable properties were held in the name of the company.
- 6) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made hereunder.



Notes on Consolidated Financials Statements

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

Note 4.2: Right of use asset

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Right-of-use assets	5.50	7.17
	5.50	7.17

Particulars	Lease hold land & Improvements	Buildings	Total
(A) Cost or deemed cost :			
As at 31st March, 2020	2.56	8.84	11.40
Additions	-	0.33	0.33
Disposals/adjustments	-	-	-
As at 31st March, 2021	2.56	9.17	11.73
Additions	-	0.57	0.57
Disposals/adjustments	-	-	-
As at 31st March, 2022	2.56	9.74	12.30
(B) Accumulated Amortisation and impairment:			
As at 31st March, 2020	0.13	2.18	2.31
Amortisation expense for the year	0.03	2.22	2.25
Eliminated on disposal	-	-	-
As at 31st March, 2021	0.16	4.40	4.56
Amortisation expense for the year	0.01	2.23	2.24
Eliminated on disposal	-	-	-
As at 31st March, 2022	0.17	6.63	6.80
(C) Carrying amount:			
As at 31st March, 2022	2.39	3.11	5.50
As at 31st March, 2021	2.40	4.77	7.17

Note 5: Capital Work-in-Progress

Particulars	Amount
Carrying value - At Cost	
As at 31st March, 2020	2.61
Additions	2.93
Capitalised during the year	0.22
As at 31st March, 2021	5.32
Additions	2.37
Capitalised / written off during the Year	5.31
As at 31st March, 2022	2.38

Notes on Consolidated Financial Statements

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

Capital Work-in-progress ageing schedule as on 31.03.2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	2.38	-	-	-	2.38
Projects temporarily suspended	-	-	-	-	-

Note: None of the above projects were overdue for its completion and does not exceeded its cost compared to its original plan.

Capital Work-in-progress ageing schedule as on 31.03.2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	2.95	0.02	-	2.35	5.32
Projects temporarily suspended	-	-	-	-	-

Note: None of the above projects were overdue for its completion and does not exceeded its cost compared to its original plan.

* Assets pending installation / assembling due to closure of site for reasons beyond the control of the company

Note6: INTANGIBLE ASSETS

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Power Mech Brand*	0.00	0.00
Computer Software	0.24	0.30
Goodwill	2.27	2.27
	2.51	2.57

* Amounts below 1 Lakh

Particulars	Power Mech Brand	Computer Software	Goodwill	Total
Gross Block				
As at 31st March, 2020	0.00	1.54	2.27	3.81
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31st March, 2021	0.00	1.54	2.27	3.81
Additions	-	0.01	-	0.01
Disposals	-	-	-	-
As at 31st March, 2022	0.00	1.55	2.27	3.82



Notes on Consolidated Financials Statements

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

Particulars	Power Mech Brand	Computer Software	Goodwill	Total
Accumulated Amortisation and impairment :				
As at 31st March, 2020	0.00	1.17	-	1.17
Amortisation expense for the year	0.00	0.07	-	0.07
On disposals	-	-	-	-
As at 31st March, 2021	0.00	1.24	-	1.24
Amortisation expense for the year	-	0.07	-	0.07
On disposals	-	-	-	-
As at 31st March, 2022	0.00	1.31	-	1.31
Net Block				
As at 31st March, 2022	0.00	0.24	2.27	2.51
As at 31st March, 2021	0.00	0.30	2.27	2.57

- None of the intangible assets were acquired/transferred by way of business combinations.
- The carrying values of any of the assets does not include any changes made on account of revaluation as on date of balance sheet.

Note 7.1: INVESTMENTS (NON-CURRENT)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
A. Investment in Equity Instruments		
(a) (i) Quoted - Trade (carried at fair value through OCI)		
a) 24(24) Equity shares of ₹10/ each in Reliance Power Limited	0.00	0.00
(ii) Quoted - Non Trade (carried at fair value through OCI)		
a) 200(200) Equity shares of ₹10/ each in Assam Company Limited	0.00	0.00
Total Investment in Quoted Equity Instruments (a)	0.00	0.00
(b) (i) Unquoted - Trade		
Investment in Associates (Carried at cost):		
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	32.80	36.46
b) 50 (50) Equity shares of AED 1000 each in GTA Power Mech DMCC	0.77	0.04
c) Investment in PMPL-ACPL JV (Capital introduced Nil)	1.25	0.82
d) Investment in PMPL-STC JV (Capital introduced Nil)	0.82	0.67

Notes on Consolidated Financials Statements

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
e) Investment in PMPL-KHILARI Consortium JV (Capital introduced Nil)	0.42	0.27
f) Investment in PMPL-SRC INFRA JV - Mizoram (Capital introduced Nil)**	0.54	0.28
g) Investment in PMPL-SRC INFRA JV - Hassan (Capital introduced Nil)**	-	-
h) Investment in PMPL-BRCC INFRA JV (Capital introduced Nil)**	-	-
i) Investment in PMPL-KVRECPL Consortium JV (Capital introduced Nil)**	-	-
j) Investment in PMPL-PIA JV (Capital introduced Nil)**	-	-
Total Investment in Un-Quoted Equity Instruments (b)	36.60	38.54
Total Investment in Equity Instruments (A = a+b)	36.60	38.54
B. Investment in Mutual Funds - Quoted (Carried at fair value through OCI)		
a) 20,000 (20,000) units of SBI Infra structure fund - I - Growth ₹10/ each	0.05	0.04
Total Investment in Mutual Funds (B)	0.05	0.04
Total (A+B)	36.65	38.58
Aggregate amount of : Quoted investments -		
- At cost	0.02	0.02
- Market value	0.05	0.04
Aggregate amount of un-Quoted investments	36.60	38.54

Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	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(24) Equity shares of ₹10/ each in Reliance Power Limited	0.00	-	0.00	-
b) 200(200) Equity shares of ₹10/ each in Assam Company Limited -	0.00	-	0.00	-
c) 20,000(20,000) units of SBI Infra structure fund I Growth ₹10/ each - Mutual Funds	0.05	-	0.04	-
(ii) Using Equity method for Investments in Joint Ventures and Associates as per Ind As 28	36.60	-	38.54	-
	36.65	-	38.58	-

* Amounts below 1 Lakh

** The Parent Company has become a venturer in joint ventures incorporated during the financial year 2018-19 to 2021-22. However no investment has been made in the said JV's as on the date of Balance sheet. The balance shown above represents Parent Company's share of other equity treated in accordance with "Ind AS- 28: Investment in Joint ventures and Associates".



Notes on Consolidated Financials Statements

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

Note 7.2: INVESTMENTS (CURRENT)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Investment in Mutual Funds - Quoted: (Carried at fair value through P&L)		
a) 2,50,000(2,50,000) units of Baroda PNB Paribas Large & Mid Cap Fund	0.41	0.32
b) 16,30,879(16,82,808) Units of Union Bank Corporate Fund Regular Plan- Growth Fund	2.04	2.04
Total Investment in Mutual Funds	2.45	2.36
Aggregate amount of : Quoted investments -		
- At cost	2.15	2.25
- Market value	2.45	2.36

Note 8: LOANS

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured, Considered Good				
a) Employee related advances	-	-	5.10	5.17
b) Loans to Others - GTA Power Mech FZE (Subsidiary to GTA Power Mech Nizeria, a JV)	-	-	0.64	0.55
Total	-	-	5.74	5.72

The above Loans are sub-classified as :

a) Loans considered good - Secured	-	-	-	-
b) Loans considered good - Unsecured	-	-	5.74	5.72
c) Loans which have significant increase in Credit Risk	-	-	-	-
d) Loans - Credit impaired	-	-	-	-
	-	-	5.74	5.72

Note:

- 1) No loans are due from directors or other officers of the Group either severally or jointly with any other person nor any other loans are due from firms in which any director is a partner, a director or a member.
- 2) All the above advances given to joint venture are utilised for their business purposes.

Notes on Consolidated Financial Statements

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

Particulars of Loans granted	As at 31 st March, 2022	% out of Total Loans advanced	As at 31 st March, 2021	% out of Total Loans advanced
Repayable on demand	-	-	-	-
without specifying the terms or period of repayment				
a) Promoters	-	-	-	-
b) Directors	-	-	-	-
c) KMP	-	-	-	-
d) Related parties	0.64	100.00	0.55	100.00

Note 9: OTHER FINANCIAL ASSETS

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
a) Security deposits with Govt. authorities and others	9.50	10.19	0.02	0.02
b) EMD with customers	37.65	59.79	-	-
c) Earmarked balances with banks held as margin money against LC and guarantees having a maturity period for more than 12months from the date of Balance sheet	57.85	65.15	-	-
d) Retention Money and Security Deposit with customers	205.37	125.55	113.62	162.43
e) Uncertified Revenue	-	-	431.65	401.12
Total	310.37	260.68	545.29	563.57
Less: Provision for doubtful receivables (Retention Money and Security Deposit with customers)	(6.10)	(3.34)	-	-
Total	304.27	257.34	545.29	563.57

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, fulfillment of conditions for release of Retention money and Security deposit and based on estimates by management.

Uncertified revenue ageing schedule as on 31.03.2022

Particulars	Outstanding for following periods					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Uncertified revenue	316.34	70.08	35.42	9.81	-	431.65

Uncertified revenue ageing schedule as on 31.03.2021

Particulars	Outstanding for following periods					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Uncertified revenue	299.14	56.59	39.98	5.41	-	401.12



Notes on Consolidated Financials Statements

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

Note 10: OTHER ASSETS

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured, Considered Good				
a) Advances for Capital goods	1.32	2.13	-	-
b) Mobilisation advances to Sub - Contractors	-	-	8.96	8.90
c) Advances to creditors against supplies	-	-	21.20	28.87
d) Advances to sub-contractors against works Unsecured	-	-	356.02	337.80
e) Prepaid Royalty and other expenses	-	-	31.00	38.89
f) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	67.30	26.67
Works contract tax (TDS)	-	-	1.24	1.43
MAT Credit entitlement	-	-	0.15	-
Sales Tax Refund Receivable	-	-	-	0.14
Custom Duty Receivable	-	-	0.10	0.02
Taxes paid under protest	-	-	0.54	0.54
g) Other advances	-	-	6.43	6.87
Total	1.32	2.13	492.94	450.13
Less : Provision for doubtful advances (Advance to sub-contractors against works)	-	-	(1.22)	(1.22)
Total	1.32	2.13	491.72	448.91

Note: No advances are due from directors or other officers of the company either severally or jointly with any other person nor any other loans are due from firms or private company in which any director is a partner, a director or a member.

Note 11: INVENTORIES

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
a) Stores and spares	121.20	100.18
b) Construction Work-in-progress	16.46	14.49
Total	137.66	114.67

Note:

- The mode of valuation of inventories has been stated in Note 3(i) in Accounting Policies.
- The cost of inventories recognised as an expense for the year ended 31st March, 2022 was ₹336.19 Cr (for the year ended 31st March, 2021: ₹264.05 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 liquidated after more than twelve months.

Notes on Consolidated Financials Statements

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

Note 12: TRADE RECEIVABLES

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	666.57	533.51
Trade receivables which have significant increase in Credit Risk	4.06	2.53
Trade receivables - Credit impaired	-	-
Less: Allowance for doubtful receivables	(4.06)	(2.53)
Total	666.57	533.51

- 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, ₹166.15 Cr (as at 31st March, 2021 : ₹95.06 Cr) is due from one of the Parent Company's largest customer. Further, an amount of ₹87.48 Cr. (as at 31st March, 2021 : ₹25.73 Cr) is due from customers who represent more than 5% of the total balance of trade receivables.
- In determining the provision for trade receivables, the company has used practical expedients based on the financial conditions of the customer, historical experience of collections from customers, possible outcome of negotiations with customers etc., The concentration of risk with respect to trade receivables is reasonably low as most of the receivables are from Government organisations, high profile and net worth companies though there may be normal delay in collection. The expected credit loss allowance is based on the estimates by the management about their recoverability.

Trade Receivables ageing schedule as on 31.03.2022

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed trade Receivables - considered good	504.48	47.25	109.36	3.32	2.16	666.57
(ii) Undisputed trade Receivables - which have significant increase in credit risk	-	-	-	4.06	-	4.06
(iii) Undisputed trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade Receivables - credit impaired	-	-	-	-	-	-
Provision for expected credit loss	-	-	-	(4.06)	-	(4.06)
Total	504.48	47.25	109.36	3.32	2.16	666.57



Notes on Consolidated Financials Statements

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

Trade Receivables ageing schedule as on 31.03.2021

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed trade Receivables - considered good	325.96	193.35	8.77	3.75	1.68	533.51
(ii) Undisputed trade Receivables - which have significant increase in credit risk	-	-	-	2.53	-	2.53
(iii) Undisputed trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade Receivables - credit impaired	-	-	-	-	-	-
Provision for expected credit loss	-	-	-	(2.53)	-	(2.53)
Total	325.96	193.35	8.77	3.75	1.68	533.51

Note 13: CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
i) Balances with banks		
a. In Current accounts	71.00	12.04
ii) Cash on hand	1.47	1.65
iii) Fixed Deposits with original maturity period of less than 3 months	1.02	0.06
Total	73.49	13.75

Note 13: OTHER BANK BALANCES

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
a. Earmarked balances with banks held as margin money against LC and guarantees falls due for maturity within 12months from the date of Balance sheet	76.63	50.67
b. Earmarked balances with banks towards unclaimed dividends	0.02	0.02
Total	76.65	50.69

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

Notes on Consolidated Financials Statements

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

Note 14: SHARE CAPITAL

a) Authorised Share Capital

Particulars	Equity	
	No's	Total
As at 31 st March, 2020	2,60,00,000	26.00
Changes during the year	-	-
As at 31 st March, 2021	2,60,00,000	26.00
Changes during the year	-	-
As at 31 st March, 2022	2,60,00,000	26.00

b) Issued Share Capital

Equity shares of ₹10 each issued, subscribed and fully paid

Particulars	No's	Total
As at 31 st March, 2020	1,47,10,764	14.71
Increase/(Decrease) during the year	-	-
As at 31 st March, 2021	1,47,10,764	14.71
Increase / (Decrease) during the year	-	-
As at 31 st March, 2022	1,47,10,764	14.71

c) Rights, Preferences and restrictions attached to Equity shares

The Parent Company has only one class of Equity shares having a face value of ₹10/- each. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

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

Name of the Share Holder	As at 31 st March, 2022		As at 31 st March, 2021	
	No of Shares held	% out of total number of shares of the Company	No of Shares held	% out of total number of shares of the Company
S. Kishore Babu	38,64,942	26.27%	38,64,942	26.27%
S. Kishore Babu (HUF)	12,44,000	8.46%	12,44,000	8.46%
S. Lakshmi	37,28,626	25.35%	37,28,626	25.35%
S. Rohit	19,413	0.13%	19,413	0.13%
HDFC Small Cap Fund	12,27,393	8.34%	10,03,126	6.82%
	1,00,84,374	68.55%	98,60,107	67.03%



Notes on Consolidated Financials Statements

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

e) Details of shares held by promoters as on 31.03.2022

Name of the promoters	As at 31 st March 2022		% Change during the FY 2021-22
	No. of shares	% of total shares	
SAJJA KISHORE BABU	38,64,942	26.27	0.00
SAJJA KISHORE BABU (HUF)	12,44,000	8.46	0.00
LAKSHMI SAJJA	37,28,626	25.35	0.00
SAJJA ROHIT	19,413	0.13	0.00
SAJJA VIGNATHA	3,83,054	2.60	0.00
AISHWARYA KURRA	87,513	0.59	4.47
GOGINENI BABU	25,958	0.18	0.00
SIREESHA GOGINENI	3,360	0.02	0.00
SEKHAR GOGINENI	4,071	0.03	0.00
SIVARAMA KRISHNA PRASAD SAJJA	2,930	0.02	(0.09)
SUBHASHINI KANTETI	2,520	0.02	0.00
UMA DEVI KOYI	3,026	0.02	(0.33)
SAI MALLESWARA RAO SAJJA	255	-	0.00

Details of shares held by promoters as on 31.03.2021

Name of the promoters	As at 31 st March 2021		% Change during the FY 2020-21
	No. of shares	% of total shares	
SAJJA KISHORE BABU	38,64,942	26.27	0.06
SAJJA KISHORE BABU (HUF)	12,44,000	8.46	0.00
LAKSHMI SAJJA	37,28,626	25.35	0.19
SAJJA ROHIT	19,413	0.13	(0.98)
SAJJA VIGNATHA	3,83,054	2.60	0.29
AISHWARYA KURRA	15,990	0.11	0.11
GOGINENI BABU	25,958	0.18	0.05
SIREESHA GOGINENI	3,360	0.02	0.00
SEKHAR GOGINENI	4,071	0.03	9.18
SIVARAMA KRISHNA PRASAD SAJJA	3,230	0.02	0.00
SUBHASHINI KANTETI	2,520	0.02	0.00
UMA DEVI KOYI	4,526	0.03	0.00
SAI MALLESWARA RAO SAJJA	255	-	0.00

- f) Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:
No Bonus shares were issued by the parent company during the period of five immediately preceding financial years.
- g) No shares were issued by the parent company pursuant to a contract without payment being received in cash.

Notes on Consolidated Financials Statements

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

Note 15: OTHER EQUITY

Securities Premium Reserve

Particulars	Amount
As at 31st March, 2020	160.93
Changes during the year	-
As at 31st March, 2021	160.93
Changes during the year	-
As at 31st March, 2022	160.93

General Reserve

Particulars	Amount
As at 31st March, 2020	37.00
Transfers during the year	-
As at 31st March, 2021	37.00
Transfers during the year	-
As at 31st March, 2022	37.00

Foreign Currency Translation Reserve Account

Particulars	Amount
As at 31st March, 2020	2.05
Changes during the year	(0.57)
As at 31st March, 2021	1.48
Changes during the year	(1.71)
As at 31st March, 2022	(0.23)

Retained Earnings

Particulars	Amount
As at 31st March, 2020	736.46
Add: Total comprehensive loss for the year transferred from statement of profit and loss	(44.25)
Less: Appropriations	-
Final Dividend for the Financial year 2019-20 proposed & paid during the year	1.47
As at 31st March, 2021	690.74
Add: Total comprehensive income for the year transferred from statement of profit and loss	140.16
Less: Appropriations	-
As at 31st March, 2022	830.90



Notes on Consolidated Financials Statements

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

Summary of Other Equity

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Securities Premium	160.93	160.93
General Reserve	37.00	37.00
Foreign Currency Translation Reserve Account	(0.23)	1.48
Retained Earnings	830.90	690.74
Total	1,028.60	890.15

Note 16: Minority Interest

Particulars	Amount
As at 31st March, 2020	8.11
Changes during the year	(3.09)
Dividend paid	(1.49)
As at 31st March, 2021	3.53
Changes during the year	(0.44)
Dividend paid	-
As at 31st March, 2022	3.09

Note 17: LONG TERM BORROWINGS

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
A. Secured				
i. Term Loans				
a) From Banks :				
i) Axis Bank	7.94	7.91	11.95	21.70
ii) HDFC Bank	0.95	0.65	2.06	0.99
iii) ICICI Bank	7.06	3.60	9.24	2.58
iv) Kotak Mahindra Bank	6.16	-	5.29	1.30
v) Yes Bank	0.31	0.65	0.34	0.48
vi) Emirates Islamic Bank	0.63	0.52	0.46	0.49
b) From Others :				
i) HDB Financial Services	4.35	1.77	3.34	1.22
ii) TATA Capital	6.43	0.03	12.49	8.00
iii) Mahindra Finance	1.13	0.73	2.34	0.58
Total (a)	34.96	15.86	47.51	37.34

Notes on Consolidated Financial Statements

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

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
B. Unsecured				
a) Deferred payment liabilities				
Due to suppliers on deferred credit basis	-	-	-	2.59
Total (b)	-	-	-	2.59
Total (a+b)	34.96	15.86	47.51	39.93

- The term loans from banks and companies are secured by way of hypothecation of assets funded under the said facility. Further, the loans are guaranteed by Managing Director and a Director in their personal capacities.
- The above loans carries interest varies from 7.35 % to 12.50 %
- The above loans are repayable in monthly/quarterly installments.
- Maturity pattern of above term loans (non current) is as follows
Banks: 2022-23 - ₹19.51; 2023-24 - ₹3.54
Companies: 2022-23 - ₹9.05; 2023-24 - ₹2.86
- Registration, Modification and Satisfaction of charges relating to the new loans taken during the year, had been filed with the Registrar of Companies, within the prescribed time or within the extended time requiring the payment of additional fees.
- No defaults were made in repayment of above term loans

Note 18: OTHER FINANCIAL LIABILITIES

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
a) Retention Money & Security deposits recovered from Sub-Contractors	80.31	71.63	15.46	25.72
b) Creditors for capital goods	-	-	0.79	2.15
c) Interest accrued and due	-	-	0.24	0.04
d) Interest accrued but not due	-	-	0.21	-
e) Unclaimed dividend	-	-	0.02	0.02
f) Employee related payments	-	-	63.80	46.80
g) Share application money refundable	-	-	0.11	0.11
h) Other Liabilities	-	-	46.36	40.81
	80.31	71.63	126.99	115.65
a) Lease liability as per Ind As 116 (Refer Note No. 51)	1.72	2.74	1.64	2.53
Total	82.03	74.37	128.63	118.18

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.



Notes on Consolidated Financials Statements

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

Note 19: PROVISIONS

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	2.67	1.16	0.59	0.47
- Leave Encashment (Unfunded)	4.53	3.67	1.08	0.84
Total	7.20	4.83	1.67	1.31

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 ₹19.96 Cr (Year ended 31st March, 2021: ₹14.19 Cr) for provident fund contributions, and ₹2.05 Cr (Year ended 31st March, 2021: ₹1.43 Cr) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

b. Defined benefit plans

The Group provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is 31st March.

(i) Balance Sheet

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Present value of obligation	13.01	11.27
Fair Value of plan assets	9.75	9.64
(Asset) / Liability recognised in the Balance Sheet	3.26	1.63

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

Particulars	Plan Obligation	Plan Assets	Deficit/ (Surplus)
As at 31st March, 2020	9.68	7.51	2.17
Current service cost	2.67	-	2.67
Past service cost	0.07	-	0.07
Interest cost	0.64	-	0.64
Interest income	-	0.57	(0.57)
Actuarial gain arising from changes in experience adjustments	(1.22)	-	(1.22)

Notes on Consolidated Financials Statements

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

Particulars	Plan Obligation	Plan Assets	Deficit/ (Surplus)
Actuarial gain arising from changes in financial assumptions	(0.17)	-	(0.17)
Contributions by employer	-	1.97	(1.97)
Benefit payments	(0.40)	(0.40)	-
Return on plan assets, excluding interest income	-	(0.01)	0.01
As at 31st March, 2021	11.27	9.64	1.63
Current service cost	3.01	-	3.01
Past service cost	-	-	-
Interest cost	0.75	-	0.75
Interest income	-	0.65	(0.65)
Actuarial gain arising from changes in experience adjustments	(0.49)	-	(0.49)
Actuarial gain arising from changes in financial assumptions	(0.78)	-	(0.78)
Contributions by employer	-	0.29	(0.29)
Benefit payments	(0.75)	(0.72)	(0.03)
Return on plan assets, excluding interest income	-	(0.11)	0.11
As at 31st March, 2022	13.01	9.75	3.26

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Employee Benefit Expenses		
Current service cost	3.01	2.67
Past service cost	-	0.07
Interest cost	0.75	0.64
Interest Income	(0.65)	(0.57)
Net impact on profit before tax	3.11	2.81
Remeasurement of the net defined benefit plans:	-	-
Actuarial gain arising from changes in Financial assumptions	(0.78)	(0.17)
Actuarial (gain) / loss arising from changes in Experience adjustments	(0.49)	(1.21)
Return on plan assets, excluding interest income	0.11	0.01
Net impact on other comprehensive income before tax	(1.16)	(1.37)



Notes on Consolidated Financials Statements

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

(iv) Assets

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Insurance policies	100%	100%

(v) Investment details

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Insurance Policies	9.75	9.64

(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 31 st March, 2022	As at 31 st March, 2021
Discount rate	7.34%	6.90%
Salary escalation rate	3.00%	3.00%

(vii) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The data 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 31 st March, 2022
Salary Escalation - Up by 1%	14.95
Salary Escalation - Down by 1%	11.27
Withdrawal Rates - Up by 1%	13.79
Withdrawal Rates - Down by 1%	11.95
Discount Rates - Up by 1%	11.40
Discount Rates - Down by 1%	14.82

(viii) Maturity profile of defined benefit obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non-Current
Defined Benefit obligation	0.56	2.63	4.14

Notes on Consolidated Financial Statements

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

Note 20: DEFERRED TAX

The following is the analysis of deferred tax (Assets)/Liabilities presented in the Balance Sheet

Particulars	Components	
	As at 31 st March, 2022	As at 31 st March, 2021
Liability:		
Towards depreciation	-	-
Asset:		
Dis-allowances under Income-tax	2.49	6.85
On account of Unabsorbed Losses	-	12.44
Towards depreciation	9.18	2.27
MAT Credit entitlement	0.15	0.15
Total	11.82	21.71

Movement in Deferred Tax Assets / (Liabilities)

Component	As at 31 st March, 2020	(Credit)/ Charge to Statement of P&L	As at 31 st March, 2021	(Credit)/ Charge to Statement of P&L	As at 31 st March, 2022
Deferred tax Liability / (Asset) in relation to:					
Depreciation	1.85	(0.42)	2.27	(6.90)	9.18
Expenses allowable under Income tax when paid	6.32	(0.53)	6.85	4.34	2.49
On account of unabsorbed losses	-	(12.44)	12.44	12.44	-
MAT Credit entitlement	0.05	(0.10)	0.15	(0.00)	0.15
Total	8.22	(13.49)	21.71	9.88	11.82

Note 21: OTHER LIABILITIES

Particulars	Non-Current		Current	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
a) Mobilisation advances received from customers	67.56	22.65	93.60	53.71
b) Advances received from customers against supplies or works	-	-	19.08	15.80
c) Provision for Loss in Associate	9.10	8.77	-	-
d) Statutory Liabilities	-	-	75.05	39.38
e) Deferred government grants (Refer note 1 below)	0.49	0.32	-	-
Total	77.15	31.74	187.73	108.89



Notes on Consolidated Financials Statements

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

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 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 31 st March, 2022	As at 31 st March, 2021
A. Secured		
1. Loans repayable on demand :		
a) Working Capital Loans from Banks		
i) State Bank of India	82.95	125.37
ii) Standard Chartered Bank	12.00	23.50
iii) Axis Bank	3.03	2.96
iv) IDFC First Bank	35.55	39.66
v) Punjab National Bank	19.81	20.75
vi) Bank of India	20.87	27.18
vii) IndusInd Bank	0.25	7.42
viii) Union Bank of India	35.30	37.66
ix) Bank of Baroda	44.42	44.47
x) UCO Bank	49.94	49.45
xi) Central Bank of India	1.59	5.78
xii) Bandhan Bank	19.13	-
xiii) Fidelity Bank	19.06	-
2. Current maturities of long-term debt (Refer Note no.17)	47.51	39.93
B. Un Secured		
1. Loans repayable on demand :		
a) Working Capital Loans from Banks		
i) HDFC Bank	-	9.37
ii) Bank of Bahrain & Kuwait	49.85	59.96
2. Short term loans :		
i) Inter Corporate loan		
i) From AMR India Limited	0.93	-
ii) From Power Mech Infra Limited	50.00	-
Total	492.19	493.46

Notes on Consolidated Financials Statements

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

Note:

- Working capital loans from State Bank of India, Standard Chartered bank, Axis bank, IDFC First bank, Punjab National bank, Bank of India, IndusInd bank, Union Bank of India, Bank of Baroda, UCO bank, Central bank of India, Bandhan bank and fidelity bank are secured by way of first charge on entire current assets of the company on pari passu basis. Further these loans are secured by way of first charge on fixed assets both present and future, excluding those assets against which charge was given to equipment financiers.
The said loans are collaterally secured by way of equitable mortgage of immovable properties belonging to the company, Managing director, director and a firm.
- Overdraft facility from banks is secured against fixed deposits with banks.
- All the above loans are guaranteed by Managing Director and a director of the Parent Company in their personal capacities.
- The above loans carries interest varies from 7.50 % to 9.50 %
- Registration, Modification and Satisfaction of charges relating to the loans sanctioned / renewed during the year under review, had been filed with the Registrar of Companies, within the prescribed time or within the extended time requiring the payment of additional fees.
- The company availed working capital loans against security of current assets and no material discrepancies were noticed between the amounts as per unaudited books of accounts and amounts as reported in the statement submitted to the banks.
- The company has not declared as willful defaulter by any of the bank or any other institution.

Note No.23 TRADE PAYABLES

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Dues to : Small and Micro Enterprises	1.47	0.11
: Other than Small and Micro Enterprises (including Acceptances) *	537.85	512.50
Total	539.32	512.61

* Acceptances include arrangements where suppliers of goods and services are initially paid by banks/financiers

Ageing of Trade Payables as on 31.03.2022

Particulars	Outstanding for following periods from the date of transaction				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	1.43	0.04	-	-	1.47
(ii) Others	385.96	87.55	39.69	24.65	537.85
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-

Ageing of Trade Payables as on 31.03.2021

Particulars	Outstanding for following periods from the date of transaction				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	0.11	-	-	-	0.11
(ii) Others	383.80	74.75	26.02	27.93	512.50
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-



Notes on Consolidated Financials Statements

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

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

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	1.47	0.11
(b) Interest due there on	0.26	0.02
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date Interest there on in terms of Sec 16 of the Act	0.06	0.23
(b) Interest paid along with such payments during the year	0.00	0.26
(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	0.04	0.02
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.	0.26	0.22

Note 24: CURRENT INCOME-TAX(ASSETS)/LIABILITIES (NET)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for Income-tax	257.63	221.18
Less: Advance Income-tax and TDS	318.42	257.91
Total	(60.79)	(36.73)

Income-tax recognised in profit or loss

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Current Tax		
Tax expense in respect of current year Income	36.30	2.15
(Excess)/Short provision of current tax in earlier years	-	-
	36.30	2.15
Deferred Tax		
Deferred Tax Income in respect of Current year	9.88	(13.39)
MAT credit entitlement credit in respect of tax paid under provision of MAT	-	(0.10)
	9.88	(13.49)
Total tax expense recognised in statement of profit or loss	46.18	(11.34)

Notes on Consolidated Financials Statements

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

Note 25: REVENUE FROM OPERATIONS

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Contract receipts:		
Income from contracts and services	2,709.30	1,879.86
Other operating revenue :		
Crane hire charges received	1.19	4.22
Total	2,710.49	1,884.08

Note 26: OTHER INCOME

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Interest from banks and others	6.73	6.52
Interest on unwinding portion of Rental Deposits (at amortized cost)	0.07	0.05
Rent received	0.26	0.04
Profit on sale of assets	0.23	0.46
Fair value gain on current investments	0.19	0.11
Gain on exchange fluctuations	9.78	8.72
Sale of Duty credit scrip and deferment of govt. grants	0.05	0.27
Interest on Income tax refund	0.00	0.16
Total	17.31	16.33

Note No.27: COST OF MATERIALS CONSUMED

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Opening Stock	100.18	105.63
Add: Purchases	357.21	258.60
	457.39	364.23
Less : Closing Stock	121.20	100.18
Total	336.19	264.05

Note 28: CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Opening work-in-progress	14.49	20.70
	14.49	20.70
Closing work-in-progress	16.46	14.49
	16.46	14.49
(Increase) / Decrease in inventories	(1.97)	6.21



Notes on Consolidated Financials Statements

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

Note 29: CONTRACT EXECUTION EXPENSE

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Sub-contract expenses	1,245.78	917.01
Radiography charges	15.78	14.53
Royalty Charges	179.23	128.02
Hire charges	43.18	41.52
Rent at Project sites	20.88	16.92
Power and fuel	5.34	5.02
Insurance	5.93	3.89
Vehicles movement and other freight expenses	27.27	22.74
Repairs and maintenance : Plant and machinery	13.64	10.96
Other assets	3.24	2.67
Fuel and vehicle maintenance	59.69	44.45
Travelling expenses at projects	13.12	14.22
Wages paid to contract labour	0.01	1.77
Total	1,633.09	1,223.72

Note: 30 EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Salaries and Wages	364.03	277.55
Remuneration to managerial personnel	5.32	-
Contribution to provident and other funds	22.01	15.62
Staff welfare expenses	28.69	26.24
Contribution towards group gratuity	3.11	2.81
Total	423.16	322.22

Note 31: FINANCE COST

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Interest paid to banks and others	64.18	66.66
Bank charges and BG commission	9.56	5.98
Loan Processing charges	4.53	5.11
Interest on Income-tax	0.71	0.91
Exchange fluctuations on deferred credit payment	0.06	-
Finance cost on lease liability	0.43	0.61
Total	79.47	79.27

Notes on Consolidated Financials Statements

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

Note: 32 DEPRECIATION AND AMORTISATION

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Depreciation	34.60	33.44
Amortisation	0.07	0.07
Depreciation on Right-to-use assets	2.23	2.25
Total	36.90	35.76

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

Note 33: OTHER EXPENSE

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Rents - Office	-	0.01
Directors Sitting Fee	0.11	0.11
Payments to auditors		
Towards Statutory audit	0.18	0.14
Towards tax audit and taxation matters	0.01	0.01
Rates and taxes	6.00	5.63
Miscellaneous expenses	18.69	17.42
Provision towards doubtful debts and advances	4.28	-
CSR expenses	1.53	2.36
Loss on sale of assets	3.18	0.36
Loss on exchange fluctuations	0.04	-
Total	34.02	26.04



Notes on Consolidated Financials Statements

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

Note 34: Categories of Financial Instruments

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2022, 31st March, 2021 are as follows:

Particulars	Fair value		Carrying value	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
Financial assets				
Measured at Amortised cost				
(i) Other financial assets	849.56	820.91	849.67	821.02
(ii) Loans and advances	5.74	5.72	5.74	5.72
Measured at FVTOCI				
(i) Investments in equity instruments and Mutual Funds	0.05	0.04	0.02	0.02
Measured at FVTPL				
(i) Investments in Mutual Funds	2.45	2.36	2.15	2.25
Measured at cost				
(i) Investment in Joint ventures & Associates	36.60	38.54	36.60	38.54
Total assets	894.40	867.57	894.18	867.55
Financial liabilities				
Measured at amortised cost				
(i) Borrowings (including current maturities of Long term borrowings)	82.47	55.79	82.47	55.79
(ii) Other financial liabilities	207.30	187.28	207.30	187.28
(iii) Lease liabilities	3.36	5.28	3.36	5.28
Total liabilities	293.13	248.35	293.13	248.35

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.

Notes on Consolidated Financial Statements

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

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	Fair Value as at		Fair Value hierarchy	Valuation technique and key input
	31 st March, 2022	31 st March, 2021		
1) Investments in Quoted Mutual Funds	2.50	2.40	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.

Financial instruments that are subject to concentrations of credit risk principally consists of trade receivables, retentions, deposits with customers and unbilled revenue.

Receivables from customers

Concentration of credit risk with respect to trade receivables are limited since major customers of the group are from public sector and accounts more than 48% of its trade receivables. All trade receivables are reviewed and assessed for default on a monthly basis. On historical experience of collecting receivables, credit risk is low. The following table gives details in respect of dues from trade receivables including retentions and deposits and uncertified revenue.

Particulars	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Turnover from top Customer	650.61	319.73
Dues from top customer	295.00	215.63
Turnover from other top 4 customers	547.57	378.89
Dues from other top 4 customers	32.91	38.81

Other financial assets

The group maintains exposure in cash and cash equivalents, term deposits with banks held as margin money against guarantees and retention money and security deposits with customers which are to be released on fulfillment of conditions as specified in the work orders.

The group's maximum exposure of credit risk as at 31st March, 2022, 31st March, 2021, is the carrying value of each class of financial assets.



Notes on Consolidated Financials Statements

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

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:

in ₹ Cr

Particulars	Currency	As at 31 st March, 2022	As at 31 st March, 2021
Letter of Credit	USD	-	2.59

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.

in ₹ Cr

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Net Foreign currency exposure in		
USD - US Dollars	9.35	12.57
SAR - Saudi Arabian Riyals	3.06	3.81
AED - Arab Emirates Dirham	19.08	13.65
BDT - Bangladeshi Taka	165.26	98.51
LYD - Libyan Dinars	1.22	1.21
OMR - Oman Riyals	5.30	4.91
Total	203.27	134.66

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, 2022 and March 31, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The group regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

Any short-term surplus cash generated, over and above the amount required for working capital management 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.

Notes on Consolidated Financials Statements

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

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 31 st March, 2022	As at 31 st March, 2021
Equity	1,046.40	908.45
Short Term Borrowings	444.68	453.54
Long Term Borrowings (including Current maturities of Long term debt)	82.47	55.79
Cash and Cash Equivalents (including other bank balances)	(207.98)	(129.60)
Net Debt	319.17	379.72
Total Capital (Equity+Net Debt)	1,365.57	1,289.17
Gearing Ratio (Net Debt / Equity)	30.50%	41.80%

Note	Particulars	31.03.2022	31.03.2021
37	Contingent Liabilities and Commitments		
A.	Contingent Liabilities		
	a) Claims against the company not acknowledged as debts		
	- VAT	1.80	1.80
B.	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	2.17	0.49
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.	1,017.44	821.20
39	CIF value of Imports made by the Group during the year		
	a) Consumables & Spare parts	0.29	-
	b) Capital goods	2.71	0.78
40	Earnings in foreign exchange currency		
	a) Contract receipts (Projects executed outside India)		
	Abu Dhabi	84.39	69.42
	Bheramara	266.54	122.33
	Kuwait	-	4.42
	Saudi	-	0.25



Notes on Consolidated Financials Statements

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

Note	Particulars	31.03.2022	31.03.2021
	Nigeria	14.50	26.27
	Sharja	1.03	-
41	Expenditure in foreign currency		
	a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
	Abu Dhabi	79.16	62.00
	Bheramara	181.07	131.02
	Kuwait	0.17	3.17
	Shuqaiq	0.58	-
	Libya	-	0.06
	Sharja	1.04	-
	b) Foreign travel	0.01	0.01
42	EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY		
	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
	a) Gross amount required to be spent by the parent company during the year	1.36	2.36
	b) Amount spent during the year (Contribution paid to Power Mech Foundation/others)	1.53	2.36
	c) Related party transactions in relation to Corporate Social Responsibility	1.41	2.03
	d) Details of excess amount spent	0.17	-
	e) Nature of CSR activities undertaken by the Company		
	(i) Providing Education		
	(ii) Promoting health care		
	(iii) facilities for setting up home for Orphanages & Old-Age homes		

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%

Notes on Consolidated Financials Statements

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

Power Mech Environmental Protection Private Limited	India	100.00%
KBP Mining Private Limited	India	76.00%
Energy Advisory and Consulting Services Private Limited	India	100.00%

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest/ Profit sharing
GTA Power Mech NIGERIA Limited	Nigeria	50%
GTA Power Mech DMCC	Dubai	50%
M/s. PMPL - M/s. ACPL JV	India	80%
PMPL - STS JV	India	74%
PMPL - KHILARI Consortium JV	India	75%
PMPL - SRC INFRA JV - Mizoram	India	74%
PMPL - SRC INFRA JV - Hassan	India	60%
PMPL - BRCC INFRA JV	India	70%
PMPL - KVRECPL Consortium JV	India	82%
PMPL - PIA JV	India	79%

Enterprises consolidated as Associates in accordance with Indian Accounting Standard-28: Investment in Associates and Joint Ventures

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
MAS Power Mech Arabia (MASPA)	Saudi Arabia	49%

44. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries, Joint Ventures and Associate.

Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Power Mech Projects Limited	94.69%	990.83	91.76%	126.63
Subsidiaries				
Hydro Magus Private Limited	0.42%	4.41	(0.06%)	(0.08)
Power Mech Industri Private Limited	(0.26%)	(2.76)	(0.80%)	(1.10)
Power Mech SSA Structures Private Limited	0.00%	(0.01)	0.00%	(0.00)



Notes on Consolidated Financials Statements

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

Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Aashm Avenues Private Limited	0.00%	(0.01)	0.00%	(0.00)
Power Mech BSCPL Consortium Private Ltd	0.06%	0.66	0.00%	(0.00)
Power Mech Projects Limited LLC	0.02%	0.23	(0.72%)	(1.00)
Power Mech Projects (BR) FZE	2.15%	22.46	11.80%	16.29
Power Mech Environmental Protection Private Limited	0.00%	(0.01)	0.00%	(0.00)
KBP Mining Private Limited	0.00%	(0.00)	0.00%	(0.00)
Energy Advisory and Consulting Services Private Limited	0.00%	(0.00)	0.00%	(0.00)
Joint Venture				
M/s. PMPL- M/s. ACPL JV	0.12%	1.25	0.32%	0.44
PMPL-KHILARI Consortium JV	0.04%	0.42	0.11%	0.15
PMPL-STIS JV	0.08%	0.82	0.11%	0.15
PMPL-SRC INFRA JV (MIZORAM)	0.05%	0.54	0.19%	0.26
PMPL-SRC INFRA JV (HASSAN)	-	-	-	-
PMPL-BRCC INFRA JV	-	-	-	-
PMPL-KVRECPL Consortium JV	-	-	-	-
PMPL-PIA JV	-	-	-	-
GTA Power Mech NIGERIA Limited	(0.02%)	(0.17)	(0.01%)	(0.01)
GTA Power Mech DMCC	0.07%	0.77	0.53%	0.74
GTA Power Mech FZE	3.15%	32.96	(2.65%)	(3.65)
Associate				
MAS Power Mech Arabia (MASPA)	(0.87%)	(9.10)	(0.25%)	(0.35)
Share of Minority	0.30%	3.09	(0.32%)	(0.44)
	100%	1,046.40	100%	138.01

Notes on Consolidated Financials Statements

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

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 / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Other Comprehensive Income/(Loss)	Total Comprehensive Income/(Loss)	% of Shareholding
Subsidiaries													
1	Hydro Magus Private Limited	INR	0.21	8.28	7.76	16.25	0.98	(0.12)	(0.03)	(0.09)	-	(0.09)	88%
2	Power Mech Industri Private Limited	INR	0.02	(0.73)	39.39	38.68	22.32	(1.20)	(0.19)	(1.01)	(0.09)	(1.10)	100%
3	Power Mech BSCPL Consortium Private Limited	INR	0.01	1.29	82.94	84.24	-	(0.00)	-	(0.00)	-	(0.00)	51%
4	Power Mech SSA Structures Private Limited	INR	0.10	(0.01)	2.21	2.31	-	(0.00)	-	(0.00)	-	(0.00)	100%
5	Aashm Avenues Private Limited	INR	0.10	(0.01)	0.05	0.15	-	(0.00)	-	(0.00)	-	(0.00)	100%
6	Power Mech Environmental Protection Private Limited	INR	0.01	(0.01)	0.00	0.00	-	(0.00)	-	(0.00)	-	(0.00)	100%
7	KBP Mining Private Limited	INR	0.01	(0.00)	4.21	4.21	-	(0.00)	-	(0.00)	-	(0.00)	74%
8	Energy Advisory and Consulting Services Private Limited	INR	0.01	(0.00)	0.00	0.01	-	(0.00)	-	(0.00)	-	(0.00)	100%
9	Power Mech Projects (BR) FZE	NGN	3.60	123.22	233.86	360.68	375.77	96.83	-	96.83	-	96.83	100%
10	Power Mech Projects Limited LLC	Oman Rials	0.03	(0.00)	0.01	0.03	0.01	(0.01)	-	(0.01)	-	(0.01)	70%



Notes on Consolidated Financials Statements

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

Sr. No.	Name of Subsidiary Company / Joint Venture / Associate	Reporting Currency	Share Capital	Reserves & Surplus	Other Liabilities	Total Assets	Turnover / Total Income	Profit / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Other Comprehensive Income/(Loss)	Total Comprehensive Income/(Loss)	% of Shareholding
Joint ventures													
1	M/s. PMPL - M/s. ACPL JV (Capital introduced Nil)	INR	-	1.58	12.83	14.41	88.68	0.88	0.33	0.54	-	0.54	80%
2	PMPL-STC JV (Capital introduced Nil)	INR	-	1.11	66.01	67.11	30.92	0.29	0.10	0.20	-	0.20	74%
3	PMPL-KHILARI Consortium JV (Capital introduced Nil)	INR	-	0.56	25.78	26.34	31.12	0.29	0.09	0.20	-	0.20	75%
4	PMPL - SRC INFRA JV (MIZORAM) (Capital introduced Nil)	INR	-	-	-	-	75.52	0.54	0.18	0.36	-	0.36	74%
5	PMPL - SRC INFRA JV (HASSAN) (Capital introduced Nil)	INR	-	-	-	-	128.10	-	-	-	-	-	60%
6	PMPL-BRCC INFRA JV (Capital introduced Nil)	INR	-	-	-	-	111.26	-	-	-	-	-	70%
7	PMPL-KVRECP Consortium JV (Capital introduced Nil)	INR	-	-	-	-	2.58	-	-	-	-	-	82%
8	PMPL-PIA JV (Capital introduced Nil)	INR	-	-	-	-	2.83	-	-	-	-	-	79%
9	GTA Power Mech NIGERIA Limited	NGN	3.00	(2.15)	0.93	1.78	-	(0.14)	-	(0.14)	-	(0.14)	50%
10	GTA Power Mech DMCC	AED	0.01	0.07	0.11	0.18	0.20	0.07	-	0.07	-	0.07	50%
Associates													
1	MAS Power Mech Arabia (MASPA)	SAR	0.25	(0.93)	2.63	1.95	0.40	(0.03)	-	(0.03)	-	(0.03)	49%

Notes on Consolidated Financial Statements

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

45. Particulars disclosed pursuant to AS-18 "Related party transactions"

A)	i) Key Managerial personnel	S. Kishore Babu , Chairman and Managing director of Power Mech Projects Limited Arbind Kumar Koul, Managing Director and CEO of Hydro Magus Private Limited K Ajay Kumar, Managing director of Power Mech Industri Private Limited
	ii) Relatives of Key Managerial personnel	S. Lakshmi - W/o S.Kishore Babu S. Rohit S/o S.Kishore Babu S. Kishore Babu (HUF) S. Vignatha D/o S.Kishore Babu
	iii) Companies/Firms controlled by KMP/ Relatives of KMP	Power Mech Infra Limited Bombay Avenue Developers Private Limited Power Mech Foundation Lakshmi Agro Farms Vaishno Infra services

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	0.18		
		(0.20)		
b)	S. Lakshmi		0.16	
			(0.07)	
c)	S. Kishore Babu (HUF)		0.09	
			(0.08)	
d)	S.Vignata		0.12	
			(0.12)	
e)	Power Mech Infra Limited			1.96
				(1.95)
ii) Remuneration Paid				
a)	S. Kishore Babu	5.32		
		-		
b)	S. Rohit		0.36	
			(0.30)	
c)	Ajay Kumar	0.05		
		(0.05)		
iii) Amount paid towards Corporate Social Responsibility (CSR)				
a)	Power Mech Foundation			1.41
				(2.03)



Notes on Consolidated Financials Statements

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

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP
C) Balances outstanding as on 31.03.2022				
i)	Due to Power Mech Infra Limited			1.85
				(0.20)
	Due to Power Mech Infra Limited			50.00
				-
	Rental Deposit with Power Mech Infra Limited			0.89
				(0.89)
ii)	Remuneration Payable			
	S. Kishore Babu	1.10		
		-		
	S. Rohit		0.07	
			-	
	Ajay Kumar	0.00		
		(0.00)		
iii)	Rent Payable			
	S. Kishore Babu	0.04		
		(0.03)		
	S. Lakshmi		0.02	
			(0.01)	
	S. Kishore Babu (HUF)		0.02	
			(0.02)	
	S.Vignatha		0.02	
			(0.01)	

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.

47. The group has claimed an amount of ₹1.24 Cr (As on 31.03.2021 ₹1.43 Cr) being the Works contract tax deducted by the customers under local sales tax laws and outstanding as on 31.03.22 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.

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.

Notes on Consolidated Financial Statements

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

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 2021-22	Segment Assets as on 31.03.2022	Capital Expenditure for the year 2021-22
With in India	2,344.04	2,233.64	38.81
(Previous year)	(1,661.40)	(1,967.19)	(21.05)
Outside India	366.46	363.64	5.02
(Previous year)	(222.69)	(293.72)	(5.86)

49. Key Financial Ratios

Particulars	Numerator	Denominator	Unit of Measurement	FY 2021-22	FY 2020-21	Variation in %
Current Ratio	Current Assets	Current Liabilities	No. of times	1.53	1.43	6%
Debt-Equity Ratio	Total Debt	Shareholder's Equity	No. of times	0.51	0.56	(10%)
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	No. of times	2.01	0.56	260%
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	%	14.21%	(4.83%)	(394%)
Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	No. of times	2.65	2.24	18%
Trade receivables Turnover Ratio	Net Credit Sales	Avg. Accounts Receivable	No. of times	4.52	3.50	29%
Trade payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	No. of times	3.08	2.18	41%
Net Capital Turnover Ratio	Net Sales	Working Capital	No. of times	3.81	3.51	9%
Net Profit Ratio	Net Profit	Net Sales	%	5.11%	(2.59%)	(298%)
Return on Capital Employed	Earning before interest and taxes	Capital Employed	%	17.85%	1.56%	1047%
Return on Investment						
(a) Return on Mutual funds	Income during the year	Time weighted average of investments	%	8.09%	4.58%	76%

Note: Ratios of Current year are not comparable with the Previous year due to the outbreak of COVID-19 in the previous financial year which impacted the operational performance of the Group company.



Notes on Consolidated Financials Statements

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

50. Calculation of Earnings per Share:

Sl. No	Particulars	2021-22	2020-21
1)	Basic and Diluted Earning per share		
	No. of shares at the beginning of the year	1,47,10,764	1,47,10,764
	Weighted average number of shares	1,47,10,764	1,47,10,764
	Face value per share (in ₹)	10.00	10.00
	Profit / (Loss) after tax attributable to equity share holders and after minority interest	138.99	(45.64)
	Basic and Diluted Earning per share (in ₹)	94.48	(31.02)

51. Leases

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(i) The following is the breakup of current and non-current lease liabilities		
Current liabilities	1.64	2.53
Non-current liabilities	1.72	2.74
Total	3.36	5.27
(ii) The following is the movement of lease liabilities		
Balance at the Opening/Transition date	5.27	6.96
Additions during the year	0.31	0.33
Finance cost accrued during the year	0.43	0.61
Payment of lease liabilities during the year	(2.65)	(2.63)
Balance at the end	3.36	5.27
(iii) Maturity analysis of lease liabilities		
Less than one year	1.64	2.53
One to five years	1.72	2.74
More than five years	-	-
Total	3.36	5.27

(iv) The impact of change in accounting policy on account of adoption of Ind AS 116 is as follows

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Interest on lease liabilities (Refer Note 31)	0.43	0.61
Depreciation of Right-of-use assets (Refer Note 4.2)	2.23	2.25
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	2.65	2.63

(v) The impact on the profit for the year is not material.

Notes on Consolidated Financial Statements

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

52. 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 01.04.2021	5.87	1.22
Changes in allowance for expected credit loss		
- Provision for expected credit loss	4.28	-
- Reversal of Provision for expected credit loss	-	-
Write off as baddebts	-	-
Closing balance as at 31.03.2022	10.15	1.22

b) Movement in contract balances:

Particulars	31.03.2022	31.03.2021	Net Increase/ (Decrease)
Contract Receivables			
Dues from customers	666.57	533.50	133.07
Contract assets			
Retention & SD amounts due from customers	312.89	284.64	28.25
Contract payables			
Due to Sub Contractors	345.88	285.16	60.72
Contract Liabilities			
Retention & SD amount due to Sub Contractors	95.77	97.35	(1.58)

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 recongnized 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 ₹18,149 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.

53. Dividend

The board of Directors of the parent company at its meeting held on 21.05.2022 have recommended a dividend of ₹1.50/- each per share of face value of ₹10/- each for the financial year ended 31st March, 2022. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as a liability.



Notes on Consolidated Financials Statements

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

54. Other disclosures: Additional regulatory and other information as required by the Schedule III to the Companies Act 2013.

(a) Relationship with Struck off Companies

The Parent Company, Subsidiaries and its Joint ventures did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the parent Company.

(b) Compliance with number of layers of companies

The compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable for the Group.

(c) Scheme of arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

(d) Advance or loan or investment to intermediaries and receipt of funds from intermediaries.

The parent Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The parent Company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(e) Undisclosed Income

The Parent Company, Subsidiaries and its Joint ventures do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

(f) Details of Crypto Currency or Virtual Currency

The Parent Company, Subsidiaries and its Joint ventures did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

55. Previous year figures have been regrouped wherever necessary to conform to current year classification.

As per our report of even date

For **K S RAO & CO**
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number: 235528
UDIN: 22235528AJJXS9037

Place: Hyderabad
Date: 21.05.2022

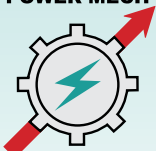
For and on behalf of the Board

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

Sd/-
J Satish
CFO

Sd/-
Mohith Kumar Khandelwal
Company Secretary

POWER MECH



Growth Unlimited

POWER MECH PROJECTS LIMITED

CIN: L74140TG1999PLC032156

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