



**POWER MECH**<sup>®</sup>

Date: 30.09.2023

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

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

Dear Sir/Madam,

**Subject: Revised annual report for FY 2022-23**  
**Ref: BSE Scrip Code: 539302, NSE Symbol: POWERMECH**

We are pleased to submit the revised annual report for the financial year 2022-23, as circulated to the members.

You are requested to kindly take the same on record.

Thanking you,

**For Power Mech Projects Limited**

**Mohith Kumar Khandelwal**  
**Company Secretary**

**Encl:A/a**

**POWER MECH PROJECTS LIMITED**

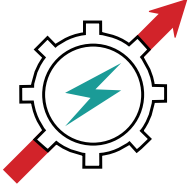
**AN ISO 14001:2015, ISO 9001:2015 & ISO 45001:2018 CERTIFIED COMPANY**

**Regd. & Corporate Office :**  
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**POWER MECH™**



**Growth Unlimited**

# Power Mech Projects Limited



**24<sup>th</sup> Annual Report 2022-23**



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.



## INVESTOR INFORMATION

### CIN

L74140TG1999PLC032156

### BSE Code

539302

### NSE Symbol

POWERMECH

### AGM Date & Time

28<sup>th</sup> September, 2023; 11.00 AM (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

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# ABOUT POWER MECH

Founded in 1999, Power Mech Projects Limited is a leading industrial services and construction Company providing comprehensive service in power and infrastructure sector.

The Company has made a significant niche in power sector, 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, extended its operations globally and has established strong presence in multiple Countries mostly in Asia and Africa. Substantiating its expertise in O&M services the Company has become the largest O&M player in the Country and a service provider of choice and merit.

During the last ten years, the Company has started diversifying further, in line with its strategy to balance the mix between power and non-power sectors. The Company has entered sectors having synergetic offering services including Industrial Plants, Railways & Metro, Roads and Water Projects.

In the beginning of its third decade, the Company has forayed into Manufacturing & Mining Development & Operations as part of backward & forward integration for sustained and long term growth.

The Company has aligned its business model for making best use of the huge investments as part of the National Infrastructure Pipeline (NIP). Power Mech is having a robust manpower strength and huge pool of resources and therefore is able to maintain an edge over its peers.



400 MW DRPP-Dangote Refinery & Petrochemicals Project, Nigeria



## ORDER BACKLOG

→ TOTAL  
₹ **53,320** CRORES\*

## ONGOING PROJECTS

→ DOMESTIC → O&M → INTERNATIONAL  
**89**      **49**      **17**

## HR BASE

→ TOTAL EMPLOYEES **11,866**<sup>#</sup>

## ASSET BASE (CRANES & OTHER CONSTRUCTION EQUIPMENT)

→ **300+**

\* As on 9<sup>th</sup> August, 2023 and execution considered only upto 30<sup>th</sup> June, 2023.

<sup>#</sup> As on 30<sup>th</sup> June, 2023

## OUR ETHOS



### Vision

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.



### Mission

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



### Values

- Passion
- Diligence
- Excellence
- Continuous Learning
- Safety
- Quality

# EDGE AND UNIQUE



Largest service provider in the O&M space with backward and forward integration

Established a huge asset base with self-sufficiency to cater to the diversified projects



Large talent pool and industry-experienced management team

SBU based Structure



Robust supply chain service support and logistics support





Long-term relationships with prestigious clients

Project handling capabilities across the globe



Qualified Independent Board and Good Corporate Governance



Robust Financials and Fiscal Discipline



Strong Order book





# DELIVERING WORLD-CLASS SERVICES ACROSS THE GLOBE

## Sustaining and growing in the overseas market!

Power Mech is establishing itself well in the international market, associating with new customers and undertaking new concept-projects. A new front is being developed in Nigerian market which stands largely unexploited. We are foreseeing greater scope and space for expansion and growth in multiple sectors.

Parallel, we continue focusing on Operation and Maintenance (O&M) with Dangote project, Nigeria encouragingly opening a floodgate. The overseas O&M segment is poised to become another profiteering unit like that of domestic unit. We are intensively pursuing in this direction, inculcating new talents and tested expertise.

There appears to be great opportunity in the field of Desalination plants installation and operation, which we are envisaging to enter through appropriate JV partners. Gaining experience and qualification is our primary motto for the present and eventually we will be playing a critical role in the field of operation.

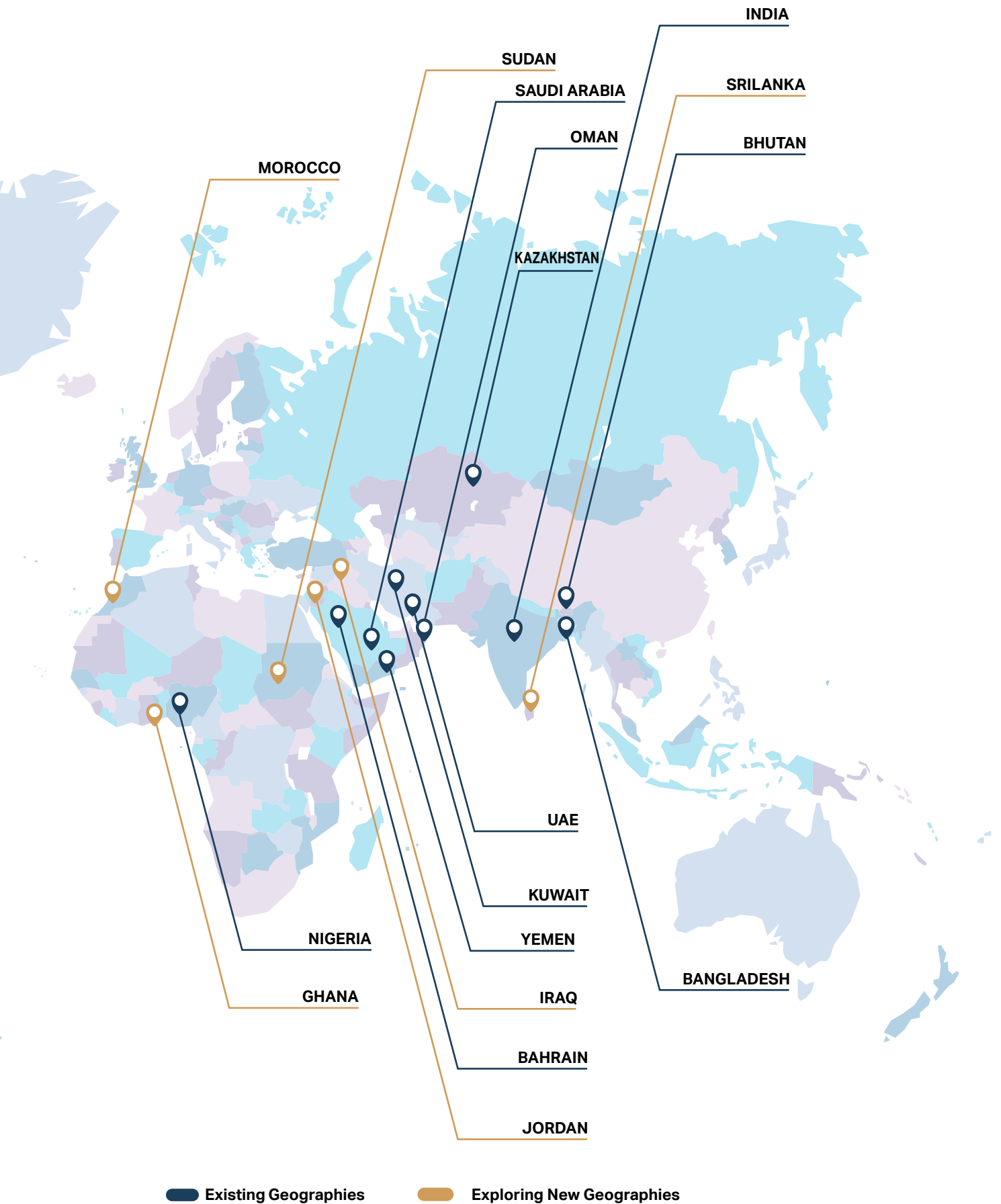
We are hopeful that the share of overseas market business shall see a quantitative jump in next three years.

## Expansive Global Presence and Perseverance

Excellence in performance and par-excellence in quality!

Measured steps but quantum leap!

Building credibility and image for over two decades and maintaining sustained growth against challenges. Made breakthrough in Middle East and in African countries in association with reputed clients in the market.



# JOURNEY OF 3 DECADES

DECADE

1

## FOCUS IN POWER SECTOR

● Beginning  
of journey in 1999

Gained market  
entry into various  
elements of India's  
power sector ●

● Accomplished  
several  
milestones



Erection, Testing  
and Commissioning,  
Operation &  
Maintenance



Thermal plants

Coal Stock Yard at 2X660 MW at Maitree

DECADE

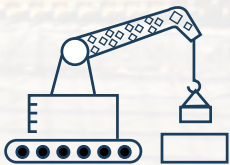
2

## SYNERGISTIC DIVERSIFICATION

Growing expertise with expansion of services

Non-power sectors  
Industrial Plants, Railways, Roads and Water Projects

Entry into overseas markets



Civil works



Export Business  
ETC and O&M

DECADE

3

## CONSOLIDATION AND LEVERAGING GROWTH

Transformation as a total service provider - enhancing engineering and project based solutions

Consolidation of business model



Enlarging O&M reach



Core Focus areas

Industrial Plants, Railways, Metro, Roads, Water Projects and Mining



Aligning business with opportunity from ₹ 111 Tn. investment in NIP PM Gati Shakti Scheme

# CHAIRMAN'S MESSAGE



## Dear Shareholders,

It is an extraordinary period for Power Mech, when the horizon is bright and welcoming. As the economy of the Country is booming, there are greater opportunities before the Company to consolidate, grow and sustain in the market. We are presently in an era of growth and the Company is well equipped with the required resources to take advantage of the favorable situation.

On this positive note, I am happy presenting the 24<sup>th</sup> Annual Report for the FY 2022-23. In another year your Company will be entering its Silver Jubilee year. Looking back with joy, events, trials, achievements, slippages, successes and people come across my mind, which shaped the Company into what it is today! In the past two and a half decades, the Company has established a niche for itself in versatile fields with a high degree of reputation, recognition and regard.

It gives me immense satisfaction that the Company is able to make tie-up with reputed partners for complementing each other in respective fields, establishing sustainable JVs to enter and stabilize in new sectors.

The external development of the Company demands certain internal focus, especially in Human Resource management. Taking a cue from international practices, the Company is focusing on Digitization, Internal Control System, Risk Management and In-house capabilities. As indicated in my last year's message, the leadership program for young and senior executives is made to take a centre stage and become a part and parcel of the culture of the Company.

As experienced professionals join us, the need for reorientation program is felt and accordingly the system is tuned with. The order of the day is going to be setting healthy competition among internal SBUs for growth, profitability and sustainability.

Performance-wise, every business vertical impresses, especially areas new to us, thanks to our exemplary management. Our execution capacity has experienced a significant boost, positioning us favorably for future endeavors.



**It gives me immense satisfaction that the Company is able to make tie-up with reputed partners for complementing each other in respective fields, establishing sustainable JVs to enter and stabilize in new sectors.**

Analyzing the performance trajectory, we note a significant increase in execution capacity from ₹ 500-600 Cr per quarter to ₹ 750-1500 Cr. This quantitative jump, resulting from enhanced internal infrastructure across all divisions, positions us well to undertake high-ticket size projects with higher margin in tune with prevailing market opportunities. Our focus remains on building a solid foundation for new business models.

I am glad to note that the Company has touched one of the all-time high in terms of execution, revenue and profit for the year. The total income for FY 2022-23 is ₹ 3,618 Cr, whereas the total income was ₹ 2,728 Cr for the FY 2021-22. The contribution from O&M business is highly impressive with ₹ 930 Cr constituting 26% of the total income. Similarly, the revenue from Erection, Testing and Commissioning business is 17%, Electrical business is around 2% & from Civil & others including railways and water projects it is around 55%. The reported EBITDA & PAT for FY 2022-23 is ₹ 421 Cr & ₹ 209 Cr respectively, whereas EBITDA & PAT for FY 2021-22 was ₹ 303 Cr & ₹ 139 Cr respectively. This shows a robust growth both in revenue and margin profile with the change of business mix over the years.

**Operation & Maintenance (O&M)** has been playing a very important role in the growth of the Company for sustained business potential and substantially contributing both to the top and bottom lines. The other important feature of O&M business is that it is not capital intensive and is self-sustaining with better margins and payment cycles. Government sector is also resorting to outsourcing model as the long term O&M contracts to reduce costs a possible approach of best practices. Power Mech has been a pioneer in this business segment and presently the Company is the largest service provider in the O&M market.



**Operation & Maintenance (O&M) has been playing a very important role in the growth of the Company for sustained business potential and substantially contributing both to the top and bottom lines.**

There is good opportunity in the power sector too with the introduction of FGD to the existing plants. Balance FGDs yet to be awarded is about 65,000 MWs. This segment is gaining momentum and will reach its optimum to meet India's environmental commitment. I am happy that the Company is already associating with multiple customers in the introduction of FGD to existing coal based power plants.

Our aim is always to have a balanced mix of power and non-power business, making it a combination of comprehensive and versatile service provider and we are so far highly successful. Presently, the Power and O&M business put together contribute 50% of the revenue and balance from the other segments. The dominance of power sector including O&M business is giving immense satisfaction as the Company started its business in the same field. Our steps are measured and these two years we have been a little more cautious, choosing and picking orders and travelling a safe path. It gave some space to rejuvenate ourselves and gain additional qualifications in versatile fields like Industrial Plants, Railways & Metro, Roads, Water Projects, Mining Development and Operations etc.

Power sector offering is reaching its pinnacle and therefore the future surely rests with a combination of non-power sectors. The call is to focus on multiple non-power sector projects already on hand and enlarge the business to new avenues. The Company has aligned its business model for making best use of the investments as part of the National Infrastructure Pipeline (NIP).

**Railways & Metro:** The entry into railway infra works started in 2016 with the completion of 37 kms on Gudiwada-Machilipatnam with track doubling. Since 2016 the Company has acquired expertise in undertaking various railway works including construction of pre-engineering buildings along with the construction of railway maintenance work shops. The focus of the Company in railway business will continue and targeted to have a mix of 8% to 10% of the total business by FY 26.

**Roads:** Looking at the huge opportunities, the Company has made commendable entry into the road sector after a lot of deliberations and meticulous planning. The total road projects under implementation is about 147 kms involving ₹ 1,696 Cr of work. This diversification 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. The Company is pursuing such projects in the pipeline on selective approach seeing the intense competition.

**Water Project Works :** The Company has developed a significant presence in water business. During the next 3 years water business will constitute 15% plus of the total business. Jal Jeevan Mission (JJM) is a new flagship program to enable the provision of drinking water to

every household not connected in the rural sector. Total households at the village level in the Country are 19.24 Cr and as on July 2023, about 12.73 Cr households have been covered under this mission constituting 66% of the total village population in the Country. Sensing the huge opportunity in this segment, the Company rightly made an entry in this area of business in a big way.



**Sensing the huge opportunity in Water Project Works segment, the Company rightly made an entry in this area of business in a big way.**

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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 project level.

**Mining Development & Operation:** MDO business is a strategic step forward integration in line with the overall business plan. This business will be driven by the combined existing expertise from our business verticals, especially in crushing & screening, large fleet management, O&M, earth moving, coal handling plants, washery etc. The MDO concept of business was considered the right business approach to expand the service and investment base in synergizing both the project implementation and O&M capabilities. It was evaluated from the business perspective and assured demand of the coking coal, it would be better to foray into mining. Power Mech bagged two large MDO contracts from Central Coal Fields Ltd (CCL) & Steel Authority of India Ltd (SAIL) with a total capacity of 9mtpa. Both these mines are Open Cast Mines (OCPs) and are meant for augmentation of coking coal capacity in the Country. These projects will further strengthen the existing robust order book and consolidated margin profile.



**I am foreseeing a good top line contribution from O&M and MDO to the tune of ₹3,500 Cr plus from FY 2027 onwards with higher margins.**

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In this regard I am foreseeing a good topline contribution from O&M and MDO to the tune of ₹ 3,500 Cr plus from FY 2027 onwards with higher margins.

**The journey ahead is vast, and we're advancing with a clear strategy towards our flexible yet attainable goals. While opportunities in O&M and MDO are evident, we anticipate expanding within existing sectors, capitalizing on our Company's strengths vis-a-vis., our dedicated human resources, state-of-the-art equipment, and vast experience.**

I extend my profound gratitude to our dedicated employees for their relentless commitment and effort. To our shareholders, thank you for your unwavering trust in our management, and for standing by us through every challenge. I am deeply appreciative of our financial institutions, bankers and customers for their invaluable guidance, support, and partnership.

**"The next decade is reserved for the Company to explore and expand!"**

**S. Kishore Babu**  
Chairman and Managing Director



# LEADING WITH EXPERIENCE



**Sajja Kishore Babu, CMD**

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.



**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.



**GDV Prasada Rao**  
Independent Director

*(ceased effective 26-07-2023)*  
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.



**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.



**J P Chalasani**  
Additional Director  
*(Appointed effective 26-07-2023)*

40+ years experience in the Indian infrastructure industry. He is the CEO of Suzlon Energy Limited. Previous associations include NTPC, Reliance Power. Punj Lloyd and others.



**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.



**T Sankaralingam,**  
Independent Director  
*(ceased effective 21-05-2023)*

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.



**Lasya Y**  
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.

# BUSINESS STRATEGY

The effort is on both market spread in different segments and also geographical spread for greater market share. The goal was also to have both backward and forward integration in the project construction and operation business to bring out single point delivery management covering both project execution and providing reliable service for the post commissioning phase by undertaking Operation and Maintenance. A single point service reach in various areas of project work related to engineering, civil, structural, mechanical, electrical works has been the hall mark of providing better service to increase business opportunity and also ability to demonstrate multiservice approach of a project.



Coal-fired Power Station, Bangladesh

It is also linked with continuous focus on organizational growth and also induction of domain experts for leadership roles in new business segments. This approach has helped the Company in establishing Pan India presence along with diversified business profile to hedge on any down trends in one segment of business to compliment in other diversified segments. The approach is also to identify new investments in different sectors of economy and aggressively follow the 'go to market' approach. This has helped the Company spreading business in non-power sectors including Industrial Plants, Railways & Metro, Roads, Water Projects and flourishing Mining Business.

After moving in to other infra sectors and gaining qualification through JV partnership structures, the Company has successfully consolidated its position in every sector it entered in to. Realizing the need for sustained existence and growth, the Company is aiming to tap the offer of major investments from NIP and gaining space in related sectors.





## Sustainable Growth

The Company still has its O&M segment at its top slot of sustainable revenue and rightly so. It remains the dependable dominant contributor of revenue to the Company. The O&M segment is not limiting to only power sector but to other fields including petro-chemical and other process industries. There is vast and continuous scope for expansion vertically and horizontally and the Company shall leave no stone unturned.

The next-in-line model of sustained revenue comes from Mines Development and Operation (MDO), which is gaining momentum and pace. The MDO projects are designed for serving the next two to three decades which will ensure sustained revenue from another avenue.

The two segments would provide necessary platform for a stable topline and bottom line with comfortable margins and would create elbow room for testing new waters. The fact that the two segments would provide safe zone of operation, the company can navigate and steer through other sectors with confidence.

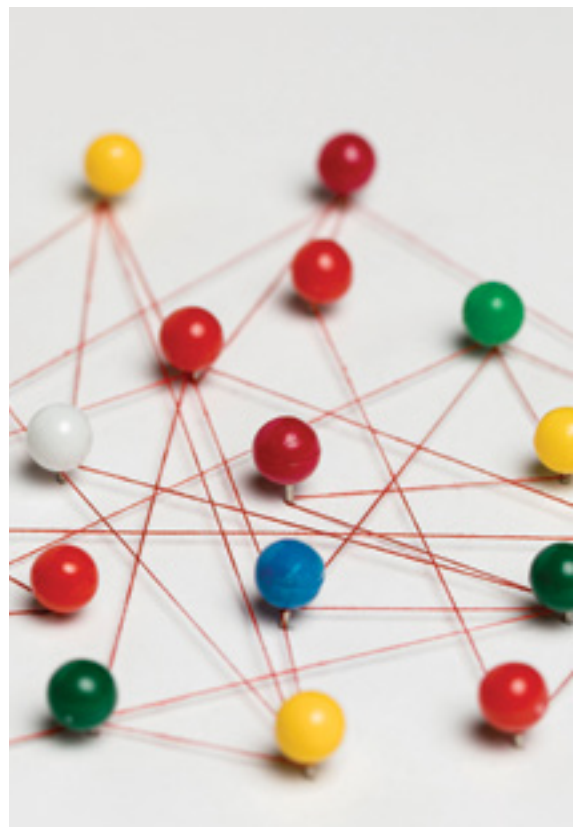


## Exploring Synergies

The key feature of Power Mech business model for growth is in bringing in synergy of market reach with the domain expertise developed into diverse segments of Engineering, Civil, Mechanical, Structural, Electrical and O&M.

This has been based on the resources and strength built up over the last 20 plus years in HR base of engineers, supervisors, skilled manpower in all segments of work and supported by a strong equipment base. The experience gained in power sector, has been diversified into infra sectors having synergetic offering services.

This model has also been used to develop export market to enhance the business. This was possible as the Company had 360 degree approach of business growth and also providing single point service profile to meet customer expectations.





## Risk Management Framework

**For the business to sustain in project execution encompassing the entire range of works from civil, structural, installation, commissioning and post commissioning including operation and maintenance calls for the sustained approach to identify and manage the risks across diversified business segments, customer spread and also geographical spread. This needs identifying individual risk mitigation areas for each project.**

A robust review mechanism is established right from the tendering stage to identify the project and contract risks involved in the ability to meet the customer in terms of meeting the understanding of the contract needs, ability to meet schedules, quality and safety benchmarks. This also covers up operational risks involved in soil conditions, site conditions, local conditions, labour availability, site access, commodity input costs understanding of the payment terms and impact of project delays and the reliability of project cash flows etc. Cost escalations of customer defaults are properly hedged during the award stage or the same will also become part of contractual variations during execution.

The Company also established a strong organization base to cover proper manning and positioning of domain experts. Cost to complete (CTC) workings are continuously updated to control project costs.

Risk management also has to identify the customer centric risks in terms of firm investments, ability to tie up the technology, the supply chain tie ups of key equipment engineering inputs, local conditions, various statutory clearances and the overall commitment of the customer in ensuring timely execution of the project.



# SUCCESS FACTORS IN NUMBERS

**67,960**  
MW

Capacity addition of Boiler, Turbine, Generator and Balance of Plant

**>28.3**  
Lakhs MT

Erection works

**15**  
Lakhs  
Sq.Ft

Completed Infrastructure development work related to Medical Technology Park within an year at Visakhapatnam, A.P.

**2.37**  
Lakhs MT

Structural fabrication works

**711**  
TKM

Commissioned over-head Electrification works

## OUR SERVICES



### Industrial Construction (Domestic & Overseas)

- Erection, Testing & Commissioning (ETC) of projects in Power, Nuclear, Refinery, Petro Chemicals, Oil & Gas, Steel & Minerals
- Caters Coal-based Power Plants BTG & BOP works with unit capacities ranging from 150 MW to 800 MW including FGD & SCR
- Cross Country Pipelines, Erection of Piping Packages & Tankages



### Industrial Services - O&M (Domestic & Overseas)

- Provide comprehensive & integrated Operation and Maintenance services (O&M) in mechanical, electrical & C&I including control room / desk operations of power projects
- Overhauling and Maintenance of Boiler, Turbine & Auxiliaries, R&M of BTG, GTG, CHP, BOP
- Global presence in Saudi Arabia, Oman, Kuwait, Bangladesh, Nepal, Bhutan & Nigeria
- Expanded O&M services footprint to Refinery, Petrochemical, Steel, Drinking Water Projects, Mineral & Material Handling Packages & Transmission & Distribution maintenance works

**68,375**  
MW

unit capacity of the  
O&M & AMC

**11.8L**  
Inch Mts

of piping at  
Dangote Refinery, Nigeria

**220**  
KV GIS

Substation works

**132 KV lines & 33/11 KV SS**

Commissioned in Assam and Madhya Pradesh

**546**  
KMs

Execution of Natural  
Gas Cross Country  
Pipeline

**22.9**  
Lakhs M<sup>3</sup>

Concreting works  
carried out

**6,792**  
MW

Commissioned in  
Power Sector  
overseas market



### Infrastructure Construction

- Civil works of Foundations, Decks, Chimney, Cooling Towers, Green Buildings, Coal Handling Plants etc. for Power & other Industrial Plants
- Caters EPC works for Railways & Metro, Roads & Water Projects

### Manufacturing & Heavy Fabrication

- Backward integration to O&M business, advanced manufacturing facility at Noida for service need of Power and Non-Power sector
- Caters to fabrication of heavy structures, large & high-pressure tanks, hydro turbines etc.

### Mining

- Development of mine infrastructure, removal of overburden and extraction of coking coal and carry all other activities incidental to coking coal contract mining

# LEADERSHIP



Power Mech has wide spread in the domestic and international market, with marked presence and recognition. The primary reason for its leadership position is its robust and down-to-earth experience and credible performance in executing highly technical and vastly expansive projects and completing them keeping high standard of quality, international standard of safety and strict time line. It has earned the Company a niche in every sector it tried and succeeded in flying colors.

Power Mech has made spectacular achievements in O&M sector both in domestic and international market and took a leadership position within a shorter period of one decade. A step which stimulated the Company entering other sectors and encroach considerable space for expansion.

For gaining entry in to different sectors the Company took the route of JV partnership with reputed organizations and inculcated their experience, expertise and exposure and added the techno-commercial qualification for independent bidding.

This process is found to be highly successful and is adopting the methodology to further its interest. Having gained experience in multiple sectors and qualified to undertake new projects independently, the Company is presently firming up to consolidate and establish the base for undertaking projects on selective basis. 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 skills and experience that gives greater confidence for sustained long term growth and create a dominant position in selected business verticals in domestic and international markets.

Power Mech is more and more adaptive in inculcating modernity, sophistication, digitization etc. in order to keep itself ahead of time and peers. In its pursuit for being the leader in the industry, it is constantly updating itself and be ever ready to prey on.



# CUSTOMER SATISFACTION



Of all the grades and accolades a Company possess, it is the customer-satisfaction that matters more for sustainability and further growth. It is so far the best form of advertisement to a Company that send a positive voice across the market. The Company understands this aspect and strongly believe in the concept and always adhere to this tested principle.

The very fact that the Company is able to get repeated orders from the same customer testifies this statement. The secret of success lies in the Company's pursuit for excellence in all three segments of deliveries, namely quality, safety and timeline. The achievement is not limited to domestic players but also prominent MNC where strict enforcement of quality standards are practiced. The Company received many accolades while displaying some exceptional achievements during the past 24 years.

There are innumerable occasions when jobs which were abandoned by other agencies for non-performance were entrusted to Power Mech and true to their faith the Company achieved with high performance, pace and timeline. The Company has already earned a name in the market, "Entrust the critical job to Power Mech and they will finish it"



kazakhstan





# GROWTH DRIVERS FOR O&M

The Operation and Maintenance (O&M) business is the premier and core strength of the Company contributing major share in both top and bottom line of the Company with greater consistency year after year. It is engaged in providing every kind of service for power stations of various capacities from 50 MW to 800 MW and beyond including sub-critical to super-critical category.

With the experience and confidence, the Company has taken strategic decision to diversify into other industrial sectors in India. The Company has also been establishing its presence in the O&M space in the Middle East and North Africa. The Company has made major breakthrough by sourcing the largest overseas O&M order from Dangote Oil Refining Company Ltd, Nigeria.

The Company has pioneered the outsourcing model in the Country to its valued customers and established 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.

**FULLY DEVELOPED**

Thermal, Gas & Hydro Power



Exports (Power & Desalination Plants)

Refinery & Petro Chemical



Steel Industry

Electrical Network Maintenance



**PARTIALLY DEVELOPED**

**TO BE DEVELOPED**



Water Projects

Mining



Iron ore, mineral processing & cross country pipeline

# MINING, DEVELOPMENT AND OPERATIONS (MDO)

Coking Coal Mining – Strategic step in forward integration in line with overall business plan

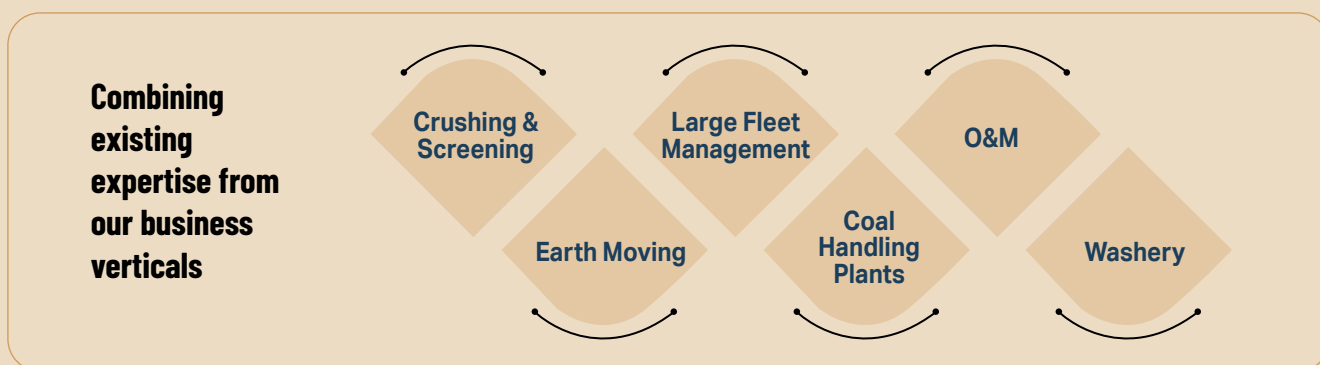
✓ Long term and sustainable revenues

✓ High margin segment ensures profitability

✓ Further diversification into non-power segments

✓ Strengthening the already robust order book

1. Mining Development and Operation Project from Central Coal Fields Limited for the Development and Operationalization of Kotre Basantpur Pachmo Project, Jharkhand for extraction of Coking Coal for an estimated total contract value of ₹ 9,294 Crores. The duration of the contract is 25 years (including 2 years of development period).
2. Mining Development and Operation Project from Steel Authority of India Limited for the Development and Operationalization of Tasra Opencast Project, located at Jharia Coal fields in Dhanbad District, Jharkhand for extraction of Coking Coal for an estimated total contract value of ₹ 30,438 Crores. The duration of the contract is 28 years (including 2 years of development period).



## PERFORMANCE HIGHLIGHTS

EBIDTA (FY 2022-23)

421 (₹ CR)

ORDER INFLOW (FY 2022-23)

8,479 (₹ CR)

TOTAL INCOME (FY 2022-23)

3,618 (₹ CR)

ORDER BACKLOG

23,027<sup>#</sup> (₹ CR) 53,320\* (₹ CR)

As on 31<sup>st</sup> March, 2023

As on 9<sup>th</sup> August, 2023

<sup>#</sup>Including MDO order of ₹ 9,294 Crs

\*Including MDO orders of ₹ 39,732 Crs and execution considered upto 30<sup>th</sup> June, 2023

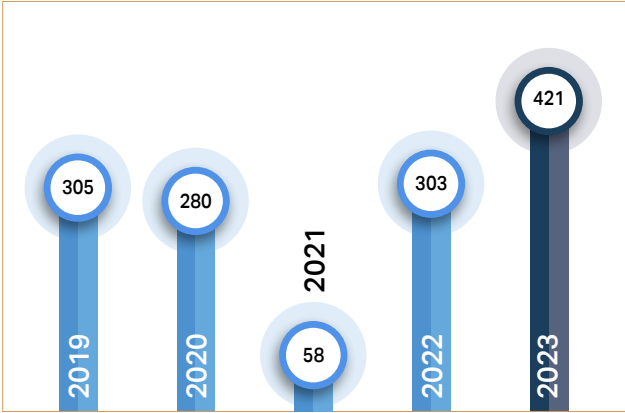
PROFIT AFTER TAX (PAT)  
(FY 2022-23)

209 (₹ CR)

# PERFORMANCE OVER THE YEARS

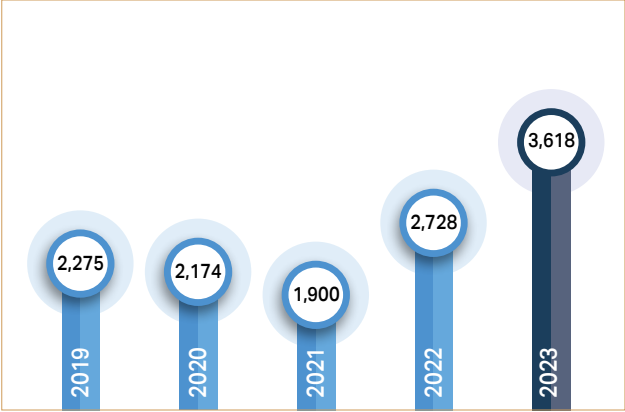
EBIDTA

₹ in Cr

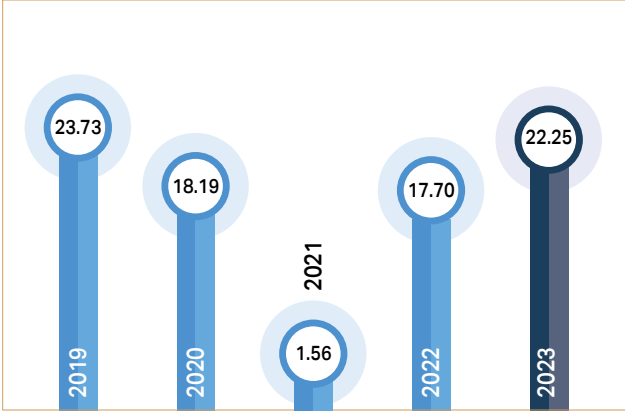


TOTAL INCOME

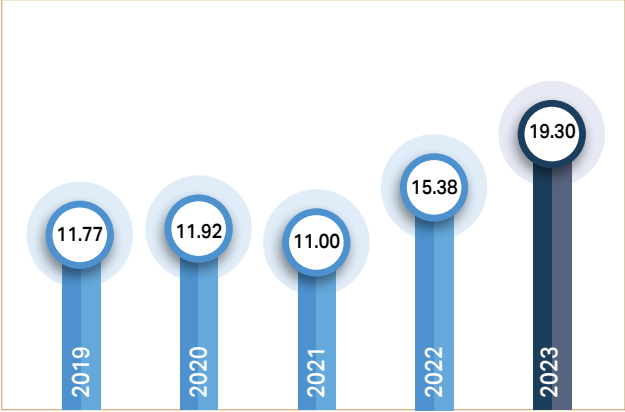
₹ in Cr



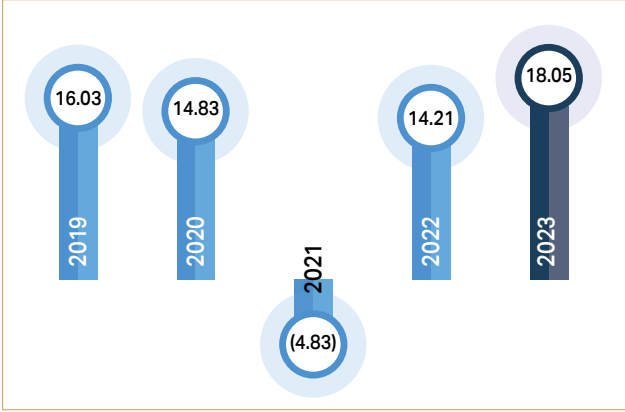
RETURN ON CAPITAL EMPLOYED (%)



ASSET TURNOVER (X)

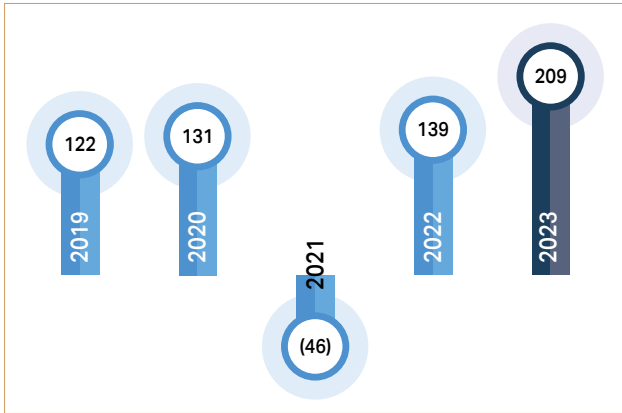


RETURN ON EQUITY (%)

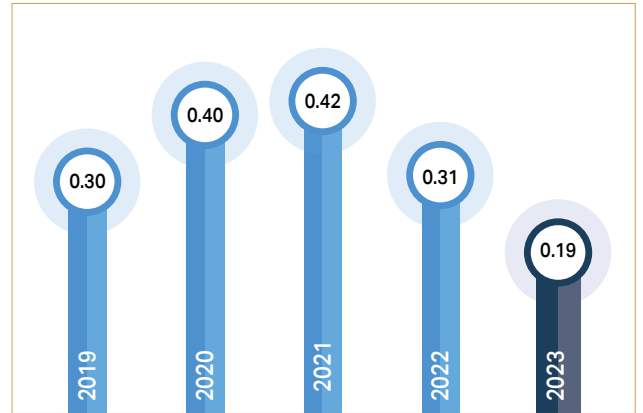


**PAT**

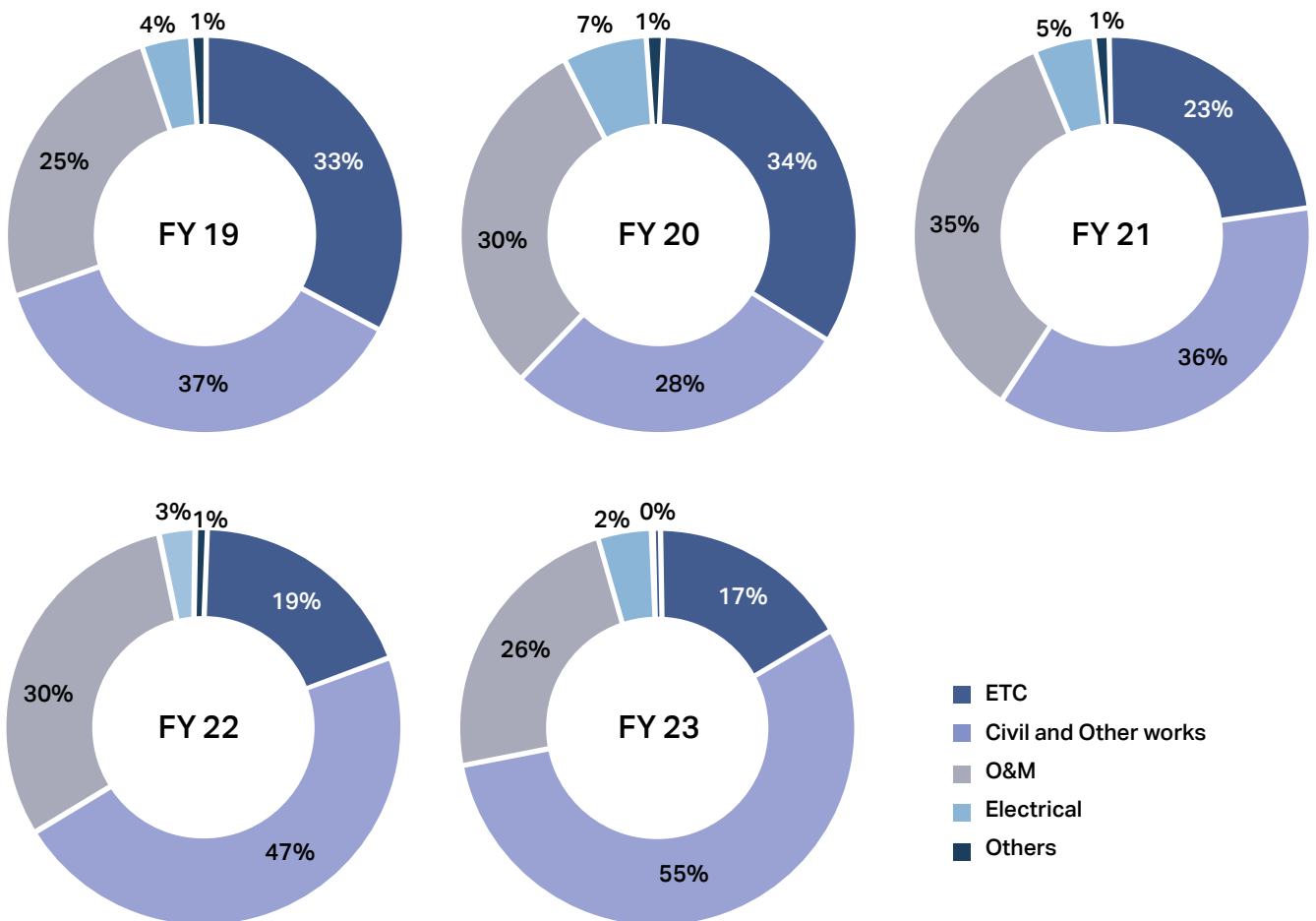
₹ in Cr



**NET DEBT EQUITY (X)**



**TOTAL INCOME MIX**



# HEALTH SAFETY AND ENVIRONMENT

An organization is judged not only by its credible performance but its adherence of holistic HSE policy, it set for itself! True to its commitment, Power Mech as an organization and all its top management give primary importance to safety in work place. The Company is pursuing safety not as an obligation but as a responsibility to safeguard the interest of men and material. It is widely known that the management is all for keeping safety first in any work place.

Power Mech has large manpower base and routinely is handling heavy machinery, engaging huge manpower and lifting huge and heavy components with multiple gears. Hence it is our primary duty to be conscious of safety of men and material in the working area. It require proper pre-planning before starting the work. As the working area engages multiple agencies and the density of operation is always high implementing Safety norms become a challenge to the Company. Therefore Power Mech is giving due consideration right from planning and procurement of safety equipment to execution at sites. As a routine, workers are given training on safety norms and awareness is created about its importance at the introductory level

The Company is having high concern for the workers and their family members and therefore they are given free medical aid and essential medicines during periodical health camps at sites apart from free ambulance service at site to take care of emergency needs. As a welfare measure to the workers and their families the labour colonies are provided with protected drinking water and better sanitation. As a matter of policy all the workers are covered under comprehensive insurance as per statutory norms.

Environment is the responsibility of the present day human being so that our children inherit a safer earth. As a nation builder, the Company feels its responsibility in safeguarding the nature and environment seriously. The management insists for plastic-free society and hence pursues a policy of avoiding them at any cost or at least as much as feasible. The Company encourages planting of samplings and nurturing them with care. All our site offices are covered with plantations, grass and trees and we commit ourselves to keep the earth cooler and cleaner.



# CORPORATE SOCIAL RESPONSIBILITY

“It is in giving that we receive”

It is not a choice that we are giving, but it is a duty and obligation to share or give! A well that gives alone yields more and so is the mankind. Everything that is found on earth were not brought by anyone but they are nature’s wealth and common for all. In parting what we have, we are only fulfilling a commitment to nature!

With this idea in mind the Power Mech Foundation, a charity trust was started in the year 2010 by the chairman of Power Mech Projects Limited, Mr. Sajja Kishore Babu. The Foundation being a complimenting arm of the group companies, it is focusing on salient and important needs of the society in large and the deserving-poor in particular.

Particular care is taken in identifying deserving people or organization especially in the field of Education, Health care and Empowerment. For the past over a decade, the Foundation is tirelessly pursuing its goal of uplifting the poor and downtrodden. The number of beneficiaries that the foundation stands for in countless and the Foundation draws satisfaction and fulfillment. The beneficiaries included individuals, orphanages, old age homes, educational institutions etc.

The Foundation is serving the society with least botheration for caste, religion, geography or creed. It would be heartwarming scenes when the poor and deserving beneficiaries express their gratitude and give sense of satisfaction when we learn that the cause for which it was gives has been met with.

The Foundation rededicates for pursuing its social causes and commits to relentlessly work towards the end. It is getting due recognition from the society and the general public as a Trust meant for the poor, needy and the downtrodden.



# Company Information

## Board of Directors

Mr. Sajja Kishore Babu	Chairman & Managing Director
Mrs. Sajja Lakshmi	Non-Executive Director
Mr. Motihari Rajiv Kumar	Non-Executive Director
Mr. Vivek Paranjpe	Independent Director
Ms. Lasya Yerramneni	Independent Director
Mr. Jayarama Prasad Chalasani	Independent Director (w.e.f 26.07.2023)
Mr. Jami Satish	Chief Financial Officer
Mr. Mohith Kumar Khandelwal	Company Secretary

## Audit Committee:

Mr. Jayarama Prasad Chalasani	Chairman
Mr. Motihari Rajiv Kumar	Member
Ms. Lasya Yerramneni	Member

## Nomination and Remuneration Committee

Mr. Vivek Paranjpe	Chairman
Mr. Jayarama Prasad Chalasani	Member
Ms. Lasya Yerramneni	Member

## Stakeholder's Relationship committee

Mr. Motihari Rajiv Kumar	Chairman
Mrs. Sajja Lakshmi	Member
Ms. Lasya Yerramneni	Member

## Corporate Social Responsibility Committee

Mr. Sajja Kishore Babu	Chairman
Mrs. Sajja Lakshmi	Member
Ms. Lasya Yerramneni	Member

## Investment Committee

Mr. Jayarama Prasad Chalasani	Chairman
Mr. Motihari Rajiv Kumar	Member
Ms. Lasya Yerramneni	Member

## Risk Management Committee

Mr. Jayarama Prasad Chalasani	Chairman
Mr. Motihari Rajiv Kumar	Member
Mr. Sajja 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.

## Cost Auditors

**M/s. M P R & Associates**  
Cost Accountants  
#6-3-349/15/17, Flat No.301,  
3rd Floor, Sri Sai Brundavan Apts,  
Behind Sai Baba Temple, Dwarakapuri Colony,  
Punjagutta, Hyderabad-500 082, Telangana

## Bankers

State Bank of India  
Punjab National 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  
Bank of Bahrain and Kuwait  
Bandhan Bank Limited  
Karnataka Bank Limited

## Registrar & Share Transfer Agent

**Kfin Technologies Limited**  
Selenium Tower B, 6<sup>th</sup> Floor,  
Plot 31-32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500 032.

# Our Offices

## INDIA OFFICES

### Eastern Region

Unit No. 3-6A, 6<sup>th</sup> 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, 3<sup>rd</sup> Floor, Gautam Budh Nagar,  
Noida, Uttar Pradesh - 201307.  
Tel: +91 11 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: +91 11-204021744, 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-LekkiLagos, 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

Dubai - Regional Headquarters #2006, Citadel Tower,  
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, 5<sup>th</sup> 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, 1<sup>st</sup> 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 (5<sup>th</sup> Floor, Flat no.5B2), Kuril,  
PS-Bhatara. Dhaka-1229



## Notice

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting (AGM) of the members of Power Mech Projects Limited will be held on Thursday, the 28<sup>th</sup> day of September 2023 at 11.00 A.M through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following items of business:

### Ordinary Business:

**1. Adoption of financial statements**

To consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 together with the reports of the Board of Directors and auditors thereon.

**2. Declaration of Dividend**

To declare a final dividend of ₹2.00/- per equity share of ₹10/- each for the financial year ended 31<sup>st</sup> March, 2023.

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

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

### Special Business:

**4. Ratification of Remuneration Payable to Cost Auditors for the FY 2023-24**

*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 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. M P R & Associates, Cost Accountants, Hyderabad (Firm Registration Number: 000413) appointed as cost auditor by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the Financial Year ended 31<sup>st</sup> March, 2024 amounting to ₹100,000/- (Rupees one lakh only) excluding taxes as may be applicable, in addition to the reimbursement of out of pocket expenses, be and is hereby ratified."

**5. Ratification of Remuneration Payable to Cost Auditors for the FY 2022-23**

*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 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. M P R & Associates, Cost Accountants, Hyderabad (Firm Registration Number: 000413) appointed as cost auditor by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the Financial Year ended 31<sup>st</sup> March, 2023 amounting to ₹100,000/- (Rupees one lakh only) excluding taxes as may be applicable, in addition to the reimbursement of out of pocket expenses, be and is hereby ratified."

**6. To appoint Mr. Jayarama Prasad Chalasani (DIN: 00308931) as an Independent Director**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions if any, of the Companies Act, 2013, ("Act") read with Schedule IV thereto and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the listing regulations") (including any statutory modifications or re-enactments thereof for the time being in force) and based on the recommendation of the Nomination and remuneration committee, Mr. Jayarama Prasad Chalasani, who was appointed as an Additional Director by the Board under Section 161(1) of the Act w.e.f. 26<sup>th</sup> July, 2023 and who holds office as such up to the date of the ensuing Annual General Meeting and who meets the criteria of Independence as provided under Section 149 (6) of the Act and Regulation 16(1) (b) of the Listing Regulations and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director on the Board of the Company for a term of 5 (five) years commencing from 26<sup>th</sup> July, 2023 and his office shall not be liable to retire by rotation."

**7. 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

## Notice

Requirements) Regulations, 2015 (including any statutory modifications(s) or re-enactment(s) thereof, for the time being in force, on the basis of the recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of the company be and is hereby accorded to pay ₹3,80,000/- per month excluding GST and reimbursement of out of pocket expenses towards car maintenance, driver etc. as remuneration by way of consultancy fees to Mr. M. Rajiv Kumar (DIN: 07336483), Non-Executive Director (apart from sitting fees and other reimbursement of expenses for participation in the Board, committee and other meetings) for the FY 2023-24."

### 8. Alteration of Articles of Association of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and 15 read with Companies (Incorporation) Rules, 2014, and other applicable provisions, if any, of the Companies Act, 2013 and subject to such other approvals and permissions, if any and to the extent required, approval of the members be and is hereby accorded for amendment by alteration of following article 21(a)(iii) in the Articles of Association of the Company, to align provisions of the Articles of Association with the regulatory provisions as amended from time to time:"

*21(a)(iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined in compliance with applicable Law.*

**"RESOLVED FURTHER THAT** any Director of the Company or Company Secretary of the Company be and is hereby severally authorised to perform all acts, deeds and things, execute documents, and do all filings including e-filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution."

### 9. To Approve Raising of Funds in one or more Tranches, by Issuance of Equity Shares and/or other Eligible Securities

*To consider, and if thought fit, to pass the following resolution(s) as a Special Resolution:*

**"RESOLVED THAT** pursuant to Sections 23, 41, 42, 62, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder ("**the Act**") (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), and each including any amendment(s), statutory modification(s), or re-enactment(s) thereof for the time being in force and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended ("**SEBI NCS Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI LODR Regulations**"), the Foreign Exchange Management Act, 1999 and the regulations made thereunder including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India from time to time, each as amended; the listing agreements entered into by the Company with BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (together, the "**Stock Exchanges**"), where the equity shares of face value of ₹10/- each of the Company are listed ("**Stock Exchanges**", and such equity shares, the "**Equity Shares**"); and any other provisions of applicable law (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India ("**GOI**"), Ministry of Corporate Affairs ("**MCA**"), Reserve Bank of India ("**RBI**"), Securities and Exchange Board of India ("**SEBI**"), Stock Exchanges, Registrar of Companies, Telangana at Hyderabad ("**RoC**") and such other statutory / regulatory authorities), and subject to all approvals, permissions, consents, and/or sanctions as may be necessary or required from Securities and Exchange Board of India (SEBI), the Stock Exchanges, RBI, MCA, GOI, RoC, or any other concerned statutory / regulatory authority, and subject to such terms, conditions, or modifications as may be prescribed or imposed while granting such approvals, permissions, consents, and/or sanctions by any of the aforesaid authorities, which may be agreed to by the Board of Directors of the Company ("**Board**"), which term shall include any committee which the Board of Directors may have constituted or may hereinafter constitute to exercise its powers, including the powers conferred by this resolution and subject to any other alteration, modification, conditions, changes and variations that may be decided by the board) approval of the members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised to create, offer, issue and allot any instrument or security (as defined hereinafter), for cash, with or without green shoe option including fully paid-up Equity Shares, fully or partly convertible debentures, any other equity based instruments or securities, convertible preference shares of any kind or type, Global Depository Receipts ("**GDRs**"), American Depository Receipts ("**ADRs**"), Foreign Currency Convertible Bonds ("**FCCBs**"), and/or any other financial instruments / securities convertible into and/or linked to Equity Shares (including warrants (detachable

## Notice

or not), or otherwise, in registered or bearer form) (all of which are hereinafter referred to as ("**Securities**"), combination of any of the aforementioned Securities in one or more tranches and/or one or more issuances simultaneously or otherwise, for an aggregate amount of up to and not exceeding ₹350 Crores (Rupees three hundred and fifty crores only) (inclusive of premium amount, if any), whether at a discount (subject to Section 53 of the Companies Act, 2013) or premium to the market price, whether Rupee denominated or denominated in one or more foreign currencies, through one or more public issue(s), preferential issue(s), private placement(s), qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted under applicable laws to eligible investors in the course of domestic or international offerings, through issue of prospectus and / or placement document and/or other permissible / requisite offer documents or other permissible / requisite documents / writings / circulars/memoranda in such a manner to any eligible person, including qualified institutional buyers in accordance with the Chapter VI of SEBI ICDR Regulations, or otherwise, foreign / resident investors (whether institutions, banks, incorporated bodies, mutual funds, individuals, trustees, stabilizing agent or otherwise), venture capital funds (foreign or Indian), alternative investment funds, foreign portfolio investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, pension funds and/or any other categories of investors, who are authorised to invest in the Securities of the Company as per extant regulations/guidelines or any combination of the above, whether they be holders of the Securities or not (collectively referred to as the "**Investors**"), as may be decided by the Board/committee in its absolute discretion and permitted under applicable laws and regulations, at such price or prices, at a discount or premium to market price or prices permitted under applicable laws, with authority to retain over subscription up to such percentage as may be permitted under applicable regulations, in such manner and on such terms and conditions including the discretion to determine the categories of Investors to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilising agent in terms of green shoe option, if any, exercised by the Company, in such manner and on such terms and conditions as may be deemed appropriate by the Board / committee in its absolute discretion including the discretion to determine the categories of Investors to whom to offer, issue and allot such Securities, and without requiring any further approval or consent from the members at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed by the Company so as to enable the Company to list its Securities on any stock exchange in India or overseas jurisdictions.

**RESOLVED FURTHER THAT** if the Company proposes to issue and allot any Securities by way of Qualified Institutions Placement ("**QIP**") to Qualified Institutional Buyers ("**QIBs**") in terms of Chapter VI of the SEBI ICDR Regulations (hereinafter referred to as "**Eligible Securities**" within the meaning of SEBI ICDR Regulations):

- I. The issue and allotment of the Eligible Securities shall be completed within 365 days from the date of passing of the special resolution by the Shareholders or such other time as may be allowed under the Act and / or SEBI ICDR Regulations, from time to time;
- II. The Eligible Securities to be so created, offered, issued, and allotted, shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company;
- III. The relevant date for determination of the floor price of the Eligible Securities to be issued shall be:
  - (i) in case of allotment of Equity Shares, the date of meeting in which the Board decides to open the issue, and/or,
  - (ii) in case of allotment of eligible convertible Securities in a QIP, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as may be determined by the Board;
- IV. The Eligible Securities (excluding warrants) shall be allotted as fully paid up and in dematerialized form;
- V. The issuance and allotment of the Securities by way of the QIP shall be made at such price that is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations ("**Floor Price**"), the Act and other applicable laws, and the price determined for the QIP shall be subject to appropriate adjustments as per the provisions of the applicable laws, including SEBI ICDR Regulations. However, the Board, in consultation with the book running lead manager(s), may offer a discount of not more than 5% or such other percentage as may be permitted under applicable law on the Floor Price;
- VI. The number and/or price of the Eligible Securities or the underlying Equity Shares issued on conversion of Eligible Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of shares issue of equity shares by way of capitalisation of profit or reserves, or any such capital or corporate restructuring
- VII. The Eligible Securities shall not be eligible to be sold by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted under the SEBI ICDR Regulations from time to time.

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- VIII. In the event that convertible securities and/or warrants which are convertible into Equity Shares of the Company are issued along with non-convertible debentures to qualified institutional buyers under Chapter VI of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities and / or warrants simultaneously with non-convertible debentures or any other date in accordance with applicable law, and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations;
- IX. No single allottee shall be allotted more than 50% of the issue size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations and a minimum of 10% of the Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs;
- X. The Company shall not undertake any subsequent QIP until the expiry of two weeks or such other time as may be prescribed by the SEBI, from the date of the QIP to be undertaken pursuant to the special resolution;
- XI. The tenure of the convertible or exchangeable Eligible Securities issued through the QIP shall not exceed sixty months from the date of allotment;
- XII. No allotment shall be made, either directly or indirectly, to any QIB who is a promoter, or any person related to the promoters of the Company; and
- XIII. The monitoring agency will monitor the use of proceeds and submit its report in the specified format of Schedule XI of SEBI ICDR Regulations on quarterly basis till 100% of the proceeds have been utilized.

**RESOLVED FURTHER THAT** in pursuance of the aforesaid resolution, the Securities to be created, offered, issued, and allotted shall be subject to the provisions of the Memorandum and Articles of association of the Company and any Equity Shares that may be created, offered, issued and allotted by the Company shall rank *pari-passu* in all respects including with respect to entitlement to dividend, voting rights or otherwise with the existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** the Board or duly constituted committee thereof, be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering. All such Equity Shares shall rank *pari-passu* with the existing Equity Shares in all respects.

**RESOLVED FURTHER THAT** in case of offering of any Securities, including without limitation any GDRs/ ADRs or other securities convertible into equity shares, consent of the members of the company be and is hereby accorded to the Board to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above in accordance with the terms of issue / offering in respect of such Securities and such equity shares shall rank *pari passu* with the existing equity shares of the Company in all respects, except as may be provided otherwise under the terms of issue / offering and in the offer document and/or placement document and/or offer letter and/or offering circular and/or listing particulars.

**RESOLVED FURTHER THAT** in the event the Securities are proposed to be issued as GDRs or ADRs, the terms and conditions including the pricing of the Securities and the relevant date, if any, for the purpose of pricing of the Securities to be issued pursuant to such issue shall be determined in accordance with the provisions of applicable law including the provisions of the Depository Receipts Scheme, 2014, as amended (the "2014 Scheme"), the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, Framework for issue of Depository Receipts dated 10<sup>th</sup> October, 2019 issued by the SEBI, as amended and such other notifications, clarifications, circulars, guidelines, rules and regulations issued by relevant authorities (including any statutory modifications, amendments or re-enactment thereof).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or a committee thereof, in consultation with the Lead Manager(s), advisors and / or other intermediaries as may be appointed in relation to the Issue, be and is hereby authorized to do such acts, deeds, matters and take all steps as may be necessary including without limitation, the determination of the terms and conditions of the QIP including among other things, the date of opening and closing of the QIP, the class of investors to whom the Securities are to be issued, determination of the number of Securities, tranches, issue price, finalisation and approval of preliminary and final placement document(s), interest rate, listing, premium / discount, permitted under applicable law (now or hereafter), conversion of Securities, if any, redemption, allotment of Securities, listing of securities at Stock Exchange(s) and to sign and execute all deeds, documents, undertakings, agreements, papers, declarations and writings as may be required in this regard including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, the preliminary placement document and the placement document, placement agreement, monitoring agency agreement, escrow agreement and any other documents as

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may be required, approve and finalise the bid cum application form and confirmation of allocation notes, seek any consents and approvals as may be required, provide such declarations, affidavits, certificates, consents and/or authorities as required from time to time, finalize utilisation of the proceeds of the QIP, give instructions or directions and/or settle all questions, difficulties or doubts that may arise at any stage from time to time, and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the ROC, MCA, the book running lead manager(s), or other authorities or intermediaries involved in or concerned with the QIP and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, and that all or any of the powers conferred on the Company and the Board pursuant to this resolution may be exercised by the Board to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

**RESOLVED FURTHER THAT** the Board or duly constituted committee thereof, be and is hereby authorized to approve, finalise, execute, ratify, an/or amend/modify agreements and documents, including any power of attorney, lock up letters, and agreements in connection with the appointment of any intermediaries and / or advisors (including for marketing, listing, trading and appointment of book running lead managers/ legal counsel / bankers / advisors / registrars / monitoring agency and other intermediaries as required) and to pay any fees, commission, costs, charges and other expenses in connection therewith.

**RESOLVED FURTHER THAT** the Board or duly constituted committee thereof is authorised to seek the listing of Eligible Securities on any stock exchange(s) submitting the listing applications to such stock exchange(s) and taking all actions that maybe necessary in connection with obtaining such listing approvals (both in-principal and final listing and trading approvals), filing of requisite documents / making declarations with the MCA, RoC, RBI, SEBI and any other statutory / regulatory authority(ies), and any other deed(s), document(s), declaration(s) as may be required under the applicable laws as maybe necessary to give effect to this resolution

**RESOLVED FURTHER THAT** such of those equity shares as are not subscribed to may be disposed of by the Board, in its absolute discretion, in such manner, as the Board may deem fit and as permissible under relevant laws / guidelines.

**RESOLVED FURTHER THAT** subject to applicable law, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things and also to execute such documents, writings etc., and to represent the Company before any governmental authorities, as may be necessary to give effect to this resolution."

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

**Place: Hyderabad  
Date: 25.08.2023**

**Sd/-  
Mohith Kumar Khandelwal  
Company Secretary**

# Notice

## NOTES FOR MEMBERS:

- i. Pursuant to the Circular No.14/2020 dated 8<sup>th</sup> April 2020, Circular No.14/2020 dated 13<sup>th</sup> April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No.20/2020 dated 5<sup>th</sup> May, 2020 and Circular No.02/2021 dated 13<sup>th</sup> January 2021, Circular No.21/2021 dated 14<sup>th</sup> December, 2021 Circular No.3/2022 dated 5<sup>th</sup> May, 2022, General Circular No.10/2022 dated 28<sup>th</sup> December, 2022 & General Circular No.11/2022 dated 28<sup>th</sup> December, 2022 and Circular dated 12<sup>th</sup> May, 2020, 15<sup>th</sup> January, 2021, 13<sup>th</sup> May, 2022 and 5<sup>th</sup> January, 2023 issued by the Securities and Exchange Board of India 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 can 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 9, is annexed hereto.
- iii. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote on a Poll instead of himself / herself and such a proxy / proxies need not be a member of the company.** Since this AGM is being held pursuant to MCA circulars and SEBI Circular through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice.

Institutional / Corporate Shareholders (i.e other than 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 rao\_ds7@yahoo.co.in 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 22<sup>nd</sup> September, 2023 to 28<sup>th</sup> September, 2023 (both days inclusive) for annual closing and dividend.
- 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 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 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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- xii. 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.
- xiii. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- xiv. 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.
- xv. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to the Notice.
- xvi. 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.
- xvii. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1<sup>st</sup> 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](mailto:cs@powermech.net) by 11:59 p.m. IST on 28<sup>th</sup> September, 2023. 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](mailto:cs@powermech.net). The aforesaid declarations and documents need to be submitted by the shareholders on or before 28<sup>th</sup> September, 2023.

- xviii. 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 25<sup>th</sup> September, 2023 (9:00 a.m. IST) and ends on 27<sup>th</sup> September, 2023 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on September 21<sup>st</sup> 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 Mr. D.S. Rao, Practicing Company Secretary as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- iv. The Members who have casted their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

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- vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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 9<sup>th</sup> 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"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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.</li> <li>Shareholders / Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience</li> </ol>

NSDL Mobile App is available on





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Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>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.</li> <li>If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
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

**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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no: 022-48867000 and 022-24997000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800225533

### 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

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

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting 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 [rao\\_ds7@yahoo.co.in](mailto:rao_ds7@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://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](http://www.evoting.nsdl.com) or call on toll free no: 022-48867000 and 022-24997000 or send a request to [evoting@nsdl.co.in](mailto: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](mailto: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](mailto: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](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### 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.

## Notice

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

- I. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC / OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- II. Members are encouraged to join the Meeting through Laptops for better experience.
- III. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- IV. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- V. Facility of joining the AGM through VC shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- VI. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or 022-48867000 and 022-24997000.
- 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](mailto:cs@powermech.net) from 25<sup>th</sup> September, 2023 (9.00 AM, IST) to 27<sup>th</sup> September, 2023 (5.00 PM, IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person 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 [www.powermechprojects.com](http://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**

**Place: Hyderabad  
Date: 25.08.2023**

**Sd/-  
Mohith Kumar Khandelwal  
Company Secretary**

## Notice

### Explanatory Statement in Respect of the Special Business

(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

#### Item No.4

The Board of Directors in their meeting held on 26<sup>th</sup> May, 2023, upon the recommendation of the Audit Committee, approved the appointment of M/s. M P R & Associates Cost Accountants, Hyderabad (FRN: 000413) as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2023-2024 at a remuneration of ₹100,000/- (Rupees one lakh only) (excluding GST and out of pocket expenses) subject to the ratification in the Annual General Meeting.

Pursuant to Section 148 of the Companies Act read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration to be paid to the cost auditors of the Company. Therefore, the Board proposes to ratify the remuneration to be paid to the cost auditors of the Company for the Financial Year 2023-2024.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2024.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for approval of the Members.

#### Item No.5

The Board of Directors in their meeting held on 26<sup>th</sup> May, 2023, upon the recommendation of the Audit Committee, approved the appointment of M/s. M P R & Associates Cost Accountants, Hyderabad (FRN: 000413) as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2022-23 at a remuneration of ₹100,000/- (Rupees one lakh only) (excluding GST and out of pocket expenses) subject to the ratification in the Annual General Meeting.

Pursuant to Section 148 of the Companies Act read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration to be paid to the cost auditors of the Company. Therefore, the Board proposes to ratify the remuneration to be paid to the cost auditors of the Company for the Financial Year 2022-23.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2023.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No.5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Members.

#### Item No.6.

On 26<sup>th</sup> July, 2023, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee appointed Mr. Jayarama Prasad Chalasani as an Additional Director of the Company under the category of Independent Directors. His tenure as an Independent Director shall be for a term of five consecutive years effective from 26<sup>th</sup> July, 2023.

The Company has received a declaration from Mr. Jayarama Prasad Chalasani that he meets the criteria of Independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mr. Jayarama Prasad Chalasani's consent to act as Director in terms of Section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Jayarama Prasad Chalasani fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the management.

Considering Mr. Jayarama Prasad Chalasani's vast Industrial experience, the Board is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director. Accordingly, the Board recommends the members the appointment of Mr. Jayarama Prasad Chalasani as the Independent Director for a first term of 5 (five) consecutive years.

Except the appointee, none of the Directors or their relatives are interested financially or otherwise in the above said resolution.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the Members.

# Notice

## Item No.7

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. M. Rajiv Kumar is a person of high repute and has a rich experience of almost 4 decades in Power Sector. His in-depth knowledge of Power 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.7 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 recommends the Special Resolution set out at item No.7 of the Notice for the approval by the members.

## Item No. 8

The Company's present Article 21 of the Articles of Association covers provisions relating to further issue of share capital. The Company in order to comply with the various regulatory provisions for making further issue of share capital has to alter the present Articles of Association in order to align the Articles with the extant Law and relevant amendments from time to time.

In terms of Section 14 and other applicable provisions of the Companies Act, 2013, the consent of the Members by way of special resolution is required for alteration of a provision of Articles of Association of the Company.

A copy of the proposed set of amended Articles of Association of the Company will be available for inspection for the Members at the Registered Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 5.00 p.m. till the date of AGM. The aforesaid document shall also be placed on the website of the Company at [www.powermechprojects.com](http://www.powermechprojects.com).

None of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

In view of the above, the Board of Directors recommends the Special Resolution set out at Item No.8 of the Notice for approval by the members.

## Item No. 9

The Company anticipates certain growth opportunities in its existing line of business and continues to evaluate various avenues for organic expansion and additionally achieving inorganic growth. Towards this, the Company continues to require capital and accordingly, subject to compliance with applicable law, it proposes to raise capital for growing existing business, therefore, it would be prudent for the Company to have requisite enabling approvals in place for meeting the fund requirements for the growth of the Company (on a consolidated basis), capital expenditure, long-term working capital, investment in subsidiaries / joint ventures, refinancing / prepayment / repayment of the existing borrowings and also such other corporate purposes as may be permitted under applicable laws and approved by our Board or a duly constituted committee thereof from time to time.

In line with the above, the Company proposes to raise funds, for an aggregate amount of up to and not exceeding ₹350 Cr (Rupees three hundred and fifty crores only) (inclusive of premium amount, if any), whether at a discount (subject to Section 53 of the Companies Act, 2013) or premium to the market price, any instrument or security (as defined hereinafter), for cash, with or without green shoe option including fully paid-up Equity Shares, fully or partly convertible debentures, any other equity based instruments or securities, convertible preference shares of any kind or type, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), and/or any other financial instruments/ securities convertible into and/or linked to Equity Shares (including warrants (detachable or not), or otherwise, in registered or bearer form) (all of which are hereinafter referred to as "Securities"), combination of any of the aforementioned Securities in one or more tranches and/or one or more issuances simultaneously or otherwise, whether Rupee denominated or denominated in one or more foreign currencies, through one or more public issue(s), preferential issue(s), private placement(s), qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted under applicable laws to eligible investors in the course of domestic or international offerings, through issue of prospectus and / or placement

## Notice

document and/or other permissible / requisite offer documents or other permissible / requisite documents / writings / circulars / memoranda in such a manner to any eligible person, including qualified institutional buyers in accordance with the Chapter VI of SEBI ICDR Regulations, or otherwise, foreign / resident investors (whether institutions, banks, incorporated bodies, mutual funds, individuals, trustees, stabilizing agent or otherwise), venture capital funds (foreign or Indian), alternative investment funds, foreign portfolio investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, pension funds and/or any other categories of investors, who are authorised to invest in the Securities of the Company as per extant regulations/guidelines or any combination of the above in terms of (a) the SEBI ICDR Regulations; (b) applicable provisions of the Act and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof; and (c) other applicable law including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended. Accordingly, the Board, at its meeting held on 25<sup>th</sup> August, 2023, subject to the approval of the members of the Company, approved the issuance of Securities at such price and on such terms and conditions as may be deemed appropriate by the Board/its duly constituted committee at its sole and absolute discretion, taking into consideration market conditions and other relevant factors and wherever necessary, in consultation with the book running lead manager(s) and/or other advisor(s) appointed in accordance with applicable laws, and subject to regulatory approvals (as necessary). The Board (including any duly authorized committee thereof) may in their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the shareholders of the Company.

In case the Issue is made through a qualified institutions placement: (a) the allotment of the Securities shall be completed within a period of 365 days from passing this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time; and (b) the pricing of the Securities that may be issued to qualified institutional buyers pursuant to a qualified institutions placement, shall be determined by the Board, in accordance with applicable laws, which shall be subject to appropriate adjustments as per the provisions of the applicable laws, including SEBI ICDR Regulations. The resolution enables the Board to offer such discount as permitted under applicable law, on the price determined pursuant to the SEBI ICDR Regulations. The Company may, in accordance with applicable law, and in consultation with the book running lead managers offer a discount, of not more than 5% or such percentage as permitted under applicable law, on the floor price determined pursuant to the SEBI ICDR Regulations. The 'Relevant Date' for this purpose would be the date when the Board or a duly authorized committee of the Board decides to open the qualified institutions placement for subscription, if Equity Shares are issued, or, in case of issuance of convertible securities to QIBs by way of QIPs, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as may be determined by the Board;

The special resolution also seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies, qualified institutions buyers and/or individuals or otherwise as the Board in its absolute discretion deem fit. The resolution proposed is an enabling resolution and the exact price, proportion and timing of the issue of the Securities in one or more tranches and the remaining detailed terms and conditions for the Issue will be decided by the Board/ its duly constituted committee, in accordance with the SEBI ICDR Regulations and such other applicable laws, in consultation with book running lead manager(s) and/or other advisor(s) appointed in relation to the Issue and such other authorities and agencies as may be required to be consulted by the Company, considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors. Further, the Company is yet to identify the investor(s) and decide the quantum of Securities to be issued to them. Hence, the details of the proposed allottees, percentage of their post Issue shareholding and the shareholding pattern of the Company are not provided. The proposal, therefore, seeks to confer upon the Board/ its duly constituted committee the absolute discretion and adequate flexibility to determine the terms of the Issue, including but not limited to the identification of the proposed investors in the Issue and quantum of Securities to be issued and allotted to each such investor, in accordance with the provisions of the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; the Act; the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department for Promotion of Industry & Internal Trade, Ministry of Commerce and Industry, Government of India from time to time, each as amended; and other applicable law.

Further, Section 62(1)(a) of the Act provides, *inter alia*, that when it is proposed to increase the issued capital of a company by allotment of further equity shares, such further equity shares shall be offered to the existing shareholders of such company in the manner laid down therein unless the shareholders by way of a special resolution decide otherwise. Since the special resolution proposed in the business of the notice may result in the issue of Equity Shares of the Company to persons other than existing Members of the Company, approval of the shareholders is also being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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The Securities offered, issued, and allotted by the Company pursuant to the Issue in terms of the resolution would be subject to the provisions of the memorandum of association and articles of association of the Company and any Equity Shares that may be created, offered, issued and allotted by the Company pursuant to QIP, shall rank, in all respects, *pari-passu* with the existing Equity Shares of the Company.

The Securities allotted as above would be listed on the Stock Exchanges. As and when the Board takes a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The approval of the members is being sought to enable the Board to decide on the issuance of Securities, to the extent and in the manner stated in the special resolution, as set out in item no.9 of this notice, without the need for any fresh approval from the members of the Company in this regard.

If the Issue is made through a QIP, the Promoters will not participate in the Issue.

None of the Directors or key managerial personnel of the Company, or their respective relatives, is concerned or interested, financially or otherwise, in the resolution set out at item no.9 of this Notice.

This Notice does not constitute an offer or invitation or solicitation of an offer of securities to the public within or outside India. Nothing in this notice constitutes an offer of securities for sale or solicitation in any jurisdiction in which such offer or solicitation is not authorized or where it is unlawful to do so.

The proposed Issue is in the interest of the Company and the Board recommends the resolution set out at item no.9 of this Notice for the approval of the members as a special resolution.

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

**Place: Hyderabad  
Date: 25.08.2023**

**Sd/-  
Mohith Kumar Khandelwal  
Company Secretary**



## Annexure-1

### ADDITIONAL INFORMATION

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

Particulars	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 38 years 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 skills, is exceptionally good at team building, easily adaptable and flexible towards project needs and possesses superior inter-personal &amp; 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 5

Particulars	Mr. Jayarama Prasad Chalasani
Date of Birth	25.12.1957
Date of appointment on the Board	26.07.2023
Qualification, Experience & Expertise	<p>Mr. Jayarama Prasad Chalasani (BE Mechanical), is currently the group CEO of Suzlon Energy Limited.</p> <p>He has got 4 decades of experience in the Indian Infrastructure Industry transcending a mix of public and private sectors, at Companies such as NTPC, Reliance Power, Punj Lloyd etc.</p> <p>Rated among the Asia's best CEO's on multiple occasions, Mr. Chalasani has been recognised for his leadership and employee engagement skills.</p> <p>In his career spanning 40 years, Mr. Chalasani led business operations across the value chain of the power sector, from generation to retail power distribution. He is an active participant in formulation of many government policies in Power Sector.</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	NA
Number of Board meetings attended during the year	---

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

**Sd/-**

**Mohith Kumar Khandelwal  
Company Secretary**

**Place: Hyderabad  
Date: 25.08.2023**

## 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 31<sup>st</sup> March, 2023.

### 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 (2022-23)	Previous Year (2021-22)	Current Year (2022-23)	Previous Year (2021-22)
1.	Revenue from Operations	3532	2631	3601	2711
2.	Other income	13	26	17	17
3.	Total Income	3545	2657	3618	2728
4.	Expenditure	3135	2360	3197	2425
5.	Profit before interest, depreciation and tax	410	297	421	303
6.	Depreciation	41	34	43	37
7.	Interest and Finance Charges	87	76	90	79
8.	Share of Profit from JV and Associates	-	-	(8)	(2)
9.	Profit before tax	282	187	280	185
10.	Provision for taxes (including DTL)	73	46	73	46
11.	Profit after tax	209	141	207	139
12.	Profit attributable to equity holders of the parent before OCI	209	141	207	139
13.	Other Comprehensive Income	1	1	1	(1)
14.	Total Comprehensive Income	210	142	208	138
15.	Profit attributable to equity holders of parent after OCI	210	142	209	138
16.	Dividend for the year	2.21	-	2.21	-
17.	Reserves (excluding Revaluation reserves)	1212	979	1260	1029
18.	EPS (₹) on face value of ₹10/- each	141.36	95.82	141.25	94.48
19.	Book Value (₹) on face value of ₹10/- each share	823	675	855	709

### OPERATING RESULTS AND BUSINESS

Your Company has achieved operational turnover of ₹ 3532 Cr and Profit of ₹ 209 Cr during the FY 2022-23 as against previous year operational turnover of ₹ 2631 Cr and Profit of ₹ 141 Cr respectively.

Further, your Company has achieved consolidated operational turnover of ₹ 3601 Cr and profit of ₹ 207 Cr for the FY 2022-23 as against previous year operational turnover of ₹ 2711 Cr and Profit of ₹ 207 Cr respectively.

### DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹2.00/- per equity share of face value of ₹10/- each for the year ended 31<sup>st</sup> March, 2023. The Final Dividend is subject to the approval of members at the ensuing annual general meeting of the Company to be held on 28<sup>th</sup> September, 2023.

# Board's Report

## SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

As on 31<sup>st</sup> March, 2023 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 in exploring, design & engineering, developing, operating and working on mines.
- **Energy Advisory and Consulting Services Private Limited:** A Wholly owned subsidiary 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. The project is being executed by GTA Power Mech FZE, the wholly owned subsidiary of GTA Power Mech Nigeria Limited.
- **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 do not propose to transfer any profits to the reserves for the fiscal 2023.

## 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](http://www.powermechprojects.com). The annual accounts of the Subsidiary Companies / JV's and the related detailed information shall be made available to members seeking such information at any point of time.

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

## RELATED PARTY TRANSACTIONS

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

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

The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company [www.powermechprojects.com](http://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<sup>th</sup> September, 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 25<sup>th</sup> 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 31<sup>st</sup> March, 2023.

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

## INTERNAL AUDITORS

The board, based on the recommendation of the Audit Committee, had appointed an in house team as Internal Auditors of the Company for the fiscal 2024.

# Board's Report

## 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 2023.

The Secretarial Audit Report for the FY 2022-23 issued by M/s. P.S. Rao & Associates, Practicing Company Secretaries in the Form MR-3 is annexed herewith as **Annexure-4** to this report.

Directors Response on the observations made by the Secretarial Auditors in the report.

S. No.	Details of Observation	Observation / Corrective Measure Action	Response / Reply
1	<b><i>In terms of Reg. 21 of SEBI (Listing Obligations and Disclosure Requirements) 2015 -the gap between two risk management committee meetings, shall not exceed 180 days.</i></b>	Typographical mistake occurred while filing the Corporate Governance Report for the quarters ended Jun'22 & Sep'22 and wherein the details of meeting of Risk Management Committee (RMC) were not mentioned. Upon the receipt of query from National Stock Exchange of India Limited (NSE), the Company informed NSE that the details were missed inadvertently and would re-submit the same upon providing access window for resubmission. NSE is yet to respond on the reply.	Noted for Compliance
2	<b>IEPF-1</b>	Unclaimed dividend for the year 2015-16 of ₹34,379/- has been transferred to the account of IEPF in terms of section 124(5) of the Act. Due to technical error in the system, the same has not been reflected in the account. Therefore, the respective return (IEPF-1) in terms of Rule 5(1) Investor Education and Protection Fund Authority (Accounting, Audit Transfer and Refund) Rules, 2016 could not be submitted as the same can be filed only on the reflection of transferred amount.	Transfer was initiated and the money got debited from the account. Due to technical glitches, the money did not get credited in the dedicated account of IEPF. Ticket has been raised with MCA and the issue is in the process.
3	<b>IEPF-2</b>	IEPF-2 forms are yet to be filed by the Company in terms of rule 5(8) and 7(2B) of Investor Education and Protection Fund Authority (Accounting, Audit Transfer and Refund) Rules, 2016	Filing has be done

## DIRECTORS' & KMP

### Reappointments

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

### Cessations

Mr.T. Sankaraligam and Mr. GDV Prasada Rao, Non-Executive Independent Directors on the board of the Company vacated their offices w.e.f. 21.05.2023 and 26.07.2023 respectively on account of completion of their tenures of two consecutive terms as Independent Directors.

### Appointments after closure of financial year

Mr. Jayarama Prasad Chalasani was appointed as an additional Director under independent category w.e.f. 26.07.2023 for a first term of five consecutive years. The relevant resolution is proposed for approval of shareholders in the Notice of the AGM.

## DECLARATION BY INDEPENDENT DIRECTORS

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with

## Board's Report

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 [www.powermechprojects.com](http://www.powermechprojects.com)

### BOARD MEETINGS

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

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

### COMMITTEES OF BOARD OF DIRECTORS

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

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

Name of the Committees	Composition of the Committees
Audit Committee	1. Mr. Jayarama Prasad Chalasani (Chairman); 2. Mr. M. Rajiv Kumar; 3. Ms. Lasya Yerramneni
Nomination and Remuneration Committee	1. Mr. Vivek Paranjpe (Chairman); 2. Mr. Jayarama Prasad Chalasani; 3. Ms. Lasya Yerramneni
Corporate Social Responsibility Committee	1. Mr. S. Kishore Babu (Chairman); 2. Mrs. S. Lakshmi; 3. Ms. Lasya Yerramneni
Stakeholders Relationship Committee	1. Mr. M. Rajiv Kumar (Chairman); 2. Mrs. S. Lakshmi; 3. Ms. Lasya Yerramneni
Risk Management Committee	1. Mr. Jayarama Prasad Chalasani (Chairman); 2. Mr. M. Rajiv Kumar 3. Mr. S. Kishore Babu
Investment Committee	1. Mr. Jayarama Prasad Chalasani (Chairman); 2. Mr. M. Rajiv Kumar; 3. Ms. Lasya Yerramneni

### 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.

# Board's Report

## **MATERIAL CHANGES AND COMMITMENTS:**

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

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

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i. in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2023, 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 2022-23 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 2022-23 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 [www.powermechprojects.com](http://www.powermechprojects.com).

## **DIVIDEND DISTRIBUTION POLICY**

The Dividend Distribution Policy as stipulated under Regulation 43A of the Listing Regulations is applicable to your Company for the FY 2022-23 and is placed on the website of the Company at <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 web link is [www.powermechprojects.com/investor-relations](http://www.powermechprojects.com/investor-relations)



# Board's Report

## ANNUAL RETURN

The Annual Return of the Company as on 31<sup>st</sup> March, 2023 shall be made available on the Company's website [www.powermechprojects.com/investor-relations](http://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-5** to this report.

## CHANGES IN SHARE CAPITAL:

During the year under review, there was a preferential allotment of 1,95,593 Equity Shares to Power Mech Infra Limited, an entity belonging to the Promoter Group and by virtue of this allotment, the Share capital of the Company got changed. The revised paid up share capital of the Company is ₹14,90,63,570/- divided into 1,49,06,357 equity shares of ₹10/- each

## PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors as required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the information required pursuant to Section 197 (12) of the Act read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company has been appended as **Annexure-6** 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-7** 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-8**. 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 and Sustainability Report (BRSR)

Business Responsibility and Sustainability Report 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 has constituted a Corporate Social Responsibility (CSR) Committee.

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-9** to this report. Further the details of the policy are also posted on the website of the company [www.powermechprojects.com](http://www.powermechprojects.com)

# Board's Report

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

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

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

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

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

## **POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

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

## **ACKNOWLEDGMENTS**

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

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

**For and on behalf of the Board of Directors of**

**Sd/-**

**S. Kishore Babu**

**Chairman & Managing Director**

**DIN: 00971313**

**Place: Hyderabad**

**Date: 25.08.2023**

## Annexure-2

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 and under Rule 8 of Companies (Accounts) Rules, 2014 for the year ended 31<sup>st</sup> March, 2023).

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

#### Part "A": Subsidiaries

(Information in respect of each subsidiary)

Sl.No	Particulars	Details										(in ₹ Crs)
1	Name of the subsidiary	Hydro Magus Private Limited	Power Mech Industri Private Limited	Power Mech Projects Limited LLC	Power Mech BSCPL Consortium Private Limited	Power Mech SSA Structures Private Limited	Aashm Avenues Private Limited	Power Mech projects (BR) FZE	Power Mech Environmental Protection Private Limited	KBP Mining Private Limited	Energy Advisory and Consulting Services Private Limited	01.04.2021
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 (213.27)	INR	INR	INR	NGN (0.18)	INR	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	0.01
6	Reserves & surplus	8.09	(0.12)	(5.31)	1.28	(0.01)	(0.01)	33.40	(0.01)	(0.01)	(0.01)	(0.00)
7	Total assets	15.57	37.59	0.92	82.64	2.31	0.15	58.77	0.00	9.98	9.98	0.01
8	Total Liabilities	7.26	37.70	1.91	81.34	2.21	0.06	24.68	0.01	9.98	9.98	0.00
9	Investments	-	-	-	-	-	-	-	-	-	-	-
10	Turnover	0.42	22.74	0.40	-	-	-	62.41	-	-	-	-
11	Profit before taxation	(0.19)	0.65	(5.91)	(0.00)	(0.00)	(0.00)	11.72	(0.00)	(0.00)	(0.00)	(0.00)
12	Provision for taxation	(0.00)	0.10	-	-	-	-	-	-	-	-	-
13	Profit after taxation	(0.19)	0.55	(5.91)	(0.00)	(0.00)	(0.00)	11.72	(0.00)	(0.00)	(0.00)	(0.00)
14	Dividend paid	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
15	Extent of shareholding	88%	100%	70%	51%	100%	100%	100%	100%	74%	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

Sl. No.	Name of associates/ Joint Ventures	M/S POWER MECH- M/S ACPL JV	PM-Khilari	PMPL- STS-JV	PMPL-SRC INFRA JV (Mizoram)	PMPL-SRC INFRA JV (Hassat)	BRCPL JV	KVRECPJ JV	PMPL PIA JV	POWER MECH- TAIKISHA JV	RITES- PMPL JV	SCPL- PMPL JV	GTA Power Mech DMCC	GTA Power Mech FZE	Mas Power Mech Arabia	GTA Power Mech Nigeria Limited	(in ₹ Crs)
1	Latest audited Balance Sheet Date	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023
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	21.10.2022	20.10.2022	03.08.2022	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%	66%	51%	20%	50%	50%	49%	50%	50%
4	Description of how there is significant influence	Associate/ Joint Ventures owns 80% of the Voting power of the company.	Associate/ Joint Ventures owns 75% of the Voting power of the company.	Associate/ Joint Ventures owns 74% of the Voting power of the company.	Associate/ Joint Ventures owns 74% of the Voting power of the company.	Associate/ Joint Ventures owns 60% of the Voting power of the company.	Associate/ Joint Ventures owns 70% of the Voting power of the company.	Associate/ Joint Ventures owns 82% of the Voting power of the company.	Associate/ Joint Ventures owns 79% of the Voting power of the company.	Associate/ Joint Ventures owns 66% of the Voting power of the company.	Associate/ Joint Ventures owns 51% of the Voting power of the company.	Associate/ Joint Ventures owns 20% of the Voting power of the company.	Associate/ Joint Ventures owns 50% of the Voting power of the company.	Associate/ Joint Ventures owns 50% of the Voting power of the company.	Associate/ Joint Ventures owns 49% of the Voting power of the company.	Associate/ Joint Ventures owns 50% of the Voting power of the company.	Associate/ Joint Ventures owns 50% of the Voting power of the company.
5	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Net worth Attributable to shareholding as per latest audited Balance Sheet	1.45	0.50	0.90	5.94	-	-	-	-	-	-	-	0.51	28.20	(14.54)	0.07	0.07
7	Profit/Loss for the year	0.22	0.10	0.11	0.73	-	-	-	-	-	-	-	(0.67)	(2.94)	(14.70)	(0.02)	(0.02)
(i)	Consolidated	0.18	0.08	0.08	0.54	-	-	-	-	-	-	-	(0.34)	(1.47)	(7.20)	(0.01)	(0.01)
(ii)	Not Consolidated	0.04	0.02	0.03	0.19	-	-	-	-	-	-	-	(0.33)	(1.47)	(7.50)	(0.01)	(0.01)

**None of associates have been liquidated or sold during the year.**  
Note: Conversion Rate taken at NGN = INR 0.18 as on 31.03.2023  
Note: Conversion Rate taken at SAR = INR 21.90 as on 31.03.2023  
Note: Conversion Rate taken at AED = INR 22.36 as on 31.03.2023  
Note: Conversion Rate taken at OMR = INR 213.27 as on 31.03.2023

For and on behalf of the Board of Directors of

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

Place: Hyderabad  
Date: 26.05.2023

## Annexure-3

### FORM NO. AOC-2

“(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.”  
Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

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

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

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

Sl No.	Particulars	Nature of contract/ Arrangements/Transactions	Duration of the contracts/ arrangements/transaction	₹ in Cr's
1	S. Kishore Babu	Lease Rents paid	on going	0.23
2	S. Lakshmi	Lease Rents paid	on going	0.16
3	S. Kishore Babu (HUF)	Lease Rents paid	on going	0.02
4	S. Vignata	Lease Rents paid	on going	0.12
5	Power Mech Infra Limited	Lease Rents paid	on going	1.84
6	Power Mech foundation	Lease Rents paid	on going	0.01
7	S. Kishore Babu	Remuneration Paid	on going	11.71
8	S. Rohit	Remuneration Paid	on going	0.36
9	Power Mech Industri Private Limited	Sub-Contract Expenses & Hire charges Paid	on going	0.25
10	Power Mech Industri Private Limited	Stores Material Purchased from	on going	0.00
11	Hydro Magus Private Limited	Stores Material Purchased from	on going	0.04
12	M/s. Power Mech - M/s. ACPL JV	Contract receipts from sale of services	on going	26.40
13	Power Mech-STS-JV	Contract receipts from sale of services	on going	15.42
14	Power Mech-Khilari Consortium JV	Contract receipts from sale of services	on going	16.91
15	PMPLSRC INFRA JV - (Mizoram)	Contract receipts from sale of services	on going	116.30
16	PMPL SRC INFRA JV (Hassan NH -75)	Contract receipts from sale of services	on going	71.42
17	PMPL - PIA JV	Contract receipts from sale of services	on going	44.29
18	PMPL KVRECPL Consortium JV	Contract receipts from sale of services	on going	0.50
19	PMPL-BRCC INFRA JV	Contract receipts from sale of services	on going	512.88

## Annexure-3

Sl No.	Particulars	Nature of contract/ Arrangements/Transactions	Duration of the contracts/ arrangements/transaction	₹ in Cr's
20	rites-PMPL JV	Contract receipts from sale of services	on going	9.52
21	rites SCPL-PMPL JV	Contract receipts from sale of services	on going	0.64
22	PMPL-TAIKISHAN JV	Contract receipts from sale of services	on going	5.05
23	Power Mech Industri Private Limited	Contract receipts from sale of services	on going	1.95
24	Power Mech Projects (BR) FZE	Contract receipts from sale of services	on going	14.43
25	Power Mech foundation	Donations paid	on going	1.18
26	Power Mech Industri Private Limited	Loans Given	on going	6.78
27	KBP Mining Private Limited	Loans Given	on going	5.22
28	Power Mech Industri Private Limited	Loan repaid	on going	2.78
29	Power Mech Infra Limited	Interest paid		2.57
30	Power Mech Infra Limited	Loans Repaid		25.00
31	Power Mech Infra Limited	Fresh issue of equity shares (preferential allotment)		25.00

- The details of the other related party transactions and those entered in earlier years are disclosed in Note no 41 of the Financial Statements
- Related Party Disclosure as per Schedule V of SEBI (LODR) Regulations, 2015

### 1. Loans and advances in the nature of loans to subsidiaries by name and amount

S. No	Name of the Subsidiary	Loans / Advances/ Investments	Amounts at the year ended 2022 - 23	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2022 - 23
i	Power Mech Industri Private Limited	Loan	31.71	32.63
ii	Power Mech SSA Structures Private Limited	Loan	2.21	2.21
iii	KBP Mining Private Limited	Loan	8.12	8.16
iv	GTA Power Mech FZE	Loan	0.69	0.69
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

## Annexure-3

### 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 2022 - 23	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2022 - 23
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 2022 - 23	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2022 - 23
-	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 2022 - 23	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2022 - 23
-	NIL	-	-	-

For and on behalf of the Board of Directors of

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

Place: Hyderabad  
Date: 26.05.2023

## 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 **March 31, 2023**, 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;
  - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 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. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - d. 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:

- i) 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.



## Annexure-4

**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:

S. No.	Details of Observation	Observation / Corrective Measure Action
1	<b>In terms of Reg. 21 of SEBI (Listing Obligations and Disclosure Requirements) 2015 -the gap between two risk management committee meetings, shall not exceed 180 days.</b>	Typographical mistake occurred while filing the Corporate Governance Report for the quarters ended Jun'22 & Sep'22 and wherein the details of meeting of Risk Management Committee (RMC) were not mentioned. Upon the receipt of query from National Stock Exchange of India Limited (NSE), the Company informed NSE that the details were missed inadvertently and would re-submit the same upon providing access window for resubmission. NSE is yet to respond on the reply.
2	<b>IEPF-1*</b>	Unclaimed dividend for the year 2015-16 of ₹34,379/- has been transferred to the account of IEPF in terms of section 124(5) of the Act. Due to technical error in the system, the same has not been reflected in the account. Therefore, the respective return (IEPF-1) in terms of Rule 5(1) Investor Education and Protection Fund Authority (Accounting, Audit Transfer and Refund) Rules, 2016 could not be submitted as the same can be filed only on the reflection of transferred amount.
3	<b>IEPF-2*</b>	IEPF-2 forms are yet to be filed by the Company in terms of rule 5(8) and 7(2B) of Investor Education and Protection Fund Authority (Accounting, Audit Transfer and Refund) Rules, 2016

\*The company is in process of filing these forms.

**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.	Motihari Rajiv Kumar	Re-appointment	Re-appointment of Motihari Rajiv Kumar (DIN:07336483) who retires by rotation and is eligible for re-appointment w.e.f. 30.09.2022.

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.

During the period under review, 195,593 equity shares of ₹10/- each were issued on preferential basis at a price of ₹1,278.16/- to the promoter group entity. With this the share capital stands at ₹14,90,63,570/-

**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/-

CS P.S.RAO

FCS No.:10322

C.P. No.:3829

UDIN: F010322E000756166

PEER REVIEW CER NO.: 710/2020

Date: 09.08.2023

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  
UDIN: F010322E000756166  
PEER REVIEW CER NO.: 710/2020

**Date: 09.08.2023**  
**Place: Hyderabad**

## Annexure-5 Management Discussion and Analysis

### Indian Economy & Industry Overview

The Indian economy's recovery process after COVID-19 pandemic in 20-21 is on the line of consolidation. As per the projections from RBI and other institutions including World bank, there is a reasonable consolidation of growth and the industry is confident that there will be every possibility of sustained growth in the coming years. This is in spite of serious global conflicts with the ongoing war between Russia and Ukraine. India playing a pivotal role in Group 20 nations, as President and providing leadership and direction which is also helping the nation to improve ties with leading developed and other nations which can hugely help in technology and investments in propelling manufacturing and service growth.

Consumer inflation moderating at 5% coupled with good harvests based on helpful monsoon should also cool food inflation. It is expedited that in the next 5 years Indian economy is expected to grow at 6.8% driven by capital and productivity improvements. Capital investments at a higher scale by the Government and new investments by the private sector should drive medium term growth. The huge emphasis on better infrastructure can improve the connectivity and lower logistics costs for industries. It is expected that corporate growth will improve despite global slow down and interest rates hikes. Improved capacity to lend, with improved capacity utilisation of manufacturing sector and very positive impact of more infrastructure creation and PLI schemes have created right conditions for private sector to increase investment. It is expected that an additional ₹111 Lakh Cr of capex plus infra will come compared with ₹66 Lakh Cr in the previous 5 years which is about 70% higher. There will be more focus on green investments linked with emphasis on controlling greenhouse impact on global environment. Also India being a very large domestic market, would considerably add to the attractiveness of foreign investments.

India's exports of merchandise and services improved to USD 770 billion from USD 613 billion with a growth of 25.6%. India's GST collection also has been continuously increasing which is a reflection of growth of both in manufacturing and services with a total collection of around ₹18 Lakh Cr with a growth of 21.4%. India's growth story has been scripted by huge investments in infrastructure and focus on high value capital investments by the Government. It is obvious that Government has become the enabler in managing the economy and taking a lead to invest heavily both in infrastructure and people centric social service segment. The unique feature of these investments is capacity building on Digital infrastructure which can hugely help in economic growth. The tax buoyancy is also propelling these investments and growth story.

There were also many policy initiatives which were helpful in sustaining the growth with PSU bank mergers, continued focus on disinvestments, reduction in corporate rate tax, Ujjwala scheme, ending retrospective taxation and creation of Bad Bank. Inflation that was high in the previous years has been brought down to 4.7% from peak of 7.8%. This had the follow up action of increasing of Repo rate from 4% to 6.5%. Sustained capital flows from outside will also sustain this growth momentum.

In the case of ease of doing business, India stood its position at 63<sup>rd</sup> position and with the Government emphasis on continued reforms 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. The prolonged conflict in Europe could continue to impact supply chain status in keeping the commodity prices volatility for a longer period. Rising interests across the World also could also have some impact, but with continued infra focus and monetary support from the Central bank, we are in a better status to manage the challenges to sustain the growth agenda in the coming years.

A quantum jump in the policy initiative for infrastructure growth is now visible in the last few years and this is obviously cushioning the growth, when the non-financial corporate sector was unable to do investment. Consistent reforms have been made in the last 9 years in building trust which can unleash efficiency gains, through improved investment sentiment, better ease of doing business and more effective governance.

With the present stability in inflation and continued investments which is on the rise from year to year should also now propel private sector investments to add momentum to the growth story. In the backdrop of National Infrastructure pipe line (NIP) under implementation, synergised for better delivery management under Gatishakthi dash board for the last 3 years should see the sustained growth in the coming years. This should give confidence for the industry to focus on growth, better delivery management and contributing in improving exports. Making quantum jump in various arms of infra improvement for the people in urban development, rural connectivity, enhancement of power and water availability, improving the movement of goods both in the road and railways, urban transportation with greater emphasis on digitisation.

### Power Mech's Business Overview

Power Mech over the years has been continuously updating and adopting the business strategy in catching up with the market dynamics and continuously changing business environment. Its continued growth story is the result of firmly establishing its preeminent position initially in the coal based power sector as a single point service provider first in undertaking installation works of the main plant equipment and then diversifying into various segments of balance of plant areas of civil, structural, piping and other equipment installation works. This effort led to consolidation of growth from 2012 to 2015. It was felt that for better execution of the main plant equipment of boilers and turbines, it makes lot of synergy in diversifying as part of backward integration in power plant construction in undertaking the complete civil and structural works. This helped the Company in

## Annexure-5

# Management Discussion and Analysis

two ways, one was the needed diversification to expand the service profile and on the other side the integrated construction solution of undertaking both the civil/structural works and the main plant equipment brought the much needed synergy in construction and helping the customers for better project implementation. This also helped the customer interest in overcoming the interface issues involved with two different agencies works one for civil works and another for the equipment erection. The diversification into undertaking the main plant structures was achieved as the works related to this area of work was similar to many of the structural works undertaken for the main plant boiler works.

Power Mech was one of the first few major players to catch up with this change in the market with increasing presence of private sector players to improve the generation capacities. Opportunities that were available in the private sector of coal based power plants had witnessed huge capacity additions in the private sector for about 10 years starting with early 2000's which continued up to 2016 when Coal based capacity going up to nearly 23,000 MW per year. This huge increase in capacity addition by private and public sector investment needed substantial man power and construction equipment capacities over shorter periods of execution. The emphasis of private players was in cutting down the cycle time for reduced capital investments and faster revenue generation after commissioning. The large sized supercritical units of higher efficiency was the ideal market reach. Power Mech could also work on these new advanced and high efficiency power plant equipment and obviously had the first mover advantage in market penetration than its peers. The huge additions in supercritical units over last 15 years also helped the Company in forward integration of O&M practices needed to operate and maintain supercritical based power plants.

Company played a major role in the installation of high performance super critical thermal units of 660 MW /800 MW from the earlier sized units of 210/250/300/500 MW units. These large sized units offered economy of scale and the Company was the first mover in this new technology segment having established its expertise in the installation of main plant for the 5x800 MW Mundra and 5x660 MW Sasan as the Country's first Ultra Meg Power plants. With reduced cycle times for installation was the key for the completion of these large sized thermal plants and the Company demonstrated its capability and so far completed 23 units of installed base of supercritical units of 660/800MW units.

With the advent of more of private sector investment into power sector the opportunities expanded with forward integration of O&M into the huge opportunities made available in the private sector power generation of operation and maintenance works both for short-term maintenance jobs and also long term annual operation and maintenance contracts for the main plant and auxiliaries. The focus in this segment was providing expertise both in maintenance of the plants and its operations. This area of business was hugely skill based and the Company filled up the same with induction of experts at senior levels and the core team was continuously expanded to enable the Company to establish itself as the lead service provider in the Country catering to 68,375 MW of installed base. For this business to grow the operation and maintenance skills were the key and the same were continuously updated and added to enable the plant operation and maintenance of large sized coal based power plants and this has become one of the main backbone of Company's growth and strength. Power Mech had built up huge expertise in the O&M of large sized power plants in undertaking all the maintenance related turn around jobs and also undertaking long term operation and maintenance jobs. The Company has built up a strong HR base with specialized skills needed. Coupled with deep penetration into the 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 42 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.

The advent of undertaking and diversifying the geographical reach outside the Country was the logical approach to expand the business in undertaking power plant construction works in Libya, Bangladesh, Middle East, Nigeria etc. The Company has established itself well in the Middle East and African market for Power and Energy related projects both in the construction of power plants and post construction, maintenance works. The Company has established an installed based 6,792 MW mostly in gas and oil based thermal units for the export market of the Middle East, Bangladesh & Africa.

The 2015 Paris accord had significantly altered the global scenario on the shift for renewables as a solution to avoid greenhouse gas emissions, as coal was considered as a dirty fuel. This paradigm shift of policy to reduce greenhouse gas emissions, paved the way for large scale investments in renewables throughout the World. India having established its huge thermal capacity to meet the growing energy needs using the abundant coal availability had to shift its priority to renewable power generation and alter its policies after 2015. It is now seen that renewable power capacity has reached nearly 125GW (Excluding Hydro and Nuclear), with Hydro & Nuclear it is 179GW out of installed base of 416GW. This major change in investment priority to renewable power was a major change for the Power Mech's business and its growth and this was both a challenge and an opportunity. The Company rightly anticipated this tilt in the power generation investments and particularly in the coal based power plants had to be realigned towards renewable power. 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 1,460 MW in the year 22-23 and the total share of the renewable power has increased to 43% including hydro and nuclear power of the total installed base of nearly 416 GW.

## Annexure-5

# Management Discussion and Analysis

With the near term growth to 450 GW by 2024 and nearly 817 GW by 2030 and the renewable going up from present 125 GW to 500 GW, the Company has reconciled to this changed scenario, and had realigned its business approach to massive diversification in finding new business and opportunities. It is important to state that this market change has been converted into an opportunity to diversify on a massive scale to non-power business over the last 10 years.

As the Company had established huge capacities both in HR resources and construction equipment a major effort was made into diversification away from coal based service business to non coal and non power based business. This was the right approach needed during this transition in order to fully utilize the capacities built over the initial period of 15 years. This enabled the Company to hugely diversify its customer base, service and product base with major thrust into export sector to Bangladesh and Middle East and locally to non power related business into construction. This approach helped the Company to scout for opportunities in steel sector, where in capacities were getting added in the private sector, oil and gas sector related to oil and gas transportation of cross country pipe lines, railway works including maintenance depots, workshops, roads, water projects, material handling works, undertaking turnkey solutions for rural electrification, railway electrification and infra works of technology parks. This same needed a broader approach for creating management expertise through induction and creating new organisation base in the areas of various infra works.

The next phase of growth and market expansion was the major investment cycle getting started in 2019 with the launch of National Infrastructure Pipe line (NIP) a massive boost for investment across various sectors as part of Government initiative to achieve a GDP growth of 5 trillion USD for the Country. This was also needed to improve the infrastructure base of the Country in terms of railways, roads, drinking water and supporting the growth needed in the energy sector including Oil, Gas, Power etc. The ₹111 Lakh Cr was major step which could help in improving the quality of citizens, but also provide avenues for segments of industry in participating the public spending to create opportunities for industrial growth.

The above initiative helped the Company in further diversifying into infrastructure execution of projects in Railways, Roads, Rural Drinking water schemes, Coal Mining, Material handling, Cross country gas pipe lines, urban water projects etc. This created avenues for market penetration in each of these segments. This also needed organisation restructuring to provide specific solutions in undertaking projects in diversified segments and the SBU concept was introduced. This has paved the way for establishing SBUs in various business segments to provide autonomous freedom to operate and work in terms of business development, operations, customer reach and enhancing growth and value addition. The same needed reworking on the organisation structure which was heavily staffed with power sector professionals to expand to non-power sector professionals. The domain expertise created is helping the Company for more focussed approach to business development and customer reach and continuously expanding the market opportunities for enhancing the order books.

Mining investments had undergone changes with major Government policies to meet the increased demand of growth of raw material needed for steel capacity enhancement of iron ore, coal capacity enhancement and other minerals. With the expertise developed in undertaking mine based and plant based material handling works along with the O&M capacity base available with the Company, it has now provided opportunities in this segment for undertaking both for the execution of material handling works on turnkey basis and also the development of coal based mining works.

The approach of the Company has always been to look for opportunities and synergising the market and execution solutions for timely delivery, enhancing growth in terms of top and bottom lines and the motto has always been the customer satisfaction, as that is the bed rock of maintaining long term relations with the valued customers. This approach has enabled the Company to create a Pan India approach of geographical expansion in most of the states and also much wider reach in pursuing opportunities and creating new business units for better execution. The other important part of this diversified plan was the need to rope in market leaders in the form of Joint Ventures and Consortium partnerships. This approach is needed to enter the market where qualification criterion had to be tied with the help of partners. This approach mainly helped the Company in achieving big in terms of getting new orders in Railways & Metros, Roads, Water Projects, Material Handling, Mining etc. This plan was also adopted for quicker penetration of export market in Middle East and Africa as the local partnership was quite useful in forging new initiatives and facilitating in competing with established local players available. Simultaneously Company has been focussing on the organisation restructuring to meet the specialized needs of various segments of work, new businesses, export market, O&M reach, infra market penetration etc.

The third decade is dedicated to consolidation and growth with expansion into new areas of Industrial Plants, Railways & Metro, Roads, Water Projects, Material Handling, Manufacturing and Mining Development & Operations.

## Sectorial Business Outlook and Opportunities

### A. Operation & Maintenance

**Operation & Maintenance (O&M)** has been playing a very important role in the growth of the Company for sustained business potential and substantially contributing both for the top and bottom lines. The other important feature in O&M business is that it does not need much capital investment and huge working capital needs as these operations are

## Annexure-5

# Management Discussion and Analysis

mostly self-sustaining with better payment scheduling with customers. This is also due to the need of running the plants with proper availability to enhance power generation and also revenue generation for long term contracts. In the case of quick turnaround works of maintenance, repair, rehab, replacements, capital overhauls etc. the importance of quick turnaround time makes the customers to provide the needed payment mechanism. The major thrust had been from the private sector where in the adoptability of optimising costs for O&M with outsourcing as a model was introduced on a large scale first by the private sector in the last 15 to 20 years. This practice is more in vogue in Europe and America & it took considerable time in our Country being a practice in the last 15 years. In the Government sector this outsourcing initiative is not that widely adopted, however here also new initiatives have been taken where for the additional capacity increases Government sector also is now resorting to outsourcing model as the long term O&M contracts to reduce costs a possible approach of best practices adopted by the private sector generators. This obviously is bringing in benefits to the developers for reduced generation costs with outsourcing as a model of cost economics. This methodology is also being adopted into many other sectors like process plants, steel plants, minerals, refineries, petrochemicals etc. Power Mech has been a pioneer in this business segment with early bird catch approach and it is the largest service provider in the O&M market for Coal & Gas based plants in the Country.

Efforts also 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. This has been achieved in some of the large power plants in Telangana and Odisha. This should be considered as quantum jump in enhancing the capability of the Company in entering high end operation practices to provide reliable service to the customers.

### 1. O&M - Power Sector

The Company is undertaking O&M jobs for 68,375 MW while operating about 42 such plants across the Country. These O&M contracts are being executed both for the main plants and balance of plant areas based on the customer requirements. The present installed base of utility segment is about 2,37,268 MW in Coal & Gas based plants in the domestic sector out of total installed base of 4,16,059 MW.

The IPP sector continues to play a major role in the business opportunities for long term contracts as this sector had taken the lead in out sourcing the long term O&M contracts in a big way. The Company has established its strong presence in 85,311 MW installed base in IPP sector in thermal & gas based power plants out of total installed base of 2,37,268 MW. The total installed base in the Government sector is about 1,51,957 MW of both Central and State sectors. There is scope to improve the presence in more plants as the Government sector also has taken steps to follow the outsourcing model for O&M.

The Company has also established its presence in undertaking long term O&M contracts in the captive segment, which can offer opportunities and has an installed base of nearly 78,000 MW and >50% of the same is installed in Metals, Minerals, Petrochemicals and Cement. Nearly 70% of the installed base is of Coal and Gas based units mainly to cater to the high energy needs of Process plants, Metal and Mineral plants. The Company's interest is mainly focused on the Minerals and Metal sectors where the unit capacities are larger of 100 MW and above which fits into the business model of the Company of doing work with medium to large capacity based units. The Company has the experience of operating the largest coal based captive power plant in India of 2,400 MW in Jharusguda, Odisha for Vedanta group for about 7 years. The Company has been successful in taking up comprehensive O&M contract for 5 years 2x600 MW with Singareni Collieries Company Limited in Telangana and for 3 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 which is the high end of operational capability needing expertise in control room operation.

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. In last 4 years, many such PSUs and State Utilities in the states of Telangana, Karnataka and UP have taken the lead and this initiative in the Government sector opens new opportunities for further expansion of the long term O&M business. It is heartening to note that the largest utility player in the Country, NTPC which has an installed base of 59,474 MW in about 35 plants across the Country has taken steps in undertaking this model of long term contracts mainly for maintenance for about 7,160 MW of newly supercritical units.

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 introduced the new O&M outsourcing philosophy of sub packaging the plant maintenance 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

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these newly commissioned plants. NTPC has done the outsourcing of long term maintenance jobs at Solapur (2x660 MW), Gadarwara (2x800 MW), Lara (2x800 MW), Khargone (2x660 MW), Meja (2x660 MW) with about 7,160 MW generating capacity.

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 15 years from the peak of 77.5% to a low of 53% in 2021 and 58.8% in 2022 and improved to 62% in 2023 with higher power demand. Once the renewables and the hydro segment of the generation reaches about 60% of the installed base by 2030 of 8,170 GW 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. In order to establish operating procedures Central Electricity Authority has notified that coal based power plants should be designed to operate at lower PLF levels of 40% and having sufficient ramping capacity to reach higher loads. This also calls for some modifications in the existing older plants to facilitate the adoption of flexi operation systems. This is mainly on account the need of day and night operations of coal based plants to adjust to the full use of renewable power of wind and solar power needing coal based plants to work at lower plant load factor to the level of 40%. 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 including modifications needed of the plant operation 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.

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. So far only for about 9 GW the FGD retrofits have been commissioned and with the increased FGD retrofits happening in the next few years, the O&M costs have to be increased.

**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 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 above 90% in plant availability and 100% safety compliances. This can help in enhancing the revenue generation for the plant owners and also establishing the capabilities of the Company as a reliable service provider.

## 2. O & M - Non Power Sector

The Company has made its presence felt in the non-power sector mainly for Refineries, Aluminium Industries, Mineral Processing, Steel Plants etc. This is done by extending the market reach in the non power sector slowly and steadily. The expertise built over the years in the power sector work of O&M is now coming in handy to get access the non-power market both in Private and Public Sector. The major breakthroughs are with Tata Steel, JSPL, RIL, Vedanta, NMDC etc. The investments made in the non-power sector in various areas are quite huge with large capacity units relating to Oil Refining, Aluminium, Bauxite, Iron Ore Processing etc. Many of these process plants have substantial captive power capacity and the presence in one area can bring in synergy on the main process plant needs for O&M opportunities. This has clearly established that there can be more opportunities in the non-power sector. Significant achievements in the recent times are related to long term O&M works in Jamnagar Refinery & Lanjigarh Aluminium Refinery plant of Vedanta Group.

The major initiative in entering the infrastructure business related to rural drinking water system where in Company is carrying 3,018 Cr of execution (may get revised on submission of DPRs) in about 3,018 villages in the state of UP as part of Jal Jeevan Mission to provide rural drinking water for every house hold across the Country. This is also opening up the opportunities for the O&M business on long term basis. As part of the contract structure in these works, there is also scope of doing long term O&M works for a period of 10 years once the works of the villages are completed in providing drinking water. With the Company's strides into many new areas of business like drinking water, material handling there can be opportunity to undertake annual O&M contracts at the end of the project completion and enhancing the O&M business.

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### 3. O&M - Overseas Business

The Company has strongly established its presence in Middle East, Africa and Bangladesh for undertaking the installation business in the export sector and in the last 5 years the Company has also significantly 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 in MENA Region and more than 157 GW in the GCC areas. The initial major opportunities were related to man power 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. Even the short term maintenance, shutdown and manpower services contracts for O&M is boosting the O&M business in the Middle East Region. The Company will focus to work on long term O&M contracts for a period of three to five years. 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. With an installed base of 157 GW in the GCC area alone and long term shutdown contracts in the hydrocarbon sectors in the GCC area the O&M business is getting fully established.

The Dangote, Nigeria captive power plant O&M contract is already under implementation and it is expected that the presence of Company in the largest oil refinery in Africa will be long lasting. Recently a major breakthrough has been achieved in the award of long term maintenance job for one of the packages of the under commissioning Maitree 2x660 MW project in Bangladesh. This is part of establishing O&M credentials in Bangladesh power market. Bangladesh has plans to augment its power generation capacity to 40,000 MW by end of the decade. With the presence established in Nigeria, Company is also exploring the opportunities in other countries like Ghana, Uganda, Tanzania etc. in addition to O&M opportunities in MENA & Bangladesh.

## B) Industrial Construction

### 1) Erection, Testing and Commissioning (ETC) Business

The ETC business had been backbone of the Company's operations with the works related to Coal and Gas based power plants and this was further expanded into other sectors of Oil, Gas, Steel, Material Handling and Retrofit packages of fitting FGD systems as part of emission control. The optimum capacity of Coal based plants to be maintained in the next 10 years has been formulated by Central Electricity Authority (CEA) taking into account the various scenarios of renewable power getting more prominence. This also has to factor the capacity of the thermal units to be retired on account of its ageing as well as emission considerations. Based on these studies it is expected that the Coal based installed capacity by 2032 is planned at 2,59,643 MW without much of additional Gas based plants. However there can be substantial capacity addition in large sized Hydro and Pumped storage facilities. The recent focus on emission control had enabled the coal based power plants with more investments by way of FGD retrofits for about 169 GW with an ongoing investments of nearly of ₹ 1.2 to 1.3 Lakh Cr. This has created with new opportunity for the next 3 to 4 years for the power plant manufacturers and also service providers.

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. The ongoing implementation of coal based plants is about 26,900 MW including all those projects which are cleared for implementation. There can be scope for many of the opportunities in these projects under implementation. Taking into the peak demand of power needs by 2032, CEA also has made recommendations for the additional capacity addition of coal based plants of about 19,100 MW to 27,100 MW for implementation beyond 2027. It is expected that the new additional capacity addition will be mostly done by the PSU and State utilities and there are many projects already identified for this purpose. The study undertaken by CEA, the present demand of peak power of 210 GW can go up to 277GW by 2026-27 and 366 GW by 2031-32. The share of the coal based plants is estimated to be about 2,59,643 MW by 2032, the total installed base of all categories can go up to 9,00,422 MW.

It is observed that the total capacity addition of coal based plants from 2017 to 2022 was only 27,643 MW with average addition of only 5,528 MW/year and the planned addition from 2022 to 2027 is about 25,580 MW with average addition of 5,116 MW/year. It is the new norm that we have to live with the continued down ward investments happening in the installation of fossil based power plants. Based on this reality the Company had already started the initiative of diversifying into non-power sector for the last 10 years.

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

The CEA 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 its JV utilities as the largest utility in the Country has taken the lead role in the implementation of FGD retrofitting. Taking into account the NTPC share of FGD award of contracts, the total contracts awarded as on date is at 1,04,000 MW of FGD contracts have been awarded and 9,280 MW of FGD retrofit works have been completed. The balance to be awarded is about 65,000 MW. The major share of the award yet to be done is with the private players & State Utilities.



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There had been lag in the implementation of FGD systems for the power plants identified mainly due to financial constraints and also tariff related issues and this has led to continuous shifting of the cut off dates for full implementation and getting shifted from 2022 to 2024 and now to 2027. With the revised deadlines and the need for implementation of the FGD systems the IPP sector also 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. The lead EPC players in the fray for these works are BHEL, GE, L&T, MHPS, ISGEC, Thermax and TPL.

It may be noted that Power Mech was involved in the execution of first 500 MW FGD retrofit work undertaken in the Country at 1x500 MW Vindhyachal Project of NTPC for GE. 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 configured with boiler packages.

The total investment expected for retrofitting 1,69,000 MW is around ₹ 1.25 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 major order to be executed is for Adani Power of ₹ 6,163 Cr on a complete EPC mode for its plants located at Mundra, Tiroda, Kawai and Udupi. Another 1,320 MW of FGD works mainly related to civil works are under execution for North Chennai and Kahalgaon thermal plants. The Company is making efforts for the participation of more FGD tenders with partnership approach on technology tie ups.

### 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. Gas pipeline infrastructure in the Country stood at 19,998 kms 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 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 kms, Mumbai – Nagpur – Jharsuguda 1,755 kms, Kakinada – Vijayawada – Nellore 667 kms. As per the NIP, 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 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 252 MMT and 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-Ahmednagar pipeline with a stretch of 320 kms and Mundra-Kandla pipe line stretch of 91 kms. So far about 511 kms of physical construction of pipe lines have been done by the Company after the advent and diversification into this segment in the last five years. The Mudra-Kandla pipe line is meant for LNG transportation and being executed for Adani Group and rest of

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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.

#### 4) Steel

After COVID-19 there had seen lot impact on the increase in steel prices to the extent of 60% to 70% affecting the commodity market and this huge increase in steel price drastically affected the construction works for some time. The Company's interest in this segment is both as an end user of finished steel for infrastructure and steel structural related works and also the expansion of steel industry can bring in lot of new opportunities. The demand for steel has picked up for use in the construction industry and other user industries. Stability in steel prices is an essential need for sustained development and also while undertaking projects. India having growth trajectory post COVID-19 and registering highest GDP growth among large economies, offers huge opportunities for the growth of steel industry. India is the second largest producer of primary steel next to China with an installed capacity of 158 MT with crude steel production of about 125 MT. With increased demand for steel, it is obvious for adding further capacity expansion in the brown field and green field plant expansion. With the present installed base of 158 MT to be nearly doubled by end of the decade to about 300 MT and the total investments expected is about \$158 billion across all the steel majors both in Private Sector and Public Sector. Private sector having a larger share of nearly 80% of installed capacity is expected to play major role in the doubling of the steel capacity in the Country. This can also bring in more investments in the expansion of existing steel plant capacities. During the year, SAIL, NMDC, RINL and KIOCL have all registered their highest production. With the GDP growth to be sustained in the coming years demand for steel is expected to increase and the need to add huge capacities for the existing steel installed capacities keeping in view the long term needs in the next 8 to 10 years. The ongoing NIP investments of ₹ 111 Lakh Cr is also playing a major role in the steel demand in the market with huge investments in infra sector and construction sectors apart from the capital investments expected across the various industry segments. The demand for steel increase is mainly dependent in the investments in Urban Infra, Rural development, Roads and High way construction and Railways. The estimate crude steel production by 30-31 is 300 MT with crude steel demand of 255 MT and finished steel production of 230 MT, and the per capita consumption is 158 kg.

Most of the steel majors are planning expansion of capacities thro' brown field or green field routes. SAIL to expand capacity from 23 MT to 50 MT in their existing plants, JSW from 27 MT to 50 MT, Arcelor Mittal by 6 MT at Hazira and by two new green field plants of capacity of 24 MT at Kendrapara and 7 MT at Jagatsinghpur in Odisha.

The Company has been quite successful in its pursuit of diversification into steel plant construction opportunities as a policy followed in other segments. 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 successfully executed major works for the expansion of JSW Dolvi works and there are ongoing works in the expansion of JSW Vijayanagar plant.

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 3<sup>rd</sup> largest reserves in coal with deposits of 361 billion MT in the World. The Lignite reserves is estimated at 44 billion tons. It is expected to achieve coal production of 900 MT in the preceding year with CIL contributing about 700 MT. India is also the 2<sup>nd</sup> largest producer of steel at present. The iron ore reserves are around 22 billion ton. There are also many other developments taking place in the coal sector related to increasing capacity to produce coking coal. The contribution of coal based plants continue to play a major role in the power generation in the Country with installed base of 211 GW out 416 GW 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. NMDC with an annual production of 40 MT of Iron ore is planning many Iron ore beneficiation plants at several of its mines in Chattisgarh & Karnataka.

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With the foray into this new segment the Company is acquiring skills in the project implementation of material handling contracts, with expertise in undertaking both engineering and project related execution in civil, structural and mechanical works to provide total project solution as a single point solution provided at site level. The ongoing works at Kurmitar for the 12 MTPA iron ore handling and the Coal handling project for the 2x660 MW at Khurja in association with thyssenkrupp Industries India Ltd (TKII) 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. With the huge opportunities in the market in the areas of coal handling both at mine side and the plant side, iron ore handling, port side material handling operations the scope for market penetration is quite substantial.

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 (TKII) of Pune and FL Smidth of Chennai. The various works of material handling related to Coal and Iron ore handling facilities shall enable the Company to establish its credentials for the market available for Coal handling and Iron ore handling at mine side as well as plant side.

### C) Infrastructure Construction

Power Mech has now transformed into a diversified Company both geographically with a pan Indian presence and also outside. During the last few years concerted efforts of moving away from power sector business when the down trend started with less investments in this sector has greatly helped the Company in not only facing the head winds coal based plants installation business coming down, but also has been continuously building up capacities and entering into new areas of business. The huge investments plans envisaged by the Government as part of the NIP with ₹ 111 Lakh Cr started in 2019 was an additional opportunity in making presence felt in the infra segment of construction works. This was also a result of a strong civil organisation created to take up the civil works. This experience has been quite useful for infrastructure civil construction in 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. This was also possible with tie ups made with qualified parties to enter into the huge infra business opportunity available and this policy in many major contracts has helped the Company to forge strong relationships with the partners.

As it is obvious based on the recent trends of Government approach to strengthen the infrastructure base as part of huge development initiative, the Company has taken the right initiative in aligning the business model with the huge investments as part of NIP programme of the Government. 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 Industrial Plants, Railways & Metro, Roads, Water Projects etc.

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

#### 1) Civil Works - Power Sector

Having fully established its presence in the power sector civil works, the Company has graduated as a major service provided for undertaking the entire range of civil works across various areas of work for a coal based project. This was fully demonstrated in completing the entire main plant and balance of plant civil work for many power plants located at Vizag, Raichur, Suratgarh, Kothagudam, Namrup, North Chennai, Unchahar etc. involving about 6,580 MW of installed base. With cumulative experience of having done about 22.9 lakhs m<sup>3</sup> concreting work, 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 operation costs both for competition and also deriving better margins. There can be better synergy in operations and also smoother interface input provision for undertaking the structural and mechanical works with civil inputs provided by the same set up at site. This expertise is not matched by many competitors across the Country. This is also one of the major factors for better execution of project deliverables.

Two major initiatives in undertaking such composite works are now under execution at Maitree in Bangladesh of 2x660 MW of civil work and the works for 5x800 MW mega power project at Yadadri in Telangana. The Company is presently executing the main plant civil works in about 10,920 MW in the Country at Khurja 2x660 MW, Bhusawal

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1x660 MW, North Karanapura 3x660 MW, North Chennai 1x800 MW, Udangudi 2x660 MW and Khalagaon 4x210 MW.

The opportunities in the power sector civil works flows from the overall capacity addition being planned for the coal based plants. New opportunities are expected with the projects under implementation for 2x660 MW Talcher 2x800 MW expansion at Lara, 1x800 MW expansion at Singreni, 3x800 MW green field plant at Talabira in Odisha, 1x800 MW Singruli. This can add up to about 5,600 MW and this is part of the overall addition of 25,850 MW from 2022-27 as per the National Electricity Plan document.

### 2) Railways and Metro

Railways are at the forefront of development economics for new investments and as per NIP plan the total allocation of ₹ 111 Lakh Cr the Railway portion allocation is about 13.62 Lakh Cr. The major thrust related to civil works is also in station redevelopment works involving about 450 stations across the Country. In the case of Metro Rail networks across many cities the planned expansion of the lines from about 800 kms to more than double up the same offer huge opportunities. This is being done to bring out qualitative change in the development of railway infrastructure across all segments of railway network related to gauge conversions, electrification, investment in high speed corridors, station redevelopment programmes, maintenance depots development and establishing facilities for various maintenance workshops across different railway zones are offering huge opportunities. The railways has been focussing network expansion for the past few years. The current year Union budget has allocated ₹ 2.6 Lakh Cr as capex allocation for capacity augmentation. The projects in the coming 3 to 4 years include 7,000 kms of new lines with investment of ₹ 70,000 Cr doubling and tripling of line expansion of 8,000 kms with an investment of ₹ 80,000 Cr. Railways have also announced new high speed rail corridor in the medium to long term with the initiation of feasibility studies. In the near term the emphasis on the development of Semi-High speed corridor projects which needs an investment of ₹ 25,000 Cr. The other new initiative is the Regional Rapid Transit System (RRTS) including civil packages with 4 corridors to be developed by the National Capital Region Transport Corporation (NCRTC).

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. 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. The plan is also augment the freight traffic speed to 50 kms / hour to enable faster goods travel and reduce logistic costs.

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 including about 800 kms completed for about 18 cities. The revised plan is to expand the Metro Rail and Light Rail way systems to 3,335 kms across 40 cities spreading up to even tier 3 cities. The 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. The opportunities for Metro Rail sheds for maintenance purpose can be about ₹ 350 Cr to 1,000 Cr based on the capacity of the depot to be planned. 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 entry into railway infra works started in 2016 with the completion of 37 kms on Guduwada-Machilipatnam with track doubling. Since 2016 the Company has acquired expertise in undertaking various railway works of permanent way civil works, construction of bridges, way linking, signalling, telecommunications, overhead electrification, construction of staff quarters, construction of station buildings, platforms and also construction of pre engineering buildings along with construction of railway maintenance work shops.

Further diversification into the Metro side construction work has brought out the synergy in the operations of undertaking both the Railway and Metro works with specialized skills in Civil works, PEB construction, Work shop & Maintenance shop construction, new railway line laying works, along with stations works etc. The order received in 2022 from BMRCL for the new construction of depot cum workshop at Challaghatla, Bangalore of contract value of ₹ 449.41 Cr has been a significant breakthrough in broad basing the opportunities both the Railways and Metro rail

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networks. At present the Company is implementing about 8 projects across the Country. The continuous focus on the Railways & Metro works expansion in the next 5 to 10 years should enable the Company to make its presence felt in this urban transport segment offering lot of opportunities and scale up the presence in the civil works.

### 3. Roads & High ways

The landscape of the Country for high way travel is undergoing major changes with new network of National High ways & Express Ways taking shape on a fast track basis across all the States. NHAI as the nodal agency for driving the roads and high ways construction across the Country for building National High ways, Express ways, Multimodal Logistic Parks (MMLPs). National Highway Development Programme (NHDP) along with Bharatmala Pariyojana and Sagarmala schemes under NHAI have been driving the large scale development of road connectivity across the Country. 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 9 years since 2014 in increasing the footprint of National High ways and also State Highways and a scheme Bharatmala Pariyojana Scheme. The National Highways have a total length of 1,44,995 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 up to 1,99,108 Cr and this has been further increased to ₹ 2.7 Lakh Cr in the current year. The daily road construction is planned to be increased from 34 kms / day to 40 kms / day in the current year.

Road network expansion is taking place at breakneck speed and there are opportunities available for choosing the type of project and the suitability of the same in executing the same by the EPC contractors and also as investment for long term returns. The various other works planned under NHAI is the creation of multimodal logistic parks of 35 nos under MMLP scheme with an investment of ₹ 50,000 Cr at strategic locations across the Country and the main purpose is to create seamless freight movement from point to point across multiple modes in facilitating reduction of imports and increase in exports. These Parks enable the shift of goods from point to point to a hub and spoke model in logistic sector to bring down logistic cost as part of export and import business. The implementation of these parks to be done on the basis of Design, Built, Finance, Operate and Transfer basis (DBFOT). There is a plan to build Way Side Amenities every 40 kms along National Highway and planned for development of about 600 nos by 2025.

The Company has made entry into the road sector after lot of deliberations and careful thinking looking at the huge opportunities being made available. As such works being under taken on the basis of geographical reach, feasibility of execution and managing all the risks. 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 – Kodad project of 35 kms of ₹ 645 Cr. The total road projects under implementation is about 147 kms involving ₹ 1,696 Cr of work. 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. The Company is pursuing such projects in pipe line on a very selective approach.

### 4) Water Distribution & Waste Water Treatment

One of the key areas of public utility service lacking since independence was the lack of potable drinking water reach to the majority of rural households. It was one of the least addressed public distribution systems as an essential need for the every house hold. Jal Jeevan Mission(JJM) was a new flagship programme to enable the provision of drinking water to every house holds not connected in the rural sector and it was launched in 2019. The total budget allocation is of ₹ 3.6 Lakh Cr which is part of NIP programme for infrastructure development.

National Rural Drinking Water Programme (NRDWP) coming now under 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 and distribution to every house hold in the rural segment.

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.

Total households at the village level in the Country are 19.24 Cr and as on July 2023, about 12.73 Cr households have been covered under this mission constituting 66% of total village population in the Country. This is quantum jump in

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the last 4 years from 3.24 Cr village households. Sensing the huge opportunity in this segment, the Company rightly made an entry in 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. Once all the cover agreements are completed the estimated value of work can further go up. The JJM works under progress are significantly contributing for the revenue growth 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. Based on the completion of the work it is expected that additional revenue as part of O&M work is expected from next year. 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 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, wastewater 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 (Andhra Pradesh) & Palwal (under Palwal Municipal Corporation, Haryana) which are scheduled to be completed shortly. Apart from the Sewerage Treatment Plants being developed, 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, Madhya Pradesh, Karnataka & Gujarat to grow in water sector.

### D. Mine Development & Operation (MDO)

For the energy needs of the Country coal has been an important fuel input mainly related to power generation and allied industries related to captive power, steel, cement and many industrial applications. There is also the need of steel and cement production capacities to be enhanced to meet the growing demands in industry, manufacturing and infrastructure development. There is also the need to cut down on the import content of the coking coal for the increased demands of steel industry which has planned to double the production of steel with an installed capacity of 300 mt by 2030-31.

The importance of coal cannot be overlooked in the next 25 to 30 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 51% installed capacity (211 GW) out of total installed base of 416 GW. Our Country continue to be heavily dependent on coal for energy sustenance both in power generation and also user industries. The present production of coal of nearly 900 MTPA is expected to go up to 1,511 MTPA by the year 2030. For meeting domestic energy needs in power and other sectors, substantial imports of coal being done each year. With present approach of Atmanirbhara approach, it is planned for progressively bringing down the coal needs for the coking coal. The long term approach is to reduce the dependency on coal for power generation.

With coal reserves of 361 BT which is mostly located in the mineral rich states of Jharkhand, Odisha, Chattisgarh, West Bengal, MP, Telangana and Maharashtra the coking coal reserves are about 35 BT and the non coking coal reserves are 326 BT. The Lignite reserves in the States of TN, Gujarat, Rajasthan is estimated at 46 BT.

As per 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 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 Undertakings did not possess the requisite coal mining experience and expertise, they resorted to public private partnership model of Mine Development and Operation (MDO).

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Coal Ministry also has taken auctioning of discontinued coking coalmine out of 30 such mines and action has been taken to auction 10 such mines to Private sector with annual mining capacity of 22.5 MT. The expected investments in about 15 green field mining projects is estimated of ₹20,600 Cr which can enhance the annual coal production to about 169 MT. Already CIL has issued Letters of Acceptance in the case of 7 Coal projects with a total mining capacity of 100 MT. CIL's targeted production of coal is 1,310 MT by 2025 and 1500 MT by 2030. There is going to be lot of emphasis in enhancing the capacity of production of coal both for Non Coking and Coking coal in the coming years. This should provide huge opportunities for MDOs to be developed by the Private sector and also the downstream capital investments opportunities for the mechanization of coal handling facilities opening up opportunities for CHP engineering companies and also service providers for execution.

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 as a Service Provider to the Mine Owner.

On 24<sup>th</sup> 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. In addition, so far 64 Coal mines have been auctioned in the light of post Supreme Court judgement. The key focus is also to localize the coking coal content of the coal production to meet the increasing demands of iron and steel industry.

Power Utilities such as NTPC, Mahagenco, GSECL, RUVNL, DVC, WBPDC, PSPCL etc. and State Mining Corporation such as APMDC, GMDC, etc. have been 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 Company Vedanta Limited are also developing their Coal (Mineral) assets through MDO. Coal India has identified multiple opencast mines with a target capacity of 169 MTPA and three underground ones of 6 MTPA to be developed through MDO.

Power Mech with its huge industry service expertise in plant installation, operation and maintenance of power plants and industrial plants of having worked in many segments particularly related to material, coal handling and iron ore handling projects both in power and non-power sectors is ideally suited to handle both the opportunities in this expanding coal production plans of the Country in the coming years. The MDO concept of business was considered as the right business approach to expand the service and investment base in synergizing both the project implementation and O&M capabilities in undertaking the capital investment needed for the MDO based contracts.

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 who have established substantial expertise in the overburden removal operations related to coal mining.

In this regard the MDO contract has been awarded by 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 in year 2021 with a peak mining capacity of 5mtpa. Recently another MDO contract was awarded by Steel Authority of India Ltd (SAIL) for Tasra MDO project with a capacity of 4mtpa. Both these mines are Open Cast Mines (OCPs) and both these MDO projects are meant for augmentation of coking coal capacity in the Country.

**Kotre Basantpur MDO Project (KBP)** project aggregating contract value of ₹ 9,294 Cr over the contract period has been awarded to the consortium of Power Mech and AMR India 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 Ltd, a two decades old Company has 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 particularly in over burden removals. The MDO contract will primarily comprise of mine infrastructure development, removal of overburden and extraction of coal, processing, crushing and transportation of coal up to washery of CCL, carrying out R&R activities and any other activities incidental for mining as per the project document at Kotre Basantpur Pachmo OCP located in Ramgarh and Bokaro Districts, Jharkhand. The project has total

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coal extraction of approximately 105 million MT with an annual capacity of 5 million MT and over burden removal during the project period is over 539 MBCM. The concession period is 25 years including two years of development period with an option of extending for another 10 years with the consent of both the parties (with this the total contract period will extend up to 35 years).

**Tasra MDO Project:** This project has been awarded as Mine Development & Operation (MDO), located in *Jharia Coal Fields, Dhanbad, Jharkhand*, by Steel Authority of India Ltd (SAIL) for an estimated contract value of ₹ 30,438 Cr over the contract period of 28 years including development period of 2 years. The MDO contract will primarily comprise of mine infrastructure development, removal of overburden and extraction of coking coal, crushing, transportation, setting up coal washery of 3.5 MTPA capacity, supply of steel grade coking coal to SAIL, carrying out R&R activities and other activities incidental to mining as per the project document. The project has total coal extraction reserves of 96.78 MT with an annual capacity of 4 MTPA and over burden removal during the project period is over 535.29 MBCM.

The project has been awarded to a consortium of Power Mech and PC Patel Infra, wherein Power Mech is the consortium leader with 74% equity stake and PC Patel Infra will hold 26% stake. A special purpose vehicle (SPV) Kalyaneswari Tasra Mining Private Ltd is formed to execute the project. PC Patel has been in the mining sector for over a couple of decades and has rich experience in handling different kinds of mining contracts. *This mine has all statutory approvals in place and it is a ready to mine project.*

*Both the projects will further strengthen the existing robust order book and enable the Company to diversify its order book which is in line with its strategy to have an optimum mix between power and non-power segments. With the revenue coming in from both the MDO Projects along with the existing operation & maintenance (O&M) business, Power Mech expects to witness sustainable growth both in top and bottom lines in the future for a longer period.*

*India is majorly dependent on costly import for meeting its coking coal requirement, KBP and Tasra both are important projects to our nation to meet the growing demand of coking coal. KBP and Tasra MDO's together will generate 9 MTPA when the peak capacities of the respective mines are achieved and the coking coal extracted through these mines will definitely be an inexpensive alternative to the coking coal which the Country is currently importing.*

*These projects are strategic step in forward integration in the Company's activities, utilizing the technical know-how along with project implementation capability. AMR & PC Patel's technical expertise along with Power Mech core capabilities in the field of EPC contracts, plant installation, civil & structural works, material handling, infrastructure construction and project management coupled with operation & maintenance expertise comes in handy. Power Mech has already established substantial in-house capability in executing large capacity material handling contracts and this experience will greatly help in the overall development of the project.*

*Foreseeing the growth, expansion and diversification, management has started identifying relevant talent and drawing them from reputed organizations. The Company has equipped itself in meeting the demands in executing mega and complex projects smoothly, keeping quality, safety and timeline. The payments are well secured based on the strong balance sheets of the owner companies of CIL and SAIL. Moreover the implementation expertise including the O&M experience of working in similar material handling plants in various power plants and industrial plants can have huge benefits during project implementation and during its operations for the entire life of the plant.*

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 over next 10 years and this should enable the Company to create long term assets over 25 to 30 years for sustained revenue generation and profitability.

### E. Overseas Business

The global economy is greatly influenced by the current geopolitical development with many uncertainties with higher inflation and increased interest rates coupled with Russia-Ukraine crisis. It is also possible with present conflict situation in East Europe, OPEC mostly led from the GCC area is expected to manage the oil supplies elevated. Uncertainties about the course of war in Ukraine and its consequences will continue to persist in the near future. The Middle East Region is expected to maintain higher investment outlays and besides oil, the region is also diversifying into renewable energy and diversification into non-oil sector industrial development.

After entering the overseas market in a big way, Power Mech has commissioned power plants adding up to a capacity of over 6,792 MW in North Africa, Middle East and Bangladesh. Around 400 MW of gas based plants are under completion in Nigeria area and 1,320 MW of Coal based installation work is in progress in Bangladesh. So far the Company has completed 26 Gas turbines (4,256 MW) and 13 Steam turbines (1,592 MW) in GCC area of Middle East. This has given a strong foothold as a reliable service provider for plant owners and EPC contractors. Most of these plants are gas



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based combined cycle plants. The Company has made good inroads into these regions establishing itself as a renowned Power Plant, Industrial Plant Construction and Operation and Maintenance Company. In short span with the opening of the office in Dubai, the Company established market presence in Saudi Arabia, Kuwait, Oman, Bahrain, UAE and further expanded the business into Bangladesh and West Africa with undertaking of power plant installation works in Nigeria. The undertaking and its successful completion in various Countries across the Gulf region also helped the Company in entering the O&M segment of the business. This has lead the Company to win 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.

### 1. Middle East

In the Middle East and particularly in the GCC area, the major players are Saudi Arabia with an installed base of 97 GW, UAE of 44 GW and Kuwait has an installed base about 20 GW. The expected growth in the power needs is around 3% to 5% in the region. According to World Bank the GDP of GCC nations for the year 2023 is expected to expand by 2.5%. The future of energy scenario in the GCC area is more of investments away from Oil to Renewables and to Gas based generation.

The total volume of desalination water in the GCC is around 6.4 billion m<sup>3</sup> per year. This represents 40% of the total World's desalination water capacity with Saudi Arabia and UAE leading the charts. 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 the Company in both construction and maintenance space.

The major achievement of the Company's presence in Middle East is mainly in the GCC area and having done both installation works of mostly gas and oil based power plants & undertaking O&M works. The Region's Dubai office has been driving the market reach, with more emphasis on the O&M sector and also providing manpower services. Also most of the GCC Countries are investing more into renewable power in the coming days, but the investments in desalination plants and oil sector should continue to drive the market potential for service and installation contracts.

### 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. The installed base in Africa being augmented to 510 GW by 2030. With average per capita electricity consumption of only around 500 kwh and the need of enhancing to more than 700 kwh. 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.

As region's economic growth is directly linked to the electricity access of a region and hence, it is imperative for the region to make investments to build stable and reliable energy assets. This opens up multiple opportunities for the Company'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.

The Company's major thrust of undertaking the \$ 78 million in Nigeria in 2021 and its near completion for the Danogote Oil Refinery, captive power plant of 400 MW capacity has been major achievement. With the ongoing commissioning operations of the captive power plant under trials, the Company has been entrusted with a long term O&M contract. With this huge market reach in West Africa, The Company has already initiated market reach to identify market opportunities in Ghana, Tanzania and Uganda to expand the market base. To strengthen the organisation base a senior level management posting is in place to continuously work on various opportunities related to new investments.

### 3. Bangladesh

Bangladesh is a growing economy in South Asia and is considered as one of the fastest growing economies in the World. It achieved a GDP growth of 7.2% in 21-22. With the need to meet the growth in the GDP, there is obvious increased demand for electricity in the Country. The present grid connected installed base is 23,482 GW which is heavily dependent on the gas based power plants and the Government is keen to shift the Gas based power generation with imported LNG based power generation and also with a modest growth in the installation of coal based plants. Based on the economic review of the Government of Bangladesh, the demand for power is expected

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to increase from the present capacity of 23,482 MW to 40,000 MW (revised) by 2030 and further capacity addition to increase the installed base to 60,000 MW by 2041. This is to enable the power generation to match with expected higher growth of GDP in the Country. It was initially felt that capacity enhancement can be augmented with more coal based generation, but this policy has been changing with more emphasis on gas and renewable power in the coming years with coal playing less role.

The Company is fully established with the successful completion of two major gas based projects of 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. 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 with a combination of Civil, Structural and ETC works and nearly 80% of work completed as on date. This project is a joint venture between Bangladesh Power Development Board and NTPC. The joint venture company is called Bangladesh India Friendship Power Co Ltd (BIFCPL). The EPC of the entire project was awarded to BHEL and Power Mech has taken multiple jobs like plant civil works, main power house work, boiler erection, structural erection along with steam turbine and coal handling installation works. The successful completion of the earlier projects and the present execution of Maitree project should enable the Company to keep its focus on the expanding power scenario in Bangladesh in this decade where in nearly 12,500 MW of capacity of plants are under various stages of construction.

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. As first step in this direction with the expected completion and start of commissioning operations of the Maitree project, the project developer has awarded the first lot of maintenance work on long term basis. This initial breakthrough expected go up substantial as the plants gets commissioned. There are various segments of work on which the service scope of the work can be expanded.

### 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 five 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 structural fabrication works taken up. 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. 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.

### Financial Review:

#### Analysis of the Profit and Loss statement:

**Revenue:** The Company has reported a total income of ₹3,618.19 Cr during the FY 22-23, whereas during the FY 21-22 the reported total income was ₹ 2,727.80 Cr. Contract revenue from O&M business has gone up to ₹ 929.59 Cr from ₹ 804.67 Cr increased by 16% with the increased order book, revenue from Erection, Testing and Commissioning (ETC) has increased from ₹521.15 Cr to ₹ 605.91 Cr increased by 16% & Electrical business has decreased to ₹69.46 Cr from ₹ 93.00 Cr reduced by 24% of the total contract revenue. Also, the contract revenue from Civil & others including railway and water projects has gone up to ₹ 1,995.48 Cr from ₹ 1,290.48 Cr increased by 55% due to increase in civil & other order book. The reported hire & other income is ₹ 17.75 Cr during the year as against ₹ 18.50 Cr during the preceding financial year.

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The Operation & Maintenance revenue pie has contributed 26% of the overall contract revenue. Similarly, Erection, Testing and Commissioning (ETC) has contributed 17%, Electrical Business has contributed 2% and Civil & others including railway and water projects contributed 55% of the total contract revenue. Whereas during the preceding FY 21-22 the revenue contribution from Operation & Maintenance Business was 30%, Erection, Testing and Commissioning (ETC) business was 19%, Electrical Business contribution was 3% and from Civil & others including railway and water projects contribution was 48% of the total contract revenue.

With the change of order book mix the revenue profile has undergone change. The revenue from operations increased by 32.89% from ₹ 2709.30 Cr to ₹ 3600.44 Cr.

**Other Income:** The Company has reported other income of ₹ 17.00 Cr in FY 22-23 and ₹ 17.31 Cr in FY 21-22. This mainly consists of interest on fixed deposits with various banks, foreign exchange fluctuations etc.

### Expenses:

**Raw Material Cost:** The cost for FY 22-23 is at ₹ 536.18 Cr and ₹ 336.19 Cr in FY 21-22, increased by 59.49% over the previous year on account of growth in revenue. This represents for 14.82% of total income in FY 22-23 against 12.32% of total income in FY 21-22, due to change in revenue mix.

**Contract Execution Expenses:** Expenses for the FY 22- 23 is at ₹ 2,092.82 Cr and ₹ 1,633.09 Cr in FY 21-22, the same is increased by 28.15% over the previous year cost, attributable to growth in business. This represents for 57.84% of total income in FY 22-23 as against 59.87% of total income in FY 21-22, due to change in business mix.

**Employee Cost:** Employee Cost for the FY 22-23 is ₹ 542.83 Cr as against ₹ 423.16 Cr during FY 21-22. This represents for 15.00% share of the Company's total income in FY 22-23 against 15.51% of total income in FY 21-22. 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 ₹ 42.91 Cr & the same is increased by 1.19% over the previous year cost.

**Finance Cost:** Cost for the year is ₹ 89.54 Cr, increased by 12.67% over the previous year. This represents for 2.47% share of the Company's total income in FY 22-23 against 2.91% of total income in FY 21-22.

**Corporate Tax:** The tax expense of the Company for the financial year 22-23 is ₹ 73.14 as against ₹ 36.30 Cr during the previous year.

### Analysis of the Balance Sheet

#### Source of funds

**Total Capital Employed:** The total capital employed including minority interest increased to ₹ 1,751.83 Cr as on 31<sup>st</sup> March, 2023 from ₹ 1,573.55 Cr as on 31<sup>st</sup> March, 2022. This is mainly due to increase in net worth on account of profits earned during the year, preferential allotment made during the year.

**Net Worth:** The net worth of the Company excluding minority interest increased by 22.24% from ₹ 1,043.31 Cr as on 31<sup>st</sup> March, 2022 to ₹ 1,275.38 Cr as on 31<sup>st</sup> March, 2023 due to profit earned during the year and preferential allotment made during the year. The Company's equity share capital comprising 1,49,06,357 equity shares of ₹ 10/- each.

**Debt:** Borrowings of the Company decreased by 9.87% from ₹ 527.15 Cr as on 31<sup>st</sup> March, 2022 to ₹ 475.13 Cr as on 31<sup>st</sup> March, 2023. The debt-equity ratio of the Company stood at 0.37 in FY 22-23 compared to 0.51 in FY 21-22.

#### Application of Funds

**Fixed Assets:** Fixed assets of the Company increased from ₹ 405.05 Cr as on 31<sup>st</sup> March, 2022 to ₹ 446.63 Cr as on 31<sup>st</sup> March, 2023 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 ₹ 36.65 Cr as on 31<sup>st</sup> March, 2022 to ₹ 35.74 Cr as on 31<sup>st</sup> March, 2023 on account of losses incurred during the year in associates and joint ventures.

## Annexure-5 Management Discussion and Analysis

### Working capital management

**Current Assets:** Current assets of the Company increased from ₹ 2059.94 Cr as on 31<sup>st</sup> March, 2022 to ₹ 2,481.55 Cr as on 31<sup>st</sup> March, 2023 due to increase in trade receivables, retention money, uncertified revenue, Inventory and cash and bank balances. The current and quick ratios of the Company stood at 1.58 and 1.49 respectively in FY 21-22 compared to 1.53 and 1.43 respectively in FY 21-22.

**Inventories:** Inventories includes raw materials, work-in-progress and finished goods increased by 7.03% from ₹ 137.66 Cr as on 31<sup>st</sup> March, 2022 to ₹ 147.34 Cr as on 31<sup>st</sup> March, 2023.

**Receivables:** Trade receivables increased from ₹ 666.57 Cr as on 31<sup>st</sup> March, 2022 to ₹ 893.51 Cr as on 31<sup>st</sup> March, 2023. The increase is mainly due to increase in revenue from operations and revenue mix. The Company debtor turnover cycle is 91 days of turnover in FY 22-23 compared to 89 days in FY 21-22.

**Margins:** The EBIDTA margin of the Company increased to 11.62% from 11.12% and PAT margin of the Company increased from 5.13% during FY 21-22 to 5.81% during FY 22-23.

### Key financial ratios

Particulars	FY 22-23	FY 21-22	Change
Debtors turnover (days)	91	89	1.78%
Inventory turnover (days)	15	19	(21.38)%
Interest coverage ratio	4.22	3.35	25.81%*
Current ratio	1.58	1.53	3.32%
EBIDTA / Turnover (%)	11.62%	11.12%	4.53%*
Debt equity ratio	0.37	0.51	(26.95)%
Return on equity (%)	18.05%	14.21%	27.04%*
Return on capital employed (%)	22.28%	17.72%	25.73%*
Book value per share (₹)	855	709	20.65%
Earnings per share (₹)	141.26	94.48	49.50%*

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

## Annexure-6

### 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	66.67
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 2022-23:

S. No.	Name of Director / KMP and Designation	Designation	% increase in Remuneration in the FY 2022-23
1	Mr. S Kishore Babu	Chairman and Managing Director	50%
2	Mr. J Satish	CFO	7.7%
3	Mr. Mohith Kumar K	Company Secretary	29.93%

iii. The median remuneration of employees of the Company during FY 2022-23 was ₹2,70,000/- 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 31<sup>st</sup> March, 2023 was 8.17%.

##### v. The number of permanent employees on the rolls of Company as at 31<sup>st</sup> March, 2023:

There were 11,648 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2023.

##### 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 20.43% and there has been no increase in the managerial remuneration (excluding commission to CMD) during the last financial year.

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

## Annexure-6

### 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	55	B.Tech - Electronics	Vice President - O&M	08-07-2021	31+	Full Time	3.43	Steag Energy Services Pvt Ltd	No
2	Satish Jami	48	CA & MBA	CFO	20-10-2014	21	Full Time	3.47	Indu Projects	No
3	Rajan Elumalai Durai	59	B.Tech - EEE	Vice President - SMX	01-01-2021	35	Full Time	3.29	AES India Pvt Ltd	No
4	Vishal Kumar Laddha	37	B.Tech - ECE	Sr. Deputy General Manager - C&I	01-06-2021	15	Full Time	2.96	Steag Energy Services Pvt Ltd	No
5	Ajay Kumar Kantheti	49	B.Tech	Executive Director - SMX	20-11-1999	25	Full Time	2.82	Indwell Projects	No
6	Srinivasa Rao Nannuri	56	Masters of Mechanical Engineering	CEO (Africa Region)	25-07-2022	30+	Full Time	6.43	Shapoorji Pallonji Infra Capital Co Ltd.,	No
7	Chandrashekar Chilka	58	B.Tech Mech	Executive Director (Non-Board)	27-12-2022	32+	Full Time	3.70	Artson Engineering Limited (A unit of TATA projects Ltd)	No
8	Suresh Babu Ravuri	42	B.Tech in Civil Engineering	Vice President	31-10-2022	24	Full Time	3.20	Swarna Tollway Pvt Ltd.,	No
9	Vijay Kumar Reddy Botta	47	B.Tech in Civil Engineering	Associate VP	09-01-2023	27	Full Time	3.17	Megha Engineering	No
10	Vipin Kumar	51	B.Tech Electrical Engineering	General Manager	17-10-2022	23	Full Time	2.77	RKM Powergen Pvt Ltd	No

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

Name	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years) Remuneration	Nature of employment	*Remuneration in ₹ Cr per Annum	Previous Employment	Relative of Director If any
S. Kishore Babu	56	B Tech (Mechanical)	CMD	22.07.1999	35	Full time	11.71	Jt. Md, Indwell Constructions Private Limited	Spouse of S. Lakshmi, Director

\*Remuneration Includes Salary and Commission.

The are no other employees drawing ₹ 8.50 Lakhs per month or ₹ 102.00 Lakhs 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: 25.08.2023

## Annexure-7

### 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) Incaseofimportedtechnology(importedduringthelastthreeyearsreckonedfromthebeginningofthefinancialyear)-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	
		2022-23	2021-22
1	Earnings	348.15	382.04
2	Outgo	295.09	262.03

For and on behalf of the Board of Directors

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

Place: Hyderabad  
Date: 25.08.2023

## Annexure-8

# 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 31<sup>st</sup> March, 2023, our Board comprised of 7 members, consisting of one Executive Chairman & Managing Director who is also a Promoter, two Non-Executive Directors out of which one is Promoter and Four Non-Executive Independent Directors. Independent Directors constitute 50% of the Board's strength as per the requirements of the SEBI Regulations and the Companies Act, 2013.

- ii. There are no pecuniary relationships or transactions with Non-Executive Independent Directors that could materially influence their judgment except sitting fees paid towards attending Board and Committee Meetings.
- iii. Five (5) Board meetings were held during the financial year 2022-23 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	21.05.2022
02	13.08.2022
03	25.08.2022
04	12.11.2022
05	07.02.2023

- iv. Attendance of the Directors at the Board meeting and Annual General Meeting during fiscal 2023 and number of shares held by them in the Company.

Name of the Director	Number of Board meetings held during the FY 2022-23	Number of Board meetings attended	% of attendance	Attended the last AGM	Number of shares held
S. Kishore Babu DIN - 00971313	5	5	100	Yes	3864942
S. Lakshmi DIN - 00068991	5	5	100	Yes	1928626
Thiagarajan Sankaralingam DIN - 00015954	5	5	100	Yes	NIL
G D V Prasada Rao DIN - 02754904	5	5	100	Yes	1500
M Rajiv Kumar DIN - 07336483	5	5	100	Yes	NIL
Vivek Paranjpe DIN - 03378566	5	4	80	No	NIL
Lasya Yerramneni DIN- 03150397	5	5	100	Yes	NIL



## Annexure-8 Report On Corporate Governance

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

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

- In-depth knowledge of the sector in which the Company is presently operating.
- Expertise in HR and Legal related matters.
- Sound knowledge of accounting, finance, banking etc.
- Experience in developing and implementing good corporate governance practices.
- Quality of leadership, planning, management, risk assessment etc.

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

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

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

Name of the Director	Directorships in Listed Companies (including Power Mech)	Category of Directorship	No. of Directorships held in all the Companies (including Power Mech)	*Memberships / Chairmanships held in Committees (including Power Mech)	
				Member	Chairman
S. Kishore Babu DIN - 00971313	Power Mech Projects Limited	Chairman & Managing Director	4	-	-
S. Lakshmi DIN - 00068991	Power Mech Projects Limited	Non-Executive Director	3	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	-	-

# Annexure-8

## Report On Corporate Governance

### 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 31<sup>st</sup> March, 2023, 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 31<sup>st</sup> March, 2023. The members possess sound knowledge of accounts, finance, audit and legal matters.

The Company Secretary acts as a Secretary to the Committee.

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

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

During the year under review, 4 (four) meetings of the Committee were held on 21.05.2022,13.08.2022,12.11.2022 and 07.02.2023.

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

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

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

#### 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of three Independent Directors.

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

## Annexure-8 Report On Corporate Governance

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](http://www.powermechprojects.com)

During the year under review, 01 (one) meetings of the Committee was held on 13.08.2022.

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
Vivek Paranjpe	Independent Non-Executive Director	Chairman	1	0
Thiagarajan Sankaralingam	Independent, Non-Executive Director	Member	1	1
G D V Prasada Rao	Independent, Non-Executive Director	Member	1	1

### 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](http://www.powermechprojects.com/investor-relations)

### Meetings and attendance during the year

During the year under review, 3 (three) meetings of the Committee were held on 21.05.2022, 12.11.2022 and 07.02.2023.

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
Mr. G D V Prasada Rao	Independent, Non- Executive Director	Chairman	3	3
Mr. M. Rajiv Kumar	Non Independent Non-Executive Director	Member	3	3
Mr. S. Kishore Babu	Executive Director	Member	3	3

### Remunerations paid to the Directors

I. Details of remunerations paid/payable to Non-Executive & Independent Non-Executive Directors for the year ended 31<sup>st</sup> March, 2023 is as under:

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

## Annexure-8 Report On Corporate Governance

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 2022-23.

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

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

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

(in ₹ Cr)

Name of the Director	Salary	Bonus	Benefits	Commission (₹)	Sitting Fees	Loans from the Company (₹)	Total
S Kishore Babu*	1.80	-	-	9.91	-	-	11.71

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](http://www.powermechprojects.com)

During the year under review, 4 meetings of the committee were held on 21.05.2022,13.08.2022,12.11.2022 and 07.02.2023

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

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

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

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

There were no pending transfers as on 31<sup>st</sup> March 2023.

## Annexure-8 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](http://www.powermechprojects.com)

During the year under review, 2 meeting of the Committee were held on 12.11.2022 and 07.02.2023.

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

Name	Designation	Category	No of meetings held	No of meetings attended
Mr. S Kishore Babu	Chairman	Chairman & Managing Director	2	2
Mrs. S Lakshmi	Member	Non-Executive Director	2	2
Mr. G D V Prasada Rao	Member	Non-Executive Independent Director	2	2

### 5. Investment Committee

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

The charter of the Committee is available on the website of the Company [www.powermechprojects.com](http://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 07.02.2023, without the presence of the non-independent directors and members of the Management inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

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

#### E. Performance Evaluation

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

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

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

## Annexure-8 Report On Corporate Governance

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](http://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
2021-22	23 <sup>rd</sup> AGM	Meeting was held through Video Conference/Other Audio Visual Means	Friday, 30.09.2022	01.30 PM	<ol style="list-style-type: none"> <li>1. Approval of payment of remuneration to Mr. M. Rajiv Kumar, Non-Executive Director by way of consultancy fees.</li> <li>2. Approval for offering an option of conversion of unsecured loan/ inter corporate deposit into equity.</li> <li>3. Issue of equity shares to the promoters by way of conversion of unsecured loan (USL)/ Inter Corporate deposit.</li> </ol>
2020-21	22 <sup>nd</sup> AGM	Meeting Was held through Video Conference/Other Audio Visual Means	Thursday, 30.09.2021	11.30 AM	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. S. Kishore Babu as the Managing Director</li> <li>2. Re-appointment of Mr. Vivek Paranjpe as the Independent Director</li> <li>3. Approval of payment of remuneration to Mr. M. Rajiv Kumar, Non-Executive Director by way of Consultancy Fees</li> <li>4. Re-appointment of Ms. Lasya Yerramneni as an Independent Director</li> </ol>
2019-20	21 <sup>st</sup> AGM	Meeting was held through Video Conference / Other Audio Visual Means	Tuesday, 20.10.2020	11.30 AM	<ol style="list-style-type: none"> <li>1. Approval of payment of remuneration to Mr. M. Rajiv Kumar, Non-Executive Director by way of Consultancy Fees.</li> </ol>

### 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

- Related Party Transaction (Shown in Notes to Accounts): There are no materially significant related party transactions i.e., transactions material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc., having potential conflict with the interests of the Company at large.
- There were no pecuniary transactions with any of the Non-Executive Directors, except payment of remuneration by way of consultancing fee to Mr. M. Rajiv Kumar, Non-Executive Director.

## Annexure-8 Report On Corporate Governance

- c) The Company had paid a fine of ₹5.02 lakhs to NSC for delaying compliance of Regulation 17(1) of SEBI (LODR) Regulations 2015, for a period from 1<sup>st</sup> April, 2020 to 27<sup>th</sup> June, 2020.
- d) The company has formulated and adopted formal whistle blower / vigil mechanism and the same is hosted on the company's website and no concerned person has been denied access to Audit Committee.
- e) The Company is compliant with the provisions of applicable laws and the SEBI (LODR) Regulations, 2015 and amendments thereof.
- f) Material subsidiary policy is hosted in our website [www.powermechprojects.com](http://www.powermechprojects.com)
- g) Related party transaction policy is hosted in our website [www.powermechprojects.com](http://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](http://www.powermechprojects.com)
- b) For the FY 2022-23 4 (four) conference calls with analysts/investors & presentations were made for as follows:

FY 2022-23	Date
01st Quarter	22.08.2022
02nd Quarter	15.11.2022
03rd Quarter	08.02.2023
04th Quarter	31.05.2023

The investor's presentations for each quarter are also available on the Company's website [www.powermechprojects.com](http://www.powermechprojects.com)

- c) All material information about the Company is promptly uploaded on the online platforms of the Stock Exchanges where the Company's shares are listed and the same are displayed on the Company's website [www.powermechprojects.com](http://www.powermechprojects.com)  
The Company's website [www.powermechprojects.com](http://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. 24<sup>th</sup> Annual General Meeting

The 24<sup>th</sup> Annual General Meeting of the Company will be held on Thursday, the 28<sup>th</sup> day of September, 2023 at 11.00 AM through OAVM/VC.

#### ii. Financial year : 01<sup>st</sup> April - 31<sup>st</sup> March

#### iii. Date of Book Closure

The register of members shall be closed from 22<sup>nd</sup> September 2023 to 28<sup>th</sup> September 2023 (both days inclusive)

#### iv. Dividend

During the year the Board of Directors of the Company recommended dividend of ₹2.00/- 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.

## Annexure-8 Report On Corporate Governance

### 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 31<sup>st</sup> March, 2023, being the last trading day for the FY 2022-23 on NSE was ₹2469.90/- and on BSE was ₹2464.15/-.

The monthly movement of the equity share price during the year 2022-23 on BSE and NSE are summarized herein below.

#### BSE

Month	Open	High	Low	Close
Apr 22	839.50	949.25	831.65	925.75
May 22	924.70	1067.20	875.00	981.95
June 22	978.65	1000.60	830.40	890.80
July 22	887.40	925.00	810.95	914.70
Aug 22	931.55	1478.90	920.80	1410.60
Sep 22	1415.00	1918.85	1330.00	1803.75
Oct 22	1760.10	2108.00	1738.15	1770.70
Nov 22	1823.00	2328.00	1701.00	2261.00
Dec 22	2272.90	2410.00	1800.05	1987.75
Jan 23	1990.05	2269.30	1768.60	1884.25
Feb 23	1899.95	2187.95	1571.20	2022.10
Mar 23	2066.00	2482.50	2028.70	2464.15

#### NSE

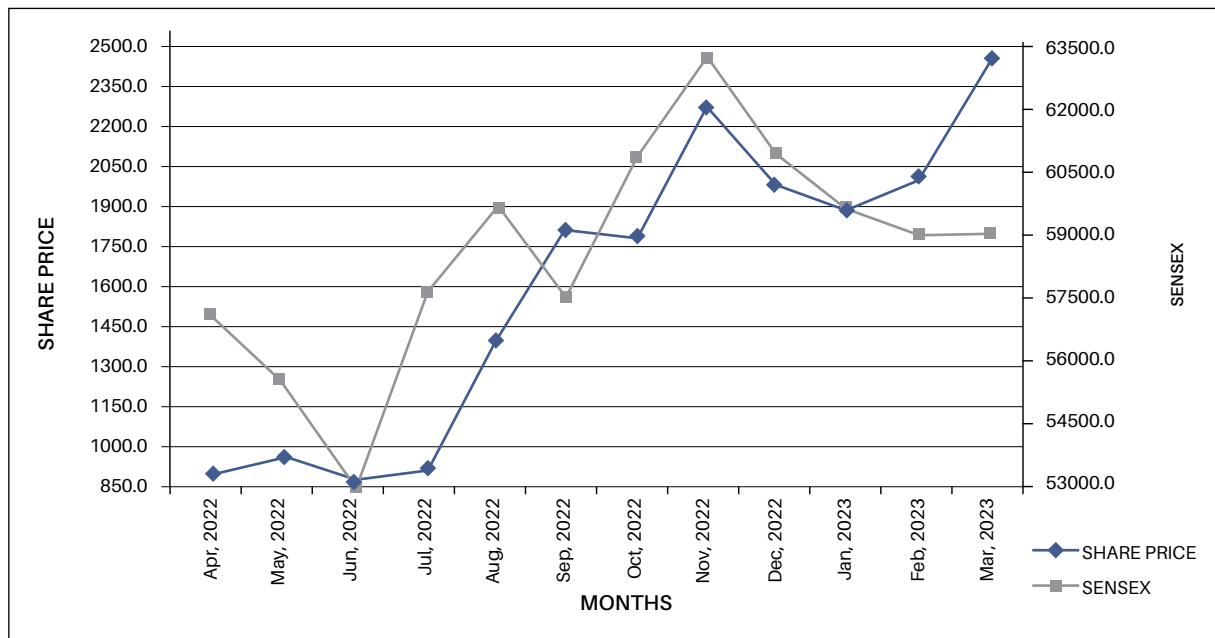
Month	Open	High	Low	Close
Apr 22	936.75	941.75	925.00	929.15
May 22	984.00	991.00	961.10	974.40
June 22	900.25	908.30	888.00	892.10
July 22	877.35	922.00	877.05	915.65
Aug 22	1454.00	1479.00	1397.75	1409.65
Sep 22	1725.05	1825.00	1724.65	1803.70
Oct 22	1787.25	1829.75	1738.10	1769.65
Nov 22	2240.00	2329.00	2240.00	2262.85
Dec 22	2008.75	2058.40	1963.30	1981.05
Jan 23	1858.25	1916.45	1839.95	1888.65
Feb 23	2039.00	2067.70	2005.00	2025.65
Mar 23	2442.00	2485.00	2410.00	2469.90



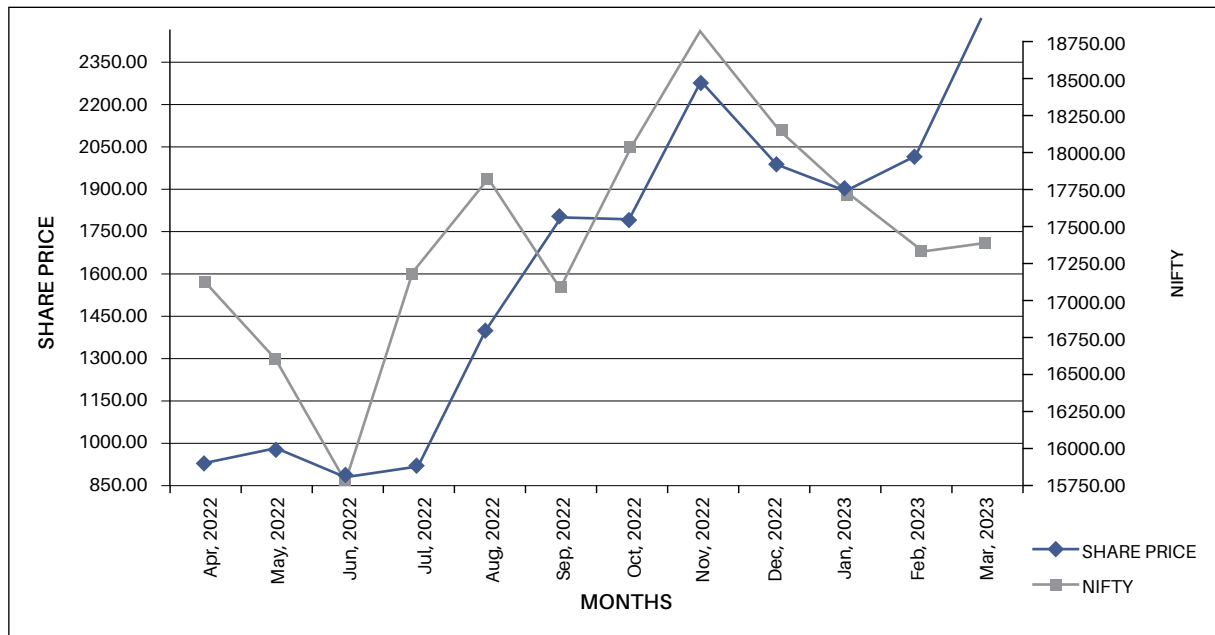
## Annexure-8 Report On Corporate Governance

### 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:



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

## Annexure-8 Report On Corporate Governance

### x. Share Transfer System

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

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

### xi. Distribution of Shareholding as on 31<sup>st</sup> March, 2023

POWER MECH PROJECTS LIMITED					
Distribution of Shareholding as on 31.03.2023					
Sl. No.	Category (No. of Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 500	20772	96.34	865983	5.81
2	501 - 1000	336	1.56	246672	1.65
3	1001 - 2000	180	0.83	261111	1.75
4	2001 - 3000	80	0.37	202731	1.36
5	3001 - 4000	39	0.18	132336	0.89
6	4001 - 5000	30	0.14	135260	0.91
7	5001 - 10000	58	0.27	409768	2.75
8	10001 and above	66	0.31	12652496	84.88
<b>TOTAL</b>		<b>21561</b>	<b>100.00</b>	<b>14906357</b>	<b>100.00</b>

### xii. Dematerialization

99.93% of the Company's paid-up equity share capital has been dematerialized as on 31<sup>st</sup> March, 2023. 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	4688539	31.45
CDSL	10208338	68.48
PHYSICAL	9480	0.06
<b>TOTAL</b>	<b>14906357</b>	<b>100.00</b>

### 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

## Annexure-8 Report On Corporate Governance

### xvii. Compliance Certificate from Auditors

Certificate from Mr. D.S. Rao, Practicing Company Secretary 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](http://www.powermechprojects.com)

All the Board members and senior management personnel have affirmed compliance to the code as on March 31<sup>st</sup>, 2023.

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 Crs)

Type of Service	FY 2022-23	FY 2021-22
Audit Fees	0.15	0.12
Tax Fees	-	-
Others	-	-

### xxii. Code for Prevention of Insider Trading

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

### xxiii. Credit Ratings

During the FY 2022-23, the Company has obtained revised credit rating from Care Ratings as CARE A (Single A); Stable for Long-term Bank Facilities (Fund based Limits) and CARE A; Stable/CARE A1 (Single A, Outlook: Stable/ A One) (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:-

## Annexure-8 Report On Corporate Governance

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 – 31.03.2023.	Nil	Nil
The voting rights on these shares shall remain frozen till rightful owners of such shares claim the shares.		

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

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

### xxvii. The Disclosures of the compliance with corporate governance requirements specified in Regulation 17 to

27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

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

For and on behalf of the Board of Directors

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

Place: Hyderabad  
Date: 25.08.2023

## Annexure-9

### Annual Report on Corporate Social Responsibility (CSR) Activities

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

**2. Composition of the CSR Committee**

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	2	2
2	S. Lakshmi	Non-Executive, Non-Independent Director-Member of the Committee	2	2
3	Ms. Lasya Yerramneni	Non-Executive Independent Director – Member of the Committee	2	2

3. Web link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company [www.powermechprojects.com/investorrelations](http://www.powermechprojects.com/investorrelations)

4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable, attach the report: Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S.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 ₹)
1	2021-22	0.17	0.17

6. Average net profit of the Company as calculated as per Section 135 (5): ₹52.88 Cr.

7. a) Two percent of Average net profit of the Company as per Section 135(5): ₹1.057 Cr

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year: NIL

c) Amount required to be set off for the financial year : ₹0.17 Cr

d) Total CSR Obligation for the Financial Year (7a+7b-7c): ₹0.88 Cr

8. a) CSR amount spent or unspent for the financial year

Total amount spent for the financial year (in ₹)	Amount unspent (in ₹)					
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)			
₹1.20 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: Not applicable

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

## Annexure-9

### Annual Report on Corporate Social Responsibility (CSR) Activities

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	Eradication of extreme hunger and poverty	Supply of Food	No	Andhra Pradesh	Krishna	1,50,000	No	Power Mech Foundation	CSR00009836
2	Promotion of Education including vocational training	Education	No	Andhra Pradesh	Krishna	89,00,571	No	Power Mech Foundation	CSR00009836
3	Promotion of health care including preventive health care	Health Care	No	Andhra Pradesh	Krishna	40,000	No	Power Mech Foundation	CSR00009836
4	Supply of safe drinking water	Drinking water	No	Andhra Pradesh	Krishna	1,51,700	No	Power Mech Foundation	CSR00009836
5	Eradication of extreme hunger and poverty	Supply of Food	Yes	Telangana	Hyderabad	25,000	No	Power Mech Foundation	CSR00009836
6	Promotion of Education including vocational training	Education	Yes	Telangana	Hyderabad	13,20,620	No	Power Mech Foundation	CSR00009836
7	Promotion of health care including preventive health care	Health Care	Yes	Telangana	Hyderabad	1,50,000	No	Power Mech Foundation	CSR00009836
8	Promotion of health care including preventive health care	Health Care	No	Madhaya Pradesh	Bhopal	2,00,000	Yes		
9	Promotion of rural sports	Rural sports	No	Andhra Pradesh	Krishna	89,900	No	Power Mech Foundation	CSR00009836
10	Promotion of Education including vocational training	Education	No	Andhra Pradesh	Visakhapatnam	5,00,000	No	Power Mech Foundation	CSR00009836
11	Promotion of Education including vocational training	Education	No	karnataka	Raichur	5,94,000	No	Power Mech Foundation	CSR00009836

- d) Amount spent on administrative overheads: NA
- e) Amount Spent on Impact Assessment, if applicable: Not Applicable
- f) Total Amount Spent for the Financial Year (8b+8c+8d+8e) = ₹1.20 Cr
- g) Excess amount for set off, if any: Not Applicable

## Annexure-9

### Annual Report on Corporate Social Responsibility (CSR) Activities

#### 9 (a) Details of Unspent CSR amount for the preceding three financial years

Sl. No	Preceding Financial Year	Amount Transferred to Unspent CSR account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under schedule VII as per Section 135 (6), if any		Amount Remaining to be spent in succeeding financial years (in ₹)
				Name of the fund	Amount	
1	2021-22	NIL	NIL	NIL		
2	2020-21	NIL	NIL			
3	2019-20	NIL	NIL			
TOTAL						

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)

## CSR Responsibilities

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

For and on behalf of the Board of Directors

Date : 25.08.2023  
Place : Hyderabad

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

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L74140TG1999PLC032156
2.	Name of the Listed Entity	Power Mech Projects Limited
3.	Year of incorporation	1999
4.	Registered office address	Plot No.77, Jubilee Enclave, Opposite: Hitex, Madhapur, Hyderabad, Telangana-500081.
5.	Corporate address	Plot No.77, Jubilee Enclave, Opposite: Hitex, Madhapur, Hyderabad, Telangana-500081.
6.	E-mail	cs@powermech.net
7.	Telephone	040-30444418
8.	Website	<a href="http://www.powermechprojects.com">www.powermechprojects.com</a>
9.	Financial year for which reporting is being done	FY 2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited & National Stock Exchange of India Limited
11.	Paid-up Capital	₹14,90,63,570
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mohith Kumar Khandelwal Company Secretary Email: <a href="mailto:cs@powermech.net">cs@powermech.net</a> Phone: 040-30444418
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis

### II. Products / Services

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Infrastructure	Construction, Engineering & Infrastructure Development	100.00%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product / Service	NIC Code	% of total Turnover contributed
1	Construction of utility projects	422	100.00%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	-	6	6
International	-	3	3



## Business Responsibility & Sustainability Reporting

### 17. Markets served by the entity:

#### a. Number of locations

Locations	Number
National (No. of States)	21
International (No. of Countries)	6

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

- Contribution of Exports 11% of the total turnover of the entity

#### c. A brief on types of customers: The Company cater its services to the Clients from both Public and Private sectors.

## IV. Employees

### 18. Details as at the end of Financial Year:

#### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEE</b>						
1	Permanent (D)	3737	3707	99.11%	30	0.80%
2	Other than Permanent (E)	29	29	100%	0	0
3	Total employees (D + E)	3766	3736		30	
<b>WORKERS</b>						
4	Permanent (F)	7910	7854	99.29%	56	0.71%
5	Other than Permanent (G)	21768	21695	99.66%	73	0.34%
6	Total workers (F + G)	29678	29549		123	

#### b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	1	1	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	-	-	-	-	-
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	-	-	-	-	-

### 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	2	28.57%
Key Management Personnel	2	Nil	Nil

## Business Responsibility & Sustainability Reporting

### 20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	3.70	0.03	3.73	3.85	0.02	3.87	3.69	0.02	3.71
Permanent Workers	0	0	0	0	0	0	0	0	0

### V. Holding, Subsidiary and Associate Companies (including joint ventures)

#### 21. Names of holding / subsidiary / associate companies / joint ventures

Please refer page nos. 49 and 50 of the Integrated Report FY23.

### VI. CSR Details

#### 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

- Yes

(ii) Turnover (in ₹ Cr): 3,545.14

(iii) Net worth (in ₹ Cr): 1,226.44

### VII. Transparency and Disclosures Compliances

#### 23. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, <a href="http://www.powermechprojects.com">www.powermechprojects.com</a>	Nil	Nil	NA	Nil	Nil	NA
Investors (other than shareholders)	Yes, <a href="http://www.powermechprojects.com">www.powermechprojects.com</a>	Nil	Nil	NA	Nil	Nil	NA
Shareholders	Yes, <a href="http://www.powermechprojects.com">www.powermechprojects.com</a>	Nil	Nil	NA	Nil	Nil	NA
Employees and workers	Yes, <a href="http://www.powermechprojects.com">www.powermechprojects.com</a>	Nil	Nil	NA	Nil	Nil	NA
Customers	Yes, <a href="http://www.powermechprojects.com">www.powermechprojects.com</a>	Nil	Nil	NA	Nil	Nil	NA
Value Chain Partners	Yes, <a href="http://www.powermechprojects.com">www.powermechprojects.com</a>	Nil	Nil	NA	Nil	Nil	NA

# Business Responsibility & Sustainability Reporting

## 24. Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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- Please refer Management Discussion and Analysis Report forming part of this integrated Annual Report.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability;

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle;

P3 Businesses should promote the wellbeing of all employees;

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized;

P5 Businesses should respect and promote human rights;

P6 Business should respect, protect, and make efforts to restore the environment;

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner;

P8 Businesses should support inclusive growth and equitable development;

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="http://www.powermechprojects.com">www.powermechprojects.com</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.		ISO 45001	ISO 45001			ISO 45001			ISO 45001
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	-	-	-	-	-	-	-	-
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-

# Business Responsibility & Sustainability Reporting

## Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:

As Power Mech is involved in the construction of power plants and infrastructure sector, the environmental issues were given a priority thought amongst the stakeholders. Being one the pioneers in construction field in both power and non-power sectors, the company owned its responsibility to align with the need of global expectations.

The company is committed towards environment and all its site offices will ensure that scores of saplings are planted in their vicinity and today most of the areas are found to be greener than ever before. As a matter of policy the company is ensuring near-total avoidance of plastic materials at sites. It is aggressively pursuing a policy of limiting wastages and clearing off wastages to safe disposal as soon as possible. Scraps are collected and sent for recycling and plastic wastages are disposed-off with protection.

On the social side, the company is engaging in building a cordial social engineering amongst the locals and involved local people in the programs. Nearby schools and hospitals were taken care of and with frequent visits by the management staff and extending a helping hand wherever needed

The company is self-disciplined in its approaches for the safety of workers, building a socially conducive atmosphere at sites and ensuring a good environment not only for the present generation but to the next and to the next.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Mr. Sajja Kishore Babu  
Chairman and Managing Director
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. Mr. Sajja Kishore Babu  
Chairman and Managing Director

### 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency [Annually(A) / Half yearly (H)/ Quarterly (Q)/ Any other – please specify]									
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
Performance against above policies and follow up action					Yes														Annually
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances					Yes														Annually
11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes / No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	Not Applicable

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Not Applicable since the policies of the Company cover all Principles on NGRBCs

# Business Responsibility & Sustainability Reporting

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	During the year, the Board and KMP's engaged in various updates pertaining to business, regulatory, safety, ESG matters, etc. These topics provided insights on the said Principles.		100.00%
Key Managerial Personnel			
Employees other than BoD and KMPs	The employees of the Company at regular intervals are given various updates pertaining to business, regulatory, safety, ESG matters, etc. These topics provided insights on the said Principles.		100.00%
Workers	-	-	-

#### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

##### a. Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NIL	NIL	NIL	NA
Settlement	NIL	NIL	NIL	NIL	NA
Compounding fee	NIL	NIL	NIL	NIL	NA

##### b. Non-Monetary

	NGRBC Principle	Name of the regulatory / enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NA	NA
Punishment	NIL	NIL	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed: **Not Applicable.**

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. Our employees and those representing us, including agents and intermediaries, shall not, directly or indirectly, offer or receive any illegal or improper payments or comparable benefits that are intended or perceived to obtain undue favors for the conduct of our business.

Emphasis is laid on violation by even a single employee of any law relating to anti-bribery, anti-corruption, anti-competition, data privacy, etc. resulting in severe financial penalties and irreparable reputational damage to the Company

## Business Responsibility & Sustainability Reporting

- 5 Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

### 6. Details of complaints with regard to conflict of interest:

Particulars	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.

- **Not Applicable**

## PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23 (₹ in Lakhs)	FY 2021-22 (₹ in Lakhs)	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes / No) No  
b. If yes, what percentage of inputs were sourced sustainably?
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste. **Not Applicable**
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. **Not Applicable**

# Business Responsibility & Sustainability Reporting

**PRINCIPLE 3** Businesses should respect and promote the well-being of all employees, including those in their value chains

## Essential Indicators

### 1. a. Details of measures for the well-being of employees:

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (c)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	10996	2435	22.14%	8561	77.85%	-	-	-	-	-	-
Female	24	24	100%	0	-	24	100%	-	-	-	-
<b>Total</b>	<b>11020</b>	<b>2459</b>	<b>22.31%</b>	<b>8561</b>	<b>77.68%</b>	<b>24</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent employees</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 Current Financial year			FY 2021-22 Previous Financial year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	EPF	100%	100%	Yes
Gratuity	100%	100%	LIC	100%	-	Yes
ESI	20%	35%	ESIC	35%	-	Yes
Others – please specify	-	-		-	-	-

### 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with

Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. It's part of the HR Policy of the Company. The policy can be accessed at [www.powermechprojects.com](http://www.powermechprojects.com)

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	15%	28%	NA	NA
Female	10%	15%	NA	NA
<b>Total</b>	<b>25%</b>	<b>43%</b>	<b>NA</b>	<b>NA</b>

## Business Responsibility & Sustainability Reporting

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has Centralized Grievance Committee for all the category of employees to receive and redress the grievances of the employees.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

### 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity: Nil

Category	FY 2022-23 Current Financial year			FY 2021-22 Previous Financial year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent</b>						
- Male	-	-	-	-	-	-
- Female	-	-	-	-	-	-
<b>Total Permanent Workers</b>						
- Male	-	-	-	-	-	-
- Female	-	-	-	-	-	-

### 8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial year				FY 2021-22 Previous Financial year					
	Total (A)	On and Measures Health Safety		On skill Upgradation		Total (D)	On and Measures Health Safety		On skill Upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	3739	3739	100%	3739	100%	3697	3697	100%	3697	100%
Female	30	30	100%	30	100%	21	21	100%	21	100%
<b>Total</b>	<b>3769</b>	<b>3769</b>	<b>100%</b>	<b>3769</b>	<b>100%</b>	<b>3718</b>	<b>3718</b>	<b>100%</b>	<b>3718</b>	<b>100%</b>
<b>Worker</b>										
Male	7855	7855	100%	7855	100%	10088	10088	100%	10088	100%
Female	56	56	100%	56	100%	68	68	100%	68	100%
<b>Total</b>	<b>7911</b>	<b>7911</b>	<b>100%</b>	<b>7911</b>	<b>100%</b>	<b>10156</b>	<b>10156</b>	<b>100%</b>	<b>10156</b>	<b>100%</b>

### 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial year			FY 2021-22 Previous Financial year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	260	65	25%	240	55	23%
Female	25	5	25%	15	3	20%
<b>Total</b>	<b>285</b>	<b>70</b>	<b>25%</b>	<b>255</b>	<b>58</b>	<b>43%</b>
<b>Workers</b>						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Business Responsibility & Sustainability Reporting

### 10. Health and safety management system:

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

An occupational health and safety management system has been implemented by Power Mech. The system covers the entire organization.

- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The incident investigation and analysis process is used to assess risks on routine and non routine basis.

- c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N): Yes**
- d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No): Yes**

### 11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial year	FY 2021-22 Previous Financial year
Lost Time Injury Frequency Rate (LTIFR) (per one million-	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health	Employees	-	-
	Workers	-	-

### 12. Describe the measures taken by the entity to ensure a safe and healthy work place.

- 1) Conducting Training Programs/Tool Box Meeting.
- 2) Provide Close Supervision.
- 3) Implementing and initiated the safety standards at site.
- 4) Provide proper PPE'S.

### 13. Number of Complaints on the following made by employees and workers:

FY 2022-23 Current Financial year			FY 2021-22 Previous Financial year		
Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL
Health & Safety	NIL	NIL	NIL	NIL	NIL

### 14. Assessments for the year:

	% of your plants and offices that were assessed
Health and safety practices	Locations for audit are covered by Internal team of the Company on quarterly basis every year and 100% of the sites/offices are covered
Working Conditions	Locations for audit are covered by Internal team of the Company on quarterly basis every year and 100% of the sites/offices are covered

### 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company has detailed format of Near miss/Incident/Accident Report which is made available to all the site offices for reporting any such incidents.

# Business Responsibility & Sustainability Reporting

## PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Power Mech stakeholders include our Investors, Clients/Customers, Employees, Vendors/Partners, Government and Local Communities.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ Investors	No	Emails/Websites/Physical meetings	Quarterly/half yearly and annually	Financial results, material events etc.
Clients/ Customers	No	Emails/Physical meetings	Regularly	To understand their requirements and feedback on the services provided to them
Employees	No	Emails/Physical meetings	Quarterly	Employees welfare, working conditions etc.
Suppliers / Vendors/ Contractors	No	Emails/Websites/Physical meetings	Regularly	To disseminate key information about the Projects and briefly elaborate on key components like Scope of works/services, completion schedules, Conditions of Contract, bidder qualification criteria, HSE, Quality requirements, etc.
All other stakeholders or community at large	No	Physical	Quarterly/half yearly and annually	To undertake Corporate Social Activities etc.

## PRINCIPLE 5: Businesses should respect and promote human rights

### Essential Indicators

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format: Nil**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	-	-	-	-	-	-
Other Than Permanent	-	-	-	-	-	-
Total Employees						
<b>Workers</b>						
Permanent	-	-	-	-	-	-
Other Than Permanent	-	-	-	-	-	-
Total Employees						

## Business Responsibility & Sustainability Reporting

### 2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23				FY 2021-22					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent										
Male	3707	0	0	3707	3850			3850		
Female	30			30	23			23		
Other than Permanent										
Male	29			29						
Female										
<b>Workers</b>										
Permanent										
Male	7854	4196		3658	10088	5798		4290		
Female	56	56		56	68	68				
Other than Permanent										
Male	21695	8378		13170	18901	7258		11582		
Female	73			73	60	60				

### 3. Details of remuneration / salary / wages, in the following format: Please refer Annexure 6 of the Integrated Annual Report.

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors	-	-	-	-
Key Managerial Personnel	-	-	-	-
Employees other than BOD	-	-	-	-
Workers	-	-	-	-

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) **Not Applicable**

5. Describe the internal mechanisms in place to redress grievances related to human rights issues. **Not Applicable**

6. Number of Complaints on the following made by employees and workers: **Nil**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual			-	-	--	-
Discrimination at workplace			-	-	-	-
Child Labour	-		-	-	-	-
Forced Labour / Involuntary Labour	-		-	-	-	-
Wages	-		-	-	-	-
Other human rights related issues	-		-	-	-	-

## Business Responsibility & Sustainability Reporting

### 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

To prevent adverse consequences to the complainant, immediate disciplinary action is taken in the matter to appropriately discipline personnel who are involved in harassment.

8. Do human rights requirements form part of your business agreements and contracts? Yes

9. Assessments for the years:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	-
Forced / involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-
Wages	100% of the plants are assessed every year by the respective statutory authorities

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above: **Nil**

### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

#### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	1,99,65,456 J	1,71,74,700 J
Total fuel consumption (B)	487.91 J	479.68 J
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	<b>1,99,65,943.91 J</b>	<b>1,71,75,179.68 J</b>
Energy intensity per rupee of turnover ( <i>Total energy consumption / turnover in rupees</i> )	-	-
Energy intensity ( <i>optional</i> ) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

1. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

3. Provide details of the following disclosures related to water, in the following format: **Not Applicable**

Parameter	FY2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal</b> (in kilolitres) (i + ii + iii + iv + v)		
<b>Total volume of water consumption</b> (in kilolitres)		
<b>Water intensity per rupee of turnover</b> ( <i>Water consumed / turnover</i> )		
<b>Water intensity</b> ( <i>optional</i> ) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

## Business Responsibility & Sustainability Reporting

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. **Not Applicable**
5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: **Not Applicable**

Parameter	Please specify Unit	FY 2022-23	FY 2021-22
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: **Not Applicable**

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)			
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)			
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>			
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. No
8. Provide details related to waste management by the entity, in the following format: **Not Applicable**

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)		
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)		
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
<b>Total (A + B + C + D + E + F + G + H)</b>		

# Business Responsibility & Sustainability Reporting

Parameter	FY 2022-23	FY 2021-22
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
<b>Total</b>		
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration through CHWTSDf		
(ii) Landfilling through CHWTSDf		
(iii) Other disposal operations		
<b>Total</b>		

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has detailed plan for Hazardous Waste Management. The plan clearly defines the Hazardous and Non Hazardous wastes and the methods of wastes minimization. The plan also explains about the detailed procedure of waste disposal. Every sites shall do inspection on monthly basis to ensure compliance with the waste minimum practices and regulatory requirements.

10. If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: **Not Applicable**

S. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: **Not Applicable**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link

## Business Responsibility & Sustainability Reporting

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: **Not Applicable**

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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### PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

#### Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**
  - b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations
1	The Federation of Telangana Chambers of Commerce	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

### PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

#### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. **Not Applicable**
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: **Not Applicable**
3. Describe the mechanisms to receive and redress grievances of the community. **Not Applicable**
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	-	-
Sourced directly from within the district and neighboring districts	-	-

# Business Responsibility & Sustainability Reporting

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback. Power Mech provides its services to other Companies. It does not deal directly with consumers.
2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:  
**Not Applicable**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	
Recycling and/or safe disposal	
3. Number of consumer complaints in respect of data privacy, advertising, cybersecurity, delivery of essential services, restrictive trade practices, and unfair trade practices: <b>Nil</b>	
4. Details of instances of product recalls on account of safety issues: <b>Not Applicable</b>	
5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. <b>Not Applicable</b>	
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. <b>Not Applicable</b>	



**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 2022-23 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 2022-23, 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 2022-23
  - (ii) Significant changes in accounting policies during the year 2022-23 and that the same have been disclosed in the notes to the financial statements;
  - (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

**Sd/-**  
**J Satish**  
**Chief Financial Officer**

**Place: Hyderabad**  
**Date: 25.08.2023**

## DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the code of conduct of the Company for the financial year ended on March 31<sup>st</sup>, 2023 as envisaged in the Chapter IV of the Securities Exchange board of India (Listing Obligations and Disclosures Regulations ) 2015.

**Place: Hyderabad**  
**Date: 25.08.2023**

**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 March 31, 2023, 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 March 31, 2023 except as given below:

***In terms of Reg. 21 of SEBI (Listing Obligations and Disclosure Requirements) 2015 -the gap between two risk management committee meetings, shall not exceed 180 days.***

*Typographical mistake occurred while filing the Corporate Governance Report for the quarters ended Jun'22 & Sep'22 and wherein the details of meeting of Risk Management Committee (RMC) were not mentioned. Upon the receipt of query from National Stock Exchange of India Limited (NSE), the Company informed NSE that the details were missed inadvertently and would re-submit the same upon providing access window for resubmission. NSE is yet to respond on the reply.*

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.

**Date: 09.08.2023**  
**Place: Hyderabad**

**Sd/-**  
**CS D.S. RAO**  
**COMPANY SECRETARY IN PRACTICE**  
**M. No.: A12394**  
**C.P. No.: 14487**  
**UDIN: A012394E000756027**  
**PEER REVIEW CER NO. 1817/2022**

# 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, JUBLEE 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 March 31, 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 <sup>#</sup>	Independent Director	02754904
5	Lasya Yerramneni	Independent Director	03150397
6	Vivek Paranjpe	Independent Director	03378566
7	Thiagarajan Sankaralingam <sup>*</sup>	Independent Director	00015954
8	Jayarama Prasad Chalasani <sup>§</sup>	Independent Director	00308931

\* Mr. Thiagarajan Sankaralingam was retired w.e.f. 21/05/2023

# Mr. Durgavaraprasada Rao Gorijala was retired w.e.f. 26/07/2023

§ Mr. Jayarama Prasad Chalasani was appointed as Additional Director (Independent) w.e.f. 26/07/2023

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.

Date: 09.08.2023  
Place: Hyderabad

Sd/-  
CS D.S. RAO  
COMPANY SECRETARY IN PRACTICE  
M. No.: A12394  
C.P. No.: 14487  
UDIN: A012394E000756005  
PEER REVIEW CER NO.: 1817/2022

# **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 31<sup>st</sup> March, 2023, 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 31<sup>st</sup> March, 2023, 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.

### Emphasis of Matter:

Attention is invited to the following:

- a) Note No. 51, of the financial statements, relating to the search carried out by the Income Tax Department in July, 2022 at various locations of the Company. Since the investigation and related proceedings are pending, there is uncertainty as regards the impact, if any, of the outcome of the proceedings. Due to this, no provision for liability has been recognized in these financial results.

Our opinion is not modified in respect of the matters stated above.

### 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><b>Revenue recognition of long term contracts</b></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> <p>Our audit procedures in relation to the recoverability of trade receivables included</p>
2	<p><b>Trade receivables</b></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>	<ul style="list-style-type: none"> <li>• Understood and tested the Company's credit control procedures and tested key controls over granting credit to customers.</li> <li>• Tested ageing of trade receivables at the year ended on a sample basis.</li> <li>• Obtained list of long outstanding receivables and identified any debtors with financial difficulty through discussion with management.</li> <li>• Assessed the recoverability of these outstanding receivables through our discussion with management and with reference to detailed receivables listings for the subsequent period.</li> <li>• 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.</li> <li>• Assessed the recoverability of the balances by comparing the outstanding amounts as at year end against subsequent recoveries.</li> <li>• 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.</li> <li>• Considering all these, we found that the judgment made by the management in assessment of recoverability of receivables are found to be appropriate.</li> </ul>

# 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



## Independent Auditors' Report

required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of 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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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:

## Independent Auditors' Report

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - 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. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable. As stated in note 48 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("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.

**Sd/-**  
**For K.S. Rao & Co**  
**Chartered Accountants**  
**(Firm Registration No. 003109S)**

**Place: Hyderabad**  
**Date: 26.05.2023**  
**UDIN: 23235528BGSAPZ7245**

**Gopikrishna Chowdary Manchinella**  
**Partner**  
**Membership No. 235528**

## 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, 2023.

### We report that:

1. In respect of its Property, plant and equipment and Intangible 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 March 31, 2023 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 our opinion and according to the information and explanations give to us, the revised quarterly returns and statements comprising stock statements, payables and receivables (including retention and security deposit amounts) filed by the company with the banks subsequent to the quarterly review of accounts 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*	9.22
- Joint Venturers	-
- Associates	-
- Others	-
Balance outstanding as on 31.03.2023	
- Subsidiaries	42.05
- Joint Venturers	-
- Associates	-
- Others	0.69

\*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 31.03.2023			
Repayable on demand (A)	Nil	Nil	Nil
Agreement does not specify any terms or period of repayment (B)	42.74	Nil	42.74
Total (A+B)	42.74	Nil	42.74
% 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 or amounts deemed to be deposits within the meaning of section 73-76 of the Act and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable to the company.
- 6) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the Act read with Companies (Cost Records and Audit) Rules, 2014, related to some of the projects as defined in the Act and are of the opinion that prima facie, the specified accounts and records have been maintained. However, we have not made a detailed examination of the same.
- 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 except an amount of ₹ 0.35 Cr being liability towards GST pending for remittance.
- 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.

(₹ in Cr)

Name of the Statute	Nature of Dues	Amount involved	Amount unpaid	Period to which it relates	Forum where dispute is pending
Bihar VAT Act	VAT	1.80	0.86	2014-15	Joint Commissioner of Commercial taxes, Patna
GST Act, 2017	GST	8.28	8.03	2017-18 to 2021-22	Before various appellate authorities

- 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 issued and allotted equity shares to one of the promoters of the company by way of conversion of unsecured loan and the company has complied with the provisions of section 42 of the Act.
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 and also 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 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.

**Sd/-**  
**For K.S. Rao & Co**  
**Chartered Accountants**  
**(Firm Registration No. 003109S)**

**Place: Hyderabad**  
**Date: 26.05.2023**  
**UDIN: 23235528BGSAPZ7245**

**Gopikrishna Chowdary Manchinella**  
**Partner**  
**Membership No. 235528**

# 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 31<sup>st</sup> March, 2023 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 31 March, 2023, 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.

Place: Hyderabad  
Date: 26.05.2023  
UDIN: 23235528BGSAPZ7245

Sd/-  
For K.S. Rao & Co  
Chartered Accountants  
(Firm Registration No. 003109S)  
Gopikrishna Chowdary Manchinnella  
Partner  
Membership No. 235528

# Balance Sheet as at 31<sup>st</sup> March, 2023

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

Particulars	Note No.	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	4.1	159.52	148.03
(b) Right-of-use assets	4.2	2.20	3.66
(c) Capital Work-in-progress	4.3	2.08	1.73
(d) Intangible Assets	5	0.16	0.19
(e) Financial Assets			
(i) Investments	6.1	13.92	13.91
(ii) Loans	7	-	-
(iii) Other financial assets	8	329.66	302.66
(f) Deferred Tax Asset (Net)	18	10.83	10.26
(g) Other Non-current Assets	9	1.36	1.32
<b>Total Non-Current assets</b>		<b>519.73</b>	<b>481.76</b>
<b>2 Current Assets</b>			
(a) Inventories	10	133.04	125.81
(b) Financial Assets			
(i) Investments	6.2	0.39	2.45
(ii) Trade receivables	11	886.10	641.19
(iii) Cash and cash equivalents	12	39.86	71.45
(iv) Other bank balances	12	126.36	75.70
(v) Loans	7	46.78	38.43
(vi) Other financial assets	8	640.98	524.75
(c) Other Current assets	9	505.63	468.19
(d) Current tax Asset (Net)	22	57.12	57.24
<b>Total Current assets</b>		<b>2,436.26</b>	<b>2,005.21</b>
<b>Total Assets</b>		<b>2,955.99</b>	<b>2,486.97</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	13	14.91	14.71
(b) Other Equity	14	1,211.53	978.89
<b>Total Equity</b>		<b>1,226.44</b>	<b>993.60</b>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Long-term borrowings	15	26.07	34.94
(ii) Lease liabilities	16	0.86	1.72
(iii) Other financial liabilities	16	86.40	79.95
(b) Provisions	17	3.74	6.61
(c) Deferred Tax Liabilities (Net)	18	-	-
(d) Other non-current liabilities	19	73.35	68.83
<b>Total non-current liabilities</b>		<b>190.42</b>	<b>192.05</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Short-term borrowings	20	447.92	472.20
(ii) Lease liabilities	16	0.83	1.64
(iii) Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises		1.16	1.47
b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		744.04	530.02
(iv) Other financial liabilities	16	124.89	115.53
(b) Other current liabilities	19	219.43	178.91
(c) Provisions	17	0.86	1.55
(d) Current tax Liabilities (Net)	22	-	-
<b>Total current liabilities</b>		<b>1,539.13</b>	<b>1,301.32</b>
<b>Total Liabilities</b>		<b>1,729.55</b>	<b>1,493.37</b>
<b>Total Equity and Liabilities</b>		<b>2,955.99</b>	<b>2,486.97</b>

Corporate Information

Basis of Preparation and Significant Accounting Policies

The accompanying notes 32-52 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 No. 235528

UDIN:23235528BGSAPZ7245

Place: Hyderabad

Date: 26.05.2023

1

2-3

For and on behalf of the Board

Sd/-

S. Kishore Babu

Chairman and Managing Director

DIN: (00971313)

Sd/-

J Satish

CFO

Sd/-

Mohith Kumar Khandelwal

Company Secretary

# Statement of Profit and Loss for the Year ended 31<sup>st</sup> March, 2023

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

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
I Revenue from Operations	23	3,532.09	2,631.13
II Other Income	24	13.05	25.41
<b>III Total Income (I+II)</b>		<b>3,545.14</b>	<b>2,656.54</b>
<b>IV Expenses</b>			
Cost of Material Consumed	25	520.88	323.77
(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	26	(13.83)	1.78
Contract execution expense	27	2,059.30	1,595.72
Employee benefits expense	28	526.85	404.58
Finance cost	29	87.60	76.06
Depreciation and Amortization expense	30	40.81	34.48
Other expense	31	41.69	32.80
<b>Total Expenses (IV)</b>		<b>3,263.30</b>	<b>2,469.19</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>281.84</b>	<b>187.35</b>
VI Exceptional Items		-	-
<b>VII Profit before tax (V-VI)</b>		<b>281.84</b>	<b>187.35</b>
<b>VIII Tax expense:</b>			
Current tax	22	73.14	36.45
Deferred tax charge/(credit)	18	(0.57)	9.94
<b>IX Profit after tax for the year (VII-VIII)</b>		<b>209.27</b>	<b>140.96</b>
<b>X Other Comprehensive Income</b>			
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	0.01
b) Remeasurement of defined employee benefit plans		0.77	1.25
<b>Total Other Comprehensive income</b>		<b>0.78</b>	<b>1.26</b>
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>210.05</b>	<b>142.22</b>
XII Earnings per Share - Basic and Diluted	45	141.38	95.82

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 No. 235528  
UDIN:23235528BGSAPZ7245

Sd/-  
J Satish  
CFO

Sd/-  
Mohith Kumar Khandelwal  
Company Secretary

Place: Hyderabad  
Date: 26.05.2023



## Cash Flow Statement for the Year ended 31<sup>st</sup> March, 2023

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

Particulars	2022-23	2021-22
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	<b>281.84</b>	<b>187.35</b>
Add/Less: Adjustments for :		
Depreciation	40.81	34.48
Interest and Finance charges	87.06	75.35
Interest on Income Tax	0.54	0.70
Loss on sale of assets	0.02	3.12
Net loss arising on financial assets measured at FVTPL	(0.08)	(0.07)
Fair value gain on current investments	0.05	(0.19)
Interest income	(8.25)	(6.69)
Profit on sale of assets	(1.62)	(0.22)
Dividend income	-	(15.58)
Amortisation of Deferred Government grants	(0.05)	(0.09)
Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income	0.77	1.25
<b>Operating profit before working capital changes</b>	<b>401.09</b>	<b>279.41</b>
Movements in Working Capital		
Adjustments for (increase)/decrease in operating assets:		
- Trade Receivables	(244.91)	(154.68)
- Inventories	(7.22)	(19.00)
- Other Assets	(187.58)	(85.01)
Adjustments for increase/(decrease) in operating liabilities:		
- Trade Payables	213.71	44.47
- Other Liabilities and Provisions	57.27	172.87
<b>Cash generated from operations</b>	<b>232.36</b>	<b>238.06</b>
Less: Direct taxes paid	(73.55)	(61.19)
<b>Net cash from Operating activities (A)</b>	<b>158.81</b>	<b>176.87</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets/Capital work in progress	(53.04)	(45.17)
Proceeds from sale of fixed assets	3.91	3.36
Investment in equity shares of Subsidiary companies	-	(0.02)
Investment /Redemption in Mutual Funds (Net)	2.01	0.01
Margin money deposits with banks and other balances	(52.05)	(18.29)
Dividend received	-	15.58
Interest received	8.25	6.69
<b>Net cash used in Investing activities (B)</b>	<b>(90.92)</b>	<b>(37.84)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Equity Share Capital by way of conversion of Unsecured Loan	25.00	-
Repayment of unsecured loan	(25.00)	-
Proceeds from/(Repayment of) borrowings	(8.15)	(2.10)
Interest and Finance charges paid	(86.81)	(74.91)
Lease Rent Paid	(2.31)	(2.65)
Dividend paid	(2.21)	-
<b>Net cash used in financing activities (C)</b>	<b>(99.48)</b>	<b>(79.66)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(31.59)</b>	<b>59.37</b>
Opening Balance of Cash and Cash Equivalents	71.45	12.08
Closing Balance of Cash and Cash Equivalents	39.86	71.45
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>(31.59)</b>	<b>59.37</b>

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 31<sup>st</sup> March, 2023

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

## Components of cash and cash equivalents

Particulars	2022-23	2021-22
Cash on hand	1.08	1.28
In Current accounts	37.97	69.15
Deposits having maturity period for less than 3months	0.81	1.02
<b>Total</b>	<b>39.86</b>	<b>71.45</b>

## Reconciliation of Changes in Liability arising from Financing activities for the year ending 31/03/2023

Particulars	Opening	Ind As 116 changes	Cash flows	Non-Cash changes	Net Cash flow	Closing
Long term borrowings (Including Current maturities of long-term borrowings)	82.45	-	-	0.11	(13.14)	69.42
Short term borrowings	424.69	-	-	(25.00)	4.88	404.57
Lease Liabilities (Refer Note no.46)	3.36	0.39	(2.31)	0.25	(1.92)	1.69

## 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 (Including Current maturities of 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.46)	5.27	0.31	(2.65)	0.43	(2.34)	3.36

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 No. 235528  
UDIN:23235528BGSAPZ7245

Sd/-  
**J Satish**  
CFO

Sd/-  
**Mohith Kumar Khandelwal**  
Company Secretary

Place: Hyderabad  
Date: 26.05.2023

# Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2023

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

## A. Equity share capital

Particulars	No's	Total
<b>As at 31<sup>st</sup> March, 2021</b>	<b>1,47,10,764</b>	<b>14.71</b>
Changes in equity during the year	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>1,47,10,764</b>	<b>14.71</b>
Changes in equity during the year	1,95,593	0.20
<b>As at 31<sup>st</sup> March, 2023</b>	<b>1,49,06,357</b>	<b>14.91</b>

## 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	
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>160.93</b>	<b>36.96</b>	<b>634.76</b>	<b>0.02</b>	<b>4.00</b>	<b>836.67</b>
Profit for the year	-	-	140.96	-	-	140.96
Other Comprehensive Income	-	-	-	0.01	1.25	1.26
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>140.96</b>	<b>0.01</b>	<b>1.25</b>	<b>142.22</b>
Less: Appropriations	-	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>160.93</b>	<b>36.96</b>	<b>775.72</b>	<b>0.03</b>	<b>5.25</b>	<b>978.89</b>
Profit for the year	-	-	209.27	-	-	209.27
Other Comprehensive Income	-	-	-	0.01	0.77	0.78
Securities Premium on conversion of loan into equity	24.80	-	-	-	-	24.80
<b>Total Comprehensive Income for the year</b>	<b>24.80</b>	<b>-</b>	<b>209.27</b>	<b>0.01</b>	<b>0.77</b>	<b>234.85</b>
Less: Appropriations	-	-	-	-	-	-
Final Dividend for the Financial year 2021-22 proposed & paid during the year	-	-	2.21	-	-	2.21
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>185.73</b>	<b>36.96</b>	<b>982.78</b>	<b>0.04</b>	<b>6.02</b>	<b>1,211.53</b>

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 No. 235528

UDIN:23235528BGSAPZ7245

Sd/-

**J Satish**

CFO

Sd/-

**Mohith Kumar Khandelwal**

Company Secretary

Place: Hyderabad

Date: 26.05.2023

# Company Overview and Significant Accounting Policies

## 1. CORPORATE INFORMATION

Note no:1

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 135 MW to 800 MW, 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, 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.

## 2. BASIS OF PREPARATION

Note no:2

### 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.

#### 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,

## Company Overview and Significant Accounting Policies

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, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

### 3. Significant accounting policies

**Note No. 3**

**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.

## Company Overview and Significant Accounting Policies

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 1<sup>st</sup> 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

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.

# Company Overview and Significant Accounting Policies

## 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 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.

## 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 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

## Company Overview and Significant Accounting Policies

to the customer over time and not at a specific point in time. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time.

### Determination of Transaction Price:

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party(GST). Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

### Recognition of Revenue:

#### In case of sale of goods:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

#### In case of construction services:

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

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

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

#### In case of other Income:

Interest income is recognized using the effective interest method.

Dividend income is recognized when the right to receive payment is established.

## **J) Employee Benefits**

### **i) Defined Contribution Plans**

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

### **ii) Defined Benefit Plans**

Gratuity, a defined Benefit scheme is covered by a Group Gratuity cum Life Assurance policy with LIC. The cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial losses and gains, the effect of changes to the asset ceiling and actual return on plan assets, in excess of the yield computed by applying the discount rate used to measure the defined benefit obligation, is reflected in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Such remeasurement losses/gains are not reclassified to profit or loss subsequently.

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

## **k) Foreign Currency Transactions**

The functional currency of the company, including of its foreign projects, is Indian rupee and the financial statements are presented in Indian rupee.



## Company Overview and Significant Accounting Policies

Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately, with the difference in the rate of exchange arising on actual receipt/payment during the year.

At each Balance Sheet date

- i) Foreign currency denominated monetary items are translated into the relevant functional currency at exchange rate at the balance sheet date. The gains and losses resulting from such translations are included in net profit in the statement of profit and loss.
- ii) Foreign currency denominated non-monetary items are reported using the exchange rate at which they were initially recognized.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in statement of profit and loss.

### **l) Income-Taxes**

Income tax expense comprises the sum of tax currently payable and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current tax is determined at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities are recognized as income or expense in the year of enactment. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

### **m) Provisions, Contingent Liabilities and Contingent assets**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Where the effect of time value of money is material, the amount of provisions is the present value of the expenditure required to settle the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

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

### **n) Dividends**

Provision for dividends payable (including income tax thereon) is accounted in the books of account in the year when they are approved by the share holders at the Annual General Meeting.

### **o) Earnings per share**

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

# Company Overview and Significant Accounting Policies

## 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 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.

## Company Overview and Significant Accounting Policies

### 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. For trade receivables, the company applies simplified approach which requires expected lifetime losses to be recognized from initial recognition of receivables. The company uses historical default rates applied on the ageing of receivables to determine loss allowance on portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analyzed. 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 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**

The 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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1, Presentation of Financial Statements – This amendment requires disclosure of material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is considered material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption in paragraphs 15 and 24 of Ind AS 12, so that it does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning liabilities. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

## Notes to the Financial Statements

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

### Property, Plant and Equipment and Capital Work-In-Progress

Note No.4.1

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Carrying Amounts of:		
Land	3.42	3.42
Office Buildings	14.50	15.62
Plant and Equipment	18.22	18.36
Furniture and Fixtures	2.27	1.79
Computers	2.18	1.74
Office Equipment	4.00	3.34
Motor vehicles	27.81	22.37
Cranes	75.05	67.32
Temporary Sheds	12.07	14.07
	<b>159.52</b>	<b>148.03</b>
Capital Work-in-progress (Refer Note No 4.3)	<b>2.08</b>	<b>1.73</b>

## Notes to the Financial Statements

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

### Property, Plant and Equipment

Particulars	Land	Office Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Motor vehicles	Cranes	Temporary Sheds	Total
<b>Gross Block :</b>										
<b>As at 31<sup>st</sup> March, 2021</b>	<b>3.60</b>	<b>21.97</b>	<b>43.07</b>	<b>10.16</b>	<b>4.49</b>	<b>11.27</b>	<b>46.49</b>	<b>154.12</b>	<b>37.03</b>	<b>332.20</b>
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
<b>As at 31<sup>st</sup> March, 2022</b>	<b>3.42</b>	<b>21.97</b>	<b>53.33</b>	<b>11.17</b>	<b>5.45</b>	<b>13.03</b>	<b>56.99</b>	<b>158.79</b>	<b>46.20</b>	<b>370.35</b>
Additions	-	-	5.13	1.42	1.15	2.01	12.77	24.23	5.98	52.69
Disposals	-	-	0.06	-	-	-	1.48	5.85	-	7.39
<b>As at 31<sup>st</sup> March, 2023</b>	<b>3.42</b>	<b>21.97</b>	<b>58.40</b>	<b>12.59</b>	<b>6.60</b>	<b>15.04</b>	<b>68.28</b>	<b>177.17</b>	<b>52.18</b>	<b>415.65</b>
<b>Accumulated Depreciation and Impairment :</b>										
<b>As at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>5.22</b>	<b>31.72</b>	<b>8.43</b>	<b>3.20</b>	<b>8.55</b>	<b>30.70</b>	<b>79.22</b>	<b>27.37</b>	<b>194.41</b>
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
<b>As at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>6.35</b>	<b>34.97</b>	<b>9.38</b>	<b>3.71</b>	<b>9.69</b>	<b>34.62</b>	<b>91.47</b>	<b>32.13</b>	<b>222.32</b>
Depreciation charge for the Year	-	1.12	5.25	0.94	0.71	1.35	7.07	14.48	7.98	38.90
On disposals	-	-	0.04	-	-	-	1.22	3.83	-	5.09
<b>As at 31<sup>st</sup> March, 2023</b>	<b>-</b>	<b>7.47</b>	<b>40.18</b>	<b>10.32</b>	<b>4.42</b>	<b>11.04</b>	<b>40.47</b>	<b>102.12</b>	<b>40.11</b>	<b>256.13</b>
<b>Net Block :</b>										
<b>As at 31<sup>st</sup> March, 2023</b>	<b>3.42</b>	<b>14.50</b>	<b>18.22</b>	<b>2.27</b>	<b>2.18</b>	<b>4.00</b>	<b>27.81</b>	<b>75.05</b>	<b>12.07</b>	<b>159.52</b>
<b>As at 31<sup>st</sup> March, 2022</b>	<b>3.42</b>	<b>15.62</b>	<b>18.36</b>	<b>1.79</b>	<b>1.74</b>	<b>3.34</b>	<b>22.37</b>	<b>67.32</b>	<b>14.07</b>	<b>148.03</b>

### Notes:

- 1) Term loans taken by the company for purchase of Fixed assets are secured by way of hypothecation on respective assets for which loans were availed.
- 2) Working Capital Loans from banks are secured by way of first charge on Property, Plant and Equipment of the company both present and future, excluding those assets against which charge was given to equipment financiers.
- 3) None of the property, plant & equipment were acquired / transferred by way of business combinations.
- 4) The carrying values of any of the assets 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 to the Financial Statements

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

### Right-of-use assets

Note No.4.2

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Right-of-use assets	2.20	3.66
<b>Total</b>	<b>2.20</b>	<b>3.66</b>

Particulars	Lease hold land & Improvements	Buildings	Total
<b>(A) Cost or deemed cost :</b>			
<b>Balance at 31<sup>st</sup> March, 2021</b>	<b>0.55</b>	<b>9.17</b>	<b>9.72</b>
Additions	-	0.57	0.57
Disposals / adjustments	-	-	-
<b>Balance at 31<sup>st</sup> March, 2022</b>	<b>0.55</b>	<b>9.74</b>	<b>10.29</b>
Additions	-	0.41	0.41
Disposals/adjustments	-	-	-
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>0.55</b>	<b>10.15</b>	<b>10.70</b>
<b>(B) Accumulated Amortisation and impairment :</b>			
<b>Balance at 31<sup>st</sup> March, 2021</b>	<b>0.02</b>	<b>4.40</b>	<b>4.42</b>
Amortization expense for the year	0.01	2.20	2.21
Eliminated on disposal	-	-	-
<b>Balance at 31<sup>st</sup> March, 2022</b>	<b>0.03</b>	<b>6.60</b>	<b>6.63</b>
Amortization expense for the year	0.01	1.86	1.87
Eliminated on disposal	-	-	-
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>0.04</b>	<b>8.46</b>	<b>8.50</b>
<b>(C) Carrying amount :</b>			
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.51</b>	<b>1.69</b>	<b>2.20</b>
<b>As at 31<sup>st</sup> March, 2022</b>	<b>0.52</b>	<b>3.14</b>	<b>3.66</b>

### Capital Work-in-Progress

Note No.4.3

Particulars	Amount
<b>At Cost</b>	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>5.28</b>
Additions	1.73
Capitalised / written off during the Year	5.28
<b>As at 31<sup>st</sup> March, 2022</b>	<b>1.73</b>
Additions	2.08
Capitalised during the year	1.73
<b>As at 31<sup>st</sup> March, 2023</b>	<b>2.08</b>

## Notes to the Financial Statements

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

### Capital Work-in-progress ageing schedule as on 31.03.2023

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	2.08	-	-	-	2.08
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 31.03.2022

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.

## INTANGIBLE ASSETS

Note No.5

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Power Mech Brand *	0.00	0.00
Computer Software	0.16	0.19
<b>Total</b>	<b>0.16</b>	<b>0.19</b>

\* Amount below ₹1 Lakh

Particulars	Power Mech Brand	Computer Software	Total
<b>Gross Block :</b>			
<b>As at 31<sup>st</sup> March, 2021</b>	<b>0.00</b>	<b>1.43</b>	<b>1.43</b>
Additions	-	0.01	0.01
Disposals	-	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>0.00</b>	<b>1.44</b>	<b>1.44</b>
Additions	-	0.01	0.01
Disposals	-	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.00</b>	<b>1.45</b>	<b>1.45</b>
<b>Accumulated Amortization and Impairment:</b>			
<b>As at 31<sup>st</sup> March, 2021</b>	<b>0.00</b>	<b>1.20</b>	<b>1.20</b>
Amortization expense for the year	-	0.05	0.05
On disposals	-	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>0.00</b>	<b>1.25</b>	<b>1.25</b>
Amortization expense for the year	-	0.04	0.04
On disposals	-	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.00</b>	<b>1.29</b>	<b>1.29</b>
<b>Net Block :</b>			
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.00</b>	<b>0.16</b>	<b>0.16</b>
<b>As at 31<sup>st</sup> March, 2022</b>	<b>0.00</b>	<b>0.19</b>	<b>0.19</b>

- 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.

# Notes to the Financial Statements

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

## INVESTMENTS (NON-CURRENT)

Note No.6.1

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. Investment in Equity Instruments</b>		
<b>(a) (i) Quoted - Trade (Carried at fair value through OCI)</b>		
a) 24 (24) Equity shares of ₹10/- each in Reliance Power Limited *	0.00	0.00
<b>(ii) Quoted - Non Trade (Carried at fair value through OCI)</b>		
a) 200 (200) Equity shares of ₹10/- each in Assam Company Limited *	0.00	0.00
<b>Total Investment in Quoted Equity Instruments (a)</b>	<b>0.00</b>	<b>0.00</b>
<b>(b) (i) Unquoted - Trade</b>		
<b>Investment in Subsidiaries (Carried at cost):</b>		
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 ₹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 (10,000) Equity shares of ₹10 each in Energy Advisory and Consulting Services Private Limited (Wholly owned subsidiary)	0.01	0.01
j) 7,400 (7,400) Equity shares of ₹10 each in KBP Mining Private Limited	0.01	0.01
<b>Investment in Joint Venture (Carried at cost) :</b>		
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 )**	-	-
i) Investment in PMPL-KVRECPL Consortium JV (Capital introduced Nil)**	-	-
j) Investment in PMPL-PIA JV ( Capital introduced Nil )**	-	-
k) Investment in POWER MECH-TAIKISHA JV ( Capital introduced Nil )**	-	-



## Notes to the Financial Statements

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

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
l) Investment in RITES-PMPL JV ( Capital introduced Nil)**	-	-
m) Investment in SCPL - PMPL JV ( Capital introduced Nil)**	-	-
<b>Investment in Associate (Carried at cost) :</b>		
a) 332 (332) Equity shares of SR 1000 each in MAS Power Mech Arabia	2.25	2.25
<b>Total Investment in Un-Quoted Equity Instruments (b)</b>	<b>13.86</b>	<b>13.86</b>
<b>Total Investment in Equity Instruments (A)= (a+b)</b>	<b>13.86</b>	<b>13.86</b>
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	0.06	0.05
<b>Total Investment in Mutual Funds (B)</b>	<b>0.06</b>	<b>0.05</b>
<b>Total (A+B)</b>	<b>13.92</b>	<b>13.91</b>
<b>Aggregate amount of : Quoted investments -</b>		
- At cost	0.02	0.02
- Market value	<b>0.06</b>	<b>0.05</b>
<b>Aggregate amount of unquoted investments</b>	<b>13.86</b>	<b>13.86</b>

\* Amount below ₹1 Lakh

\*\* The company has become a venturer in Joint Ventures incorporated during the Financial year 18-19 to 22-23. 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 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised
Investments measured at:				
<b>(i) Fair value through Other Comprehensive Income</b>				
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	0.06	-	0.05	-
<b>(ii) Investment in Subsidiary Companies, Joint Ventures and Associates (Carried at cost)</b>	13.86	-	13.86	15.58
<b>Total</b>	<b>13.92</b>	<b>-</b>	<b>13.91</b>	<b>15.58</b>

### INVESTMENTS (CURRENT)

Note No.6.2

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Investment in Mutual Funds - Quoted: (Carried at fair value through P&amp;L)</b>		
a) 92,793 (2,50,000) units of Baroda PNB Paribas Large & Mid Cap Fund	0.15	0.41
b) 2,50,000 (Nil) units of Baroda BNP Paribas Flexi Cap Fund	0.24	-
c) Nil (16,30,879) units of Union Bank Corporate Fund Regular Plan- Growth Fund	-	2.04
<b>Total Investment in Mutual Funds</b>	<b>0.39</b>	<b>2.45</b>

## Notes to the Financial Statements

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

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Aggregate amount of : Quoted investments -</b>		
- At cost	0.34	2.15
- Market value	<b>0.39</b>	<b>2.45</b>

### LOANS

Note No.7

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Unsecured, Considered Good</b>				
a) Employee related advances	-	-	4.05	4.96
b) Advances to related parties				
- <b>Subsidiaries</b>				
- Power Mech Industri Private Limited	-	-	31.71	27.71
- Power Mech SSA Structures Private Limited	-	-	2.21	2.21
- KBP Mining Private Limited	-	-	8.12	2.91
c) Loans to Others - GTA Power Mech FZE (Subsidiary to GTA Power Mech Nigeria, a JV)	-	-	0.69	0.64
<b>Total</b>	<b>-</b>	<b>-</b>	<b>46.78</b>	<b>38.43</b>
<b>The above Loans Receivables are sub-classified as:</b>				
a) Loans considered good - Secured	-	-	-	-
b) Loans considered good - Unsecured	-	-	46.78	38.43
c) Loans which have significant increase in Credit Risk	-	-	-	-
d) Loans - credit impaired	-	-	-	-
	-	-	46.78	38.43

Note:

- No loans are due from directors or other officers of the Company either severally or jointly with any other person nor any other loans are due from firms in which any director is a partner, a director or a member.
- All the above advances given to subsidiaries / joint ventures are utilised for their business purposes.
- Loans Repayable on demand and Without specifying the terms or period of repayment

Particulars of Loans granted	As at 31 <sup>st</sup> March, 2023	% out of Total Loans advanced	As at 31 <sup>st</sup> March, 2022	% out of Total Loans advanced
a) Promoters	-	-	-	-
b) Directors	-	-	-	-
c) KMP	-	-	-	-
d) Related parties	42.74	100.00	33.47	100.00

### OTHER FINANCIAL ASSETS

Note No.8

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
a) Security deposits with Govt. authorities and others	11.45	9.38	-	-
b) EMD with customers	37.54	37.59	-	-

## Notes to the Financial Statements

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

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
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	59.23	57.85	-	-
d) Retention Money and Security Deposit with customers - Unsecured	225.72	203.94	117.83	112.28
e) Uncertified Revenue	-	-	523.15	412.47
<b>Total</b>	<b>333.94</b>	<b>308.76</b>	<b>640.98</b>	<b>524.75</b>
Less: Provision for doubtful receivables (Retention Money and Security Deposit with customers)	(4.28)	(6.10)	-	-
<b>Total</b>	<b>329.66</b>	<b>302.66</b>	<b>640.98</b>	<b>524.75</b>

**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, fulfillment of conditions for release of Retention Money and Security deposit and based on estimates and certified by the management.

### Uncertified revenue ageing schedule as on 31.03.2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Uncertified revenue	428.87	47.13	28.13	19.02	-	523.15

### Uncertified revenue ageing schedule as on 31.03.2022

Particulars	Outstanding for following periods from due date of payment					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

## OTHER ASSETS

Note No.9

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Unsecured, Considered Good</b>				
a) Advances for Capital goods	1.36	1.32	-	-
b) Mobilisation advances to Sub-Contractors	-	-	14.93	9.74
c) Advances to creditors against supplies	-	-	20.76	19.30
d) Advances to sub-contractors against works - Unsecured	-	-	396.09	339.51
e) Prepaid Royalty and Other expenses	-	-	15.93	30.97
f) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	54.63	63.27
Taxes paid under protest	-	-	0.94	0.54
Duty credit scrip on hand	-	-	0.02	0.10
g) Other advances	-	-	6.31	5.97
h) Balance in Gratuity Fund (net of obligations)	-	-	0.18	-
<b>Total</b>	<b>1.36</b>	<b>1.32</b>	<b>509.80</b>	<b>469.41</b>

## Notes to the Financial Statements

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

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Less: Provision for doubtful advances (Advance to sub-contractors against works)	-	-	(4.16)	(1.22)
<b>Total</b>	<b>1.36</b>	<b>1.32</b>	<b>505.63</b>	<b>468.19</b>

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.

### INVENTORIES (At Lower of Cost and Net Realizable Values)

Note No.10

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
a) Stores and spares	110.84	117.44
b) Work-in-progress	22.20	8.37
<b>Total</b>	<b>133.04</b>	<b>125.81</b>

Note:

- The mode of valuation of inventories has been stated in Note 3(h) in Accounting Policies.
- The cost of inventories recognised as an expense for the year ended 31<sup>st</sup> March, 2023 was ₹ 520.88 Cr (for the year ended 31<sup>st</sup> March, 2022: ₹ 323.77 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.

### TRADE RECEIVABLES

Note No.11

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured *	886.10	641.19
Trade receivables which have significant increase in Credit Risk	4.90	4.06
Trade receivables - credit impaired	-	-
Less: Provision for doubtful receivables	(4.90)	(4.06)
<b>Total</b>	<b>886.10</b>	<b>641.19</b>
* Includes receivables from Subsidiary Companies/Joint ventures/Associates :		
- Hydro Magus Private Limited	4.23	3.50
- Power Mech BSCPL Consortium Private Limited	45.41	47.84
- M/S POWER MECH-M/S ACPL JV	-	0.58
- PMPL-STC JV	8.72	8.54
- PMPL-SRC INFRA JV (Mizoram)	12.70	0.63
- PMPL-SRC INFRA JV (Hassan)	1.31	-
- PMPL-BRCC INFRA JV	143.19	10.96
- PMPL-KHILARI Consortium JV	3.70	4.18
- PMPL-PIA JV	10.78	2.48
- POWER MECH-TAIKISHA JV	0.10	-
- RITES-PMPL JV	0.23	-
- MAS Power Mech Arabia	13.45	13.39
- Power Mech Projects (BR) FZE	7.79	12.69

## Notes to the Financial Statements

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

- 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, ₹209.63 Cr (as at March 31, 2022: ₹166.15 Cr) is due from one of the Company's largest customer. Further, an amount of ₹238.02 Cr (as at March 31, 2022 : ₹87.48 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 company has provided expected credit loss allowance based on provision matrix applied on the ageing of receivables which are due with estimated loss rates.

### Trade Receivables ageing schedule as on 31.03.2023

Particulars	Outstanding for following periods from due date of payment					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	767.00	14.74	54.64	48.30	1.42	886.10
(ii) undisputed trade Receivables - which have significant increase in credit risk	-	-	0.84	2.60	1.46	4.90
(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	-	-	(0.84)	(2.60)	(1.46)	(4.90)
<b>Total</b>	<b>767.00</b>	<b>14.74</b>	<b>54.64</b>	<b>48.30</b>	<b>1.42</b>	<b>886.10</b>

### Trade Receivables ageing schedule as on 31.03.2022

Particulars	Outstanding for following periods from due date of payment					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)
<b>Total</b>	<b>536.62</b>	<b>44.35</b>	<b>56.90</b>	<b>3.32</b>	<b>-</b>	<b>641.19</b>

## Notes to the Financial Statements

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

### CASH AND CASH EQUIVALENTS

Note No.12

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>i) Balances with banks</b>		
a. In Current accounts	37.97	69.15
ii) Cash on hand	1.08	1.28
iii) Fixed Deposits with original maturity period of less than 3 months	0.81	1.02
<b>Total</b>	<b>39.86</b>	<b>71.45</b>

### OTHER BANK BALANCES

Note No.12

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
a. Earmarked balances with banks held as margin money against LC and guarantees falls due for maturity within 12 months from the date of Balance sheet	126.34	75.68
b. Earmarked balances with banks towards unclaimed dividends	0.02	0.02
<b>Total</b>	<b>126.36</b>	<b>75.70</b>

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

### SHARE CAPITAL

Note No.13

#### a) Authorised Share Capital

Particulars	Equity	
	No's	Total
<b>As at 31<sup>st</sup> March, 2021</b>	<b>2,60,00,000</b>	<b>26.00</b>
Changes during the Year	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>2,60,00,000</b>	<b>26.00</b>
Changes during the Year	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>2,60,00,000</b>	<b>26.00</b>

#### b) Issued, Subscribed and Paid-up Share Capital

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

Particulars	No's	Total
<b>As at 31<sup>st</sup> March, 2021</b>	<b>1,47,10,764</b>	<b>14.71</b>
Increase / (Decrease) during the Year	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>1,47,10,764</b>	<b>14.71</b>
Increase in paid-up capital on conversion of Loan into equity	1,95,593	0.20
<b>As at 31<sup>st</sup> March, 2023</b>	<b>1,49,06,357</b>	<b>14.91</b>

#### 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. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders

## Notes to the Financial Statements

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

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

Name of the Share holder	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	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	25.93%	38,64,942	26.27%
S. Kishore Babu (HUF)	-	0.00%	12,44,000	8.46%
S. Lakshmi	30,08,626	20.18%	37,28,626	25.35%
Vignatha Sajja	11,03,054	7.40%	3,83,054	2.60%
Aishwarya Kurra	8,07,513	5.42%	87,513	0.59%
HDFC Small Cap Fund	12,47,109	8.37%	12,27,393	8.34%
	<b>1,00,31,244</b>	<b>67.30%</b>	<b>1,05,35,528</b>	<b>71.62%</b>

### e) Details of shares held by promoters as on 31.03.2023

Name of the promoters	As at 31 <sup>st</sup> March 2023		% Change during the FY 2022-23
	No. of shares	% of total shares	
Sajja Kishore Babu	38,64,942	25.93	0.00
Lakshmi Sajja	30,08,626	20.18	(19.31)
Sajja Rohit	5,43,413	3.65	2,699.22
Sajja Vignatha	11,03,054	7.40	187.96
Aishwarya Kurra	8,07,513	5.42	822.73
Gogineni Babu	25,958	0.17	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	0.00
Subhashini Kanteti	2,520	0.02	0.00
Uma Devi Koyi	3,026	0.02	0.00
Sai Malleswara Rao Sajja	255	0.00	0.00
Power Mech Infra Limited	1,95,593	1.31	100.00

### Details of shares held by promoters as on 31.03.2022

Name of the promoters	As at 31 <sup>st</sup> 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

## Notes to the Financial 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 11 Indian Joint venture's M/S POWER MECH-M/S ACPL JV, PMPL-STJ 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, RITES-PMPL JV, SCPL-PMPL JV, POWER MECH-TAIKISHA 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.

### OTHER EQUITY

Note No.14

#### Securities Premium

Particulars	Amount
As at 31 <sup>st</sup> March, 2021	160.93
Changes during the Year	-
As at 31 <sup>st</sup> March, 2022	160.93
Add : Increase on account of Conversion of Loan into equity at a Premium of ₹1,268.16 per share.	24.80
As at 31 <sup>st</sup> March, 2023	185.73

#### General Reserve

Particulars	Amount
As at 31 <sup>st</sup> March, 2021	36.96
Transfers during the Year	-
As at 31 <sup>st</sup> March, 2022	36.96
Transfers during the Year	-
As at 31 <sup>st</sup> March, 2023	36.96

#### Retained Earnings

Particulars	Amount
As at 31 <sup>st</sup> March, 2021	638.78
Add: Total comprehensive income for the year transferred from statement of profit and loss	142.22
Less: Appropriations.	-
As at 31 <sup>st</sup> March, 2022	781.00
Add: Total comprehensive income for the year transferred from statement of profit and loss	210.05
Less: Appropriations.	-
Final Dividend for the financial year 2021-22 proposed & paid during the year	2.21
As at 31 <sup>st</sup> March, 2023	988.84



# Notes to the Financial Statements

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

## Summary of Other Equity

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Securities Premium	185.73	160.93
General Reserve	36.96	36.96
Retained Earnings	988.84	781.00
<b>Total</b>	<b>1,211.53</b>	<b>978.89</b>

### Nature of reserves:

#### a) Securities premium

Securities premium represents premium received on issue/conversion 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.

## LONG TERM BORROWINGS

Note No.15

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. Secured</b>				
i. Term loans				
<b>a) From Banks:</b>				
i) Axis Bank	5.31	7.92	13.43	11.95
ii) HDFC Bank	0.70	0.95	1.32	2.06
iii) ICICI Bank	0.13	7.06	7.11	9.24
iv) Kotak Mahindra Bank	6.00	6.16	7.23	5.29
v) Yes Bank	-	0.31	0.31	0.34
vi) Bank of Baroda	1.98	-	1.27	-
vii) Emirates Islamic Bank	1.18	0.63	0.69	0.46
<b>b) From Others:</b>				
i) HDB Financial Services	3.92	4.35	4.55	3.34
ii) TATA Capital	2.52	6.43	6.11	12.49
iii) Mahindra finance	0.19	1.13	1.21	2.34
iv) Al-Futtaim	0.12	-	0.11	-
<b>Total (a)</b>	<b>22.05</b>	<b>34.94</b>	<b>43.34</b>	<b>47.51</b>
<b>B. Unsecured</b>				
a) Deferred payment liabilities				
Due to suppliers on deferred credit basis	4.02	-	-	-
<b>Total (b)</b>	<b>4.02</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (a+b)</b>	<b>26.07</b>	<b>34.94</b>	<b>43.34</b>	<b>47.51</b>

## Notes to the Financial Statements

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

- 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 : 2024-25 - ₹ 10.51 ; 2025-26 - ₹ 4.39 ; 2026-27 - ₹ 0.33 & 2027-28 - ₹ 0.08  
Companies : 2024-25 - ₹ 5.82 & 2025-26 - ₹ 0.93
- 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 except for the term loans bearing sanction amount of ₹ 0.66 Cr and outstanding balance of ₹ 0.65 Cr as at 31.03.2023 for which no charge was registered and term loans bearing sanction amount of ₹ 0.27 Cr and outstanding balance of ₹ Nil as at 31.03.2023 for which no satisfaction of charge was filed.
- 6) No defaults were made in repayment of above term loans

### OTHER FINANCIAL LIABILITIES

Note No.16

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
a) Retention Money & Security deposits recovered from Sub-Contractors	86.40	79.95	24.56	12.46
b) Creditors for capital goods	-	-	0.75	0.71
c) Interest accrued and due	-	-	0.16	0.24
d) Interest accrued but not due	-	-	-	0.21
e) Unclaimed dividend	-	-	0.02	0.02
f) Employee related payments	-	-	62.72	61.96
g) Share application money refundable	-	-	0.11	0.11
h) Other Liabilities	-	-	36.57	39.82
	<b>86.40</b>	<b>79.95</b>	<b>124.89</b>	<b>115.53</b>
a) Lease liability	0.86	1.72	0.83	1.64
<b>Total</b>	<b>87.26</b>	<b>81.67</b>	<b>125.72</b>	<b>117.17</b>

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.

### PROVISIONS

Note No.17

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	-	2.25	-	0.56
- Leave Encashment (Unfunded)	3.74	4.36	0.86	0.99
<b>Total</b>	<b>3.74</b>	<b>6.61</b>	<b>0.86</b>	<b>1.55</b>

### 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 ₹ 28.23 Cr (Year ended March 31, 2022: ₹ 18.90 Cr) for provident fund contributions, and ₹ 3.66 Cr (Year ended March 31, 2022: ₹ 1.85 Cr) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

## Notes to the Financial Statements

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

### b. Defined benefit plans

The Company provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

### 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 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Present value of obligation	13.74	12.53
Fair Value of plan assets	13.92	9.72
<b>Net Liability / (Asset) recognised in the Balance Sheet</b>	<b>(0.18)</b>	<b>2.81</b>

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

Particulars	Plan Obligation	Plan Assets	Deficit/(Surplus)
<b>As at March 31, 2021</b>	<b>11.04</b>	<b>9.64</b>	<b>1.40</b>
Current service cost	2.87	-	2.87
Interest cost	0.74	-	0.74
Interest Income	-	0.65	(0.65)
Actuarial gain arising from changes in experience adjustments	(0.60)	-	(0.60)
Actuarial gain arising from changes in financial assumptions	(0.76)	-	(0.76)
Contributions by employer	-	0.30	(0.30)
Benefit payments	(0.76)	(0.76)	-
Return on plan assets, excluding interest income	-	(0.11)	0.11
<b>As at March 31, 2022</b>	<b>12.53</b>	<b>9.72</b>	<b>2.81</b>
Current service cost	3.56	-	3.56
Interest cost	0.84	-	0.84
Interest Income	-	0.84	(0.84)

## Notes to the Financial 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 experience adjustments	(0.60)	-	(0.60)
Actuarial gain arising from changes in financial assumptions	(0.30)	-	(0.30)
Contributions by employer	-	5.77	(5.77)
Benefit payments	(2.28)	(2.28)	-
Return on plan assets, excluding interest income	-	(0.13)	0.13
<b>As at March 31, 2023</b>	<b>13.75</b>	<b>13.92</b>	<b>(0.18)</b>

### (iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31 <sup>st</sup> March, 2023
<b>Employee Benefit Expenses</b>	
Current service cost	3.56
Past Service cost	-
Interest cost	0.84
Interest Income	(0.84)
<b>Net impact on profit before tax</b>	<b>3.56</b>
<b>Remeasurement of the net defined benefit plans:</b>	
Actuarial gain arising from changes in Financial assumptions	(0.30)
Actuarial (gain)/loss arising from changes in Experience adjustments	(0.60)
Return on plan assets, excluding interest income	0.13
<b>Net impact on other comprehensive income</b>	<b>(0.77)</b>
Particulars	Year ended 31 <sup>st</sup> March, 2022
<b>Employee Benefit Expenses</b>	
Current service cost	2.86
Past Service cost	-
Interest cost	0.74
Interest Income	(0.65)
<b>Net impact on profit before tax</b>	<b>2.95</b>
<b>Remeasurement of the net defined benefit plans:</b>	
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
<b>Net impact on other comprehensive income</b>	<b>(1.25)</b>

## Notes to the Financial 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 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Insurance policies	100%	100%

### (v) Investment details

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Insurance Policies	13.92	9.72

### (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 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Discount rate	7.51%	7.34%
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 <sup>st</sup> March, 2023
Salary Escalation - Up by 1%	15.81
Salary Escalation - Down by 1%	12.01
Withdrawal Rates - Up by 1%	14.60
Withdrawal Rates - Down by 1%	12.73
Discount Rates - Up by 1%	12.14
Discount Rates - Down by 1%	15.67
Mortality Rates - Up by 1%	13.77
Mortality Rates - Down by 1%	13.71

### (viii) Maturity profile of Defined Benefit Obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non Current
Defined Benefit Obligation	0.62	2.78	42.36

## Notes to the Financial Statements

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

### DEFERRED TAX

Note No.18

The following is the analysis of deferred tax Assets/(Liabilities) presented in the Balance Sheet

Particulars	Components	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Liability:</b>		
Towards depreciation	-	-
<b>Asset:</b>		
Dis-allowances under Income-tax	4.54	4.92
Towards depreciation	6.29	5.34
<b>Total</b>	<b>10.83</b>	<b>10.26</b>

### Movement in Deferred Tax Assets/(Liabilities)

Component	As at 31 <sup>st</sup> March, 2021	(Credit) / Charge to Statement of P&L	As at 31 <sup>st</sup> March, 2022	(Credit)/Charge to Statement of P&L	As at 31 <sup>st</sup> March, 2023
<b>Deferred tax asset in relation to:</b>					
Depreciation	4.55	(0.79)	5.34	(0.95)	6.29
Expenses allowable under Income tax when paid	3.21	(1.71)	4.92	0.38	4.54
On account of unabsorbed losses	12.44	12.44	-	-	-
<b>Total</b>	<b>20.20</b>	<b>9.94</b>	<b>10.26</b>	<b>(0.57)</b>	<b>10.83</b>

### OTHER LIABILITIES

Note No. 19

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
a) Mobilisation advances received from customers	72.90	68.34	130.75	88.12
b) Advances received from customers against supplies or works	-	-	21.82	16.99
c) Statutory Liabilities	-	-	66.86	73.80
d) Deferred government grants (Refer note (i) below)	0.45	0.49	-	-
<b>Total</b>	<b>73.35</b>	<b>68.83</b>	<b>219.43</b>	<b>178.91</b>

- 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's utilized is recognised."
- ii) The segregation of mobilisation advances received from customers has been made based on the estimated work to be completed in next year and as per the terms of agreement entered with customers, turnover, terms of release of amount and estimates of the management.

# Notes to the Financial Statements

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

## SHORT TERM BORROWINGS

Note No.20

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. Secured</b>		
1. Loans repayable on demand :		
Working capital loans from Banks		
i) State Bank of India	86.45	82.95
ii) Standard Chartered Bank	-	12.00
iii) Axis Bank	-	3.03
iv) IDFC First Bank	12.55	35.55
v) Punjab National Bank	17.37	19.81
vi) Bank of India	19.91	20.87
vii) IndusInd Bank	4.27	0.25
viii) Union bank of India	33.87	35.30
ix) Bank of Baroda	64.54	44.42
x) UCO Bank	44.77	49.94
xi) Central Bank of India	-	1.59
xii) Bandan Bank	49.10	19.13
xiii) Karnataka Bank	22.95	-
2. Current maturities of long-term debt (Refer Note no.15)	43.34	47.51
<b>B. Un Secured</b>		
1. Loans repayable on demand:		
a) Working Capital Loans from Banks		
i) Bank of Bahrain & Kuwait	48.80	49.85
2. Short term loans :		
a) Inter Corporate loan		
i) From Power Mech Infra Limited	-	50.00
<b>Total</b>	<b>447.92</b>	<b>472.20</b>

### Note:

- Working capital loans from all the banks are secured by way of first charge on entire current assets of the company on pari passu basis. Further these loans are secured by way of first charge on fixed assets both present and future, excluding those assets against which charge was given to equipment financiers. The said loans are collaterally secured by way of equitable mortgage of immovable properties belonging to the Company, Managing director, director and a firm.
- Overdraft facility from banks is secured against fixed deposits with banks.
- All the above loans are guaranteed by Managing Director and a director in their personal capacities.
- The above loans carries interest varies from 7.97% to 10.65%.
- 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 along with the payment of additional fees.
- The company has availed working capital facilities against security of current assets. The revised quarterly returns and statements comprising stock statements, payables and receivables (including retention and security deposit amounts) filed by the company with the banks subsequent to the quarterly review of accounts are in agreement with the unaudited books of the company of the respective quarters and no material discrepancies have been noticed.
- The company has not declared as willful defaulter by any of the bank or any other institution.

# Notes to the Financial Statements

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

## TRADE PAYABLES

Note No.21

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Dues to : Small and Micro Enterprises	1.16	1.47
: Other than Small and Micro Enterprises (Including Acceptances)*	744.04	530.02
<b>Total</b>	<b>745.20</b>	<b>531.49</b>

\* Acceptances include arrangements where suppliers of goods and services are initially paid by banks/financiers.

### Ageing of Trade Payables as on 31.03.2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	1.10	0.02	0.04	-	1.16
(ii) Others	618.42	53.55	29.37	42.69	744.04
(iii) Unbilled Dues	-	-	-	-	-
(iv) Disputed dues MSME	-	-	-	-	-
(v) Disputed dues others	-	-	-	-	-

### Ageing of Trade Payables as on 31.03.2022

Particulars	Outstanding for following periods from due date of payment				
	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	429.98	38.60	38.99	22.45	530.02
(iii) Unbilled Dues	-	-	-	-	-
(iv) Disputed dues MSME	-	-	-	-	-
(v) 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 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	1.16	1.47
(b) Interest due there on	0.35	0.26
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	0.37	0.06
(b) Interest paid along with such payments during the year	0.02	0.00
(c) Interest due and payable at the end of the year on such payments made during the year.	0.24	-
3. Amount of Interest for the year u/s 16 of the Act accrued and remaining un-paid at the end of the year	0.11	0.04
4. Total amount of interest u/s 16 of the Act including that arising in earlier years, accrued and remaining unpaid at end of the year.	0.35	0.26



## Notes to the Financial Statements

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

### CURRENT INCOME-TAX (ASSET)/LIABILITIES (NET)

Note No.22

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Provision for Income-tax	327.57	254.44
Less: Advance Income-tax and TDS	384.69	311.68
	<b>(57.12)</b>	<b>(57.24)</b>

### Income-tax recognised in profit or loss

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>Current Tax</b>		
Tax expense in respect of current year Income	73.14	36.45
	<b>73.14</b>	<b>36.45</b>
<b>Deferred Tax</b>		
Deferred Tax (credit)/charge in respect of Current year	(0.57)	9.94
	<b>(0.57)</b>	<b>9.94</b>
<b>Total tax expense recognised in profit or loss</b>	<b>72.57</b>	<b>46.39</b>

The current income- tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Profit before tax (including remeasurement gain on defined benefit plans)	282.61	188.61
Enacted Tax Rates in India	25.17%	25.17%
Computed Tax expense	71.13	47.47
Add: Tax effects of expenses which are not deductible in determining taxable profit		
- Depreciation difference	1.38	0.64
- Expenses(net of Income) not deductible for tax purposes	0.67	12.05
Tax on Ind AS adjustments	(0.04)	0.66
Tax on dividend received from foreign subsidiaries u/s 115BBD @ 15%	-	2.34
<b>Current Tax Provision (A)</b>	<b>73.14</b>	<b>36.45</b>
Increase of Deferred tax Asset on account of fixed Assets	(0.95)	(0.79)
Decrease of Deferred tax Asset on account of other Assets	0.38	(1.71)
Decrease of Deferred tax Asset on account of unabsorbed Losses	-	12.44
<b>Deferred Tax (Credit) / Charge (B)</b>	<b>(0.57)</b>	<b>9.94</b>
<b>Total Tax Expense (A+B)</b>	<b>72.57</b>	<b>46.39</b>

## Notes to the Financial Statements

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

### REVENUE FROM OPERATIONS

Note No.23

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>Contract receipts:</b>		
Income from contracts and services	3,531.34	2,629.94
<b>Other operating revenue :</b>		
Crane and equipment hire charges received	0.75	1.19
<b>TOTAL</b>	<b>3,532.09</b>	<b>2,631.13</b>

### OTHER INCOME

Note No.24

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Interest from banks and others (at amortized cost)	8.25	6.69
Interest on unwinding portion of Rental Deposits (at amortized cost)	0.08	0.07
Profit on sale of assets	1.62	0.22
Dividend received	-	15.58
Fair value gain on current investments	-	0.19
Gain on exchange fluctuations	3.05	2.61
Sale of Duty credit scrip and deferment of govt. grants	0.05	0.05
<b>TOTAL</b>	<b>13.05</b>	<b>25.41</b>

### COST OF MATERIALS CONSUMED

Note No.25

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Opening Stock	117.44	96.66
Add: Purchases	514.28	344.55
	<b>631.72</b>	<b>441.21</b>
Less: Closing Stock	110.84	117.44
<b>TOTAL</b>	<b>520.88</b>	<b>323.77</b>

### CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

Note No.26

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Opening work-in-progress	8.37	10.15
	<b>8.37</b>	<b>10.15</b>
Closing work-in-progress	22.20	8.37
	<b>22.20</b>	<b>8.37</b>
<b>Increase / (Decrease) in Work-in-progress</b>	<b>13.83</b>	<b>(1.78)</b>

## Notes to the Financial Statements

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

### CONTRACT EXECUTION EXPENSE

Note No.27

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Sub-contract expenses	1,661.17	1,213.87
Radiography charges	17.20	15.70
Royalty Charges	175.77	179.23
Hire charges	38.58	41.61
Rent at Project sites	24.62	20.45
Power and fuel	6.20	5.10
Insurance	4.73	5.44
Vehicles movement and other freight expenses	25.19	26.85
Repairs and maintenance : Plant and machinery	19.72	12.90
Other assets	3.38	2.94
Fuel and vehicle maintenance	70.99	59.34
Traveling expenses at projects	11.75	12.29
<b>TOTAL</b>	<b>2,059.30</b>	<b>1,595.72</b>

### EMPLOYEE BENEFIT EXPENSE

Note No.28

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Salaries and Wages	449.64	347.91
Remuneration to managerial personnel	11.71	5.32
Contribution to provident and other funds	31.89	20.76
Staff welfare expenses	30.06	27.64
Contribution towards group gratuity	3.55	2.95
<b>TOTAL</b>	<b>526.85</b>	<b>404.58</b>

### FINANCE COST

Note No.29

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Interest paid to banks and others	79.12	70.34
Loan Processing charges	7.58	4.53
Interest on Income-tax	0.54	0.70
Exchange fluctuations on deferred credit payment	0.11	0.06
Finance cost on lease liability	0.25	0.43
<b>TOTAL</b>	<b>87.60</b>	<b>76.06</b>

### DEPRECIATION AND AMORTISATION

Note No.30

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Depreciation	38.90	32.22
Amortisation	0.04	0.05
Amortization of Right-to-use assets (Refer Note No.47)	1.87	2.21
<b>TOTAL</b>	<b>40.81</b>	<b>34.48</b>

Refer note no 3(c) given under Significant accounting policies for method of providing depreciation.

## Notes to the Financial Statements

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

### OTHER EXPENSE

Note No.31

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Directors Sitting Fee	0.12	0.11
Payments to auditors		
Towards Statutory audit	0.15	0.12
Towards tax audit and taxation matters	0.01	0.01
Rates and taxes	4.56	5.95
Fair value changes on current investments	0.05	-
Miscellaneous expenses	29.29	17.68
Bad debts writtenoff	4.31	-
Less : Provision withdrawn	(2.15)	-
Provision towards doubtful debts and advances	4.13	4.28
CSR expenses	1.20	1.53
Loss on sale of assets /Assets writtenoff	0.02	3.12
<b>TOTAL</b>	<b>41.69</b>	<b>32.80</b>

### Categories of Financial Instruments

Note: 32

The Carrying amounts and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 are as follows:

Particulars	Carrying value		Fair value	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Financial assets</b>				
<b>Measured at Amortised cost</b>				
(i) Other financial assets	970.88	827.52	970.64	827.41
(ii) Loans and advances	46.78	38.43	46.78	38.43
<b>Measured at FVTOCI</b>				
(i) Investments in equity instruments/Mutual Funds	0.02	0.02	0.06	0.05
<b>Measured at FVTPL</b>				
(i) Investments in Mutual Funds	0.34	2.15	0.39	2.45
<b>Measured at cost</b>				
(i) Investment in Subsidiaries, Joint ventures & Associates	13.86	13.86	13.86	13.86
<b>Total assets</b>	<b>1,031.88</b>	<b>881.98</b>	<b>1,031.73</b>	<b>882.20</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
(i) Borrowings (including current maturities of Long term borrowings)	69.42	82.45	69.42	82.45
(ii) Other financial liabilities	211.29	195.48	211.29	195.48
(iii) Lease liabilities	1.69	3.36	1.69	3.36
<b>Total liabilities</b>	<b>282.40</b>	<b>281.29</b>	<b>282.40</b>	<b>281.29</b>

# Notes to the Financial Statements

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

## Fair value hierarchy

**Note: 33**

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The categories used are as follows:

**Level 1:** Quoted prices for identified instruments in an active market.

**Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data.

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets are measured at the fair value at the end of each reporting period.

The following table gives information about how the fair value of these financial assets and financial liabilities are determined in particular, the valuation technique and other inputs used.

Financial Assets	Fair Value as at		Fair Value hierarchy	Valuation technique and key input
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022		
1) Investments in Quoted Mutual Funds	0.45	2.50	Level I	Quoted bid prices in an active market
2) Investments in Quoted Equity Instruments	0.00	0.00	Level I	Quoted bid prices in an active market

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and short term borrowings at carrying value because their carrying amounts approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of long term borrowings, other financial assets and financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

## Financial Risk Management

**Note: 34**

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 39% of its trade receivables. All trade receivables are reviewed and assessed for default on a monthly basis. On historical experience of collecting receivables credit risk is low.

## Notes to the Financial Statements

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

The following table gives details in respect of dues from trade receivables including retention and deposit amounts.

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Turnover from top Customer	693.45	650.61
Dues from top customer	355.05	295.00
Turnover from other top 4 customers	1,314.07	547.57
Dues from other top 4 customers	244.14	32.91

### Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks held as margin money against guarantees and retention money and security deposits with customers which are to be released on fulfillment of conditions as specified in the work orders.

The Company's maximum exposure of credit risk as at March 31, 2023, March 31, 2022 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 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Letter of Credit	USD	4.02	-

- 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 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Net Investment in		
USD - US Dollars	10.11	9.35
SAR - Saudi Arabian Riyals	0.04	3.06
AED - Arab Emirates Dirham	32.49	19.08
BDT - Bangladeshi Taka	181.61	165.26
LYD - Libyan Dinars	1.47	1.22
KWD - Kuwaiti Dinar	4.24	5.30
<b>Total</b>	<b>229.96</b>	<b>203.27</b>

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.

# Notes to the Financial Statements

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

## C. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has availed credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2023 and March 31, 2022. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Company regularly maintains the rolling forecasts to ensure that it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits.

The company is repaying its borrowings as per the schedule of repayment and no amount was pending for remittance beyond its due date.

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 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Equity	1,226.44	993.60
Short Term Borrowings	404.57	424.69
Long Term Borrowings (including Current maturities of Long term debt)	69.42	82.45
Cash and Cash Equivalents (including other bank balances)	(225.45)	(204.99)
<b>Net Debt</b>	<b>248.54</b>	<b>302.15</b>
Total Capital (Equity+Net Debt)	1,474.98	1,295.75
<b>Gearing Ratio (Net Debt / Equity)</b>	<b>20.27%</b>	<b>30.41%</b>

Note	Particulars	31.03.2023	31.03.2022
<b>35</b>	<b>Contingent Liabilities and Commitments</b>		
A.	Contingent Liabilities		
	a) Claims against the company not acknowledged as debts		
	VAT	1.80	1.80
	Goods & Service Tax (GST)	8.28	-
	b) Other contingent liabilities	-	-
B.	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	4.24	2.17

## Notes to the Financial Statements

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

Note	Particulars	31.03.2023	31.03.2022
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.	1,221.45	1,017.44
37	CIF value of Imports made by the company during the year		
	a) Consumables & Spare parts	0.06	0.29
	b) Capital goods	4.61	2.71
38	Earnings in foreign currency		
	Abu Dhabi	119.52	84.39
	Bangladesh	203.75	266.54
	Nigeria	14.43	14.50
	Sharjah	10.45	1.03
	b) Dividend from foreign subsidiaries		
	Power Mech projects (BR) FZE	-	15.58
39	Expenditure in foreign currency		
	a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
	Abu Dhabi	105.87	79.16
	Bangladesh	176.77	181.07
	Kuwait	0.49	0.17
	Shuqaiq	4.34	0.58
	Libya	0.02	-
	Sharjah	7.56	1.04
	b) Foreign travel	0.05	0.01

#### 40. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
a) Gross amount required to be spent by the company during the year	1.06	1.36
b) Amount spent during the year (Contribution paid to Power Mech Foundation/others)	1.20	1.53
c) Related party transactions in relation to Corporate Social Responsibility	1.18	1.41
d) Details of excess amount spent	0.14	0.17
e) Nature of CSR activities undertaken by Power Mech Foundation		
(i) Providing Education		
(ii) Promoting health care		
(iii) Facilities for setting up home for Orphanages & Old-Age homes		



## Notes to the Financial 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 Vignatha Solar Private Limited
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-STG-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 RITES-PMPL JV SCPL-PMPL JV PMPL-TAIKISHAN 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 to the Financial Statements

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

### B) Transactions with related parties

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
<b>i)</b>	<b>Rent Paid (Excluding GST)</b>						
a)	S. Kishore Babu	0.23					
		(0.18)					
b)	S. Lakshmi		0.16				
			(0.16)				
c)	S. Kishore Babu (HUF)		0.02				
			(0.09)				
d)	S. Vignata		0.12				
			(0.12)				
e)	Power Mech Infra Limited			1.84			
				(1.96)			
f)	Power Mech foundation			0.01			
				-			
<b>ii)</b>	<b>Remuneration Paid</b>						
a)	S. Kishore Babu	11.71					
		(5.32)					
b)	S. Rohit		0.36				
			(0.36)				
<b>iii)</b>	<b>Sub-Contract Expenses &amp; Hire charges Paid</b>						
a)	Power Mech Industri Private Limited				0.25		
					(0.39)		
<b>iv)</b>	<b>Stores Material Purchased from</b>						
a)	Power Mech Industri Private Limited				0.00		
					(0.36)		
b)	Hydro Magus Private Limited				0.04		
					-		
<b>v)</b>	<b>Assets purchased from</b>						
a)	MAS Power Mech Arabia						-
							(1.14)
<b>vi)</b>	<b>Contract receipts from sale of services</b>						
a)	M/s. Power Mech - M/s. ACPL JV					26.40	
						(87.77)	
b)	Power Mech-STIS-JV					15.42	
						(30.51)	
c)	Power Mech-Khilari Consortium JV					16.91	
						(30.81)	

## Notes to the Financial Statements

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

SI No.	Particulars		KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
d)	PMPLSRC INFRA JV - (Mizoram)						116.30	
							(71.82)	
e)	PMPL SRC INFRA JV (Hassan)						71.42	
							(128.10)	
f)	PMPL - PIA JV						44.29	
							(2.25)	
g)	PMPL KVRECPL Consortium JV						0.50	
							(0.10)	
h)	PMPL-BRCC INFRA JV						512.88	
							(90.38)	
i)	RITES-PMPL JV						9.52	
							-	
j)	RITES SCPL-PMPL JV						0.64	
							-	
k)	POWER MECH-TAIKISHA JV						5.05	
							-	
l)	Power Mech Industri Private Limited					1.95		
							-	
m)	Power Mech Projects (BR) FZE					14.43		
							(14.50)	
<b>vii)</b>	<b>Dividend Received</b>							
a)	Power Mech projects (BR) FZE						-	
							(15.58)	
<b>viii)</b>	<b>Donations / CSR Contributon paid</b>							
a)	Power Mech foundation				1.18			
					(1.41)			
<b>ix)</b>	<b>Sitting fee paid to directors</b>							
a)	G D V Prasada Rao	0.04						
		(0.04)						
b)	T Sankaralingam	0.04						
		(0.03)						
c)	Vivek Paranjpe	0.02						
		(0.02)						
d)	Lasya Yerramneni	0.03						
		(0.02)						
<b>x)</b>	<b>Interest Paid</b>							
a)	Power Mech Infra Limited				2.57			
							-	

## Notes to the Financial Statements

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

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
<b>xi)</b>	<b>Loans Repaid</b>						
a)	Power Mech Infra Limited			25.00			
				-			
<b>xii)</b>	<b>Issue on Conversion of Loan</b>						
a)	Power Mech Infra Limited			25.00			
				-			
<b>xiii)</b>	<b>Loans Given</b>						
a)	Power Mech Industri Private Limited				6.78		
					(6.43)		
b)	KBP Mining Private Limited				5.22		
					(2.91)		
<b>xiv)</b>	<b>Loan Repaid</b>						
a)	Power Mech Industri Private Limited				2.78		
					(1.37)		

### C) Balances outstanding as on 31.03.2023

SI 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)		
vii)	Investment in Aashm Avenues Private Limited				0.10		
					(0.10)		
viii)	Investment in Power Mech Power Mech Projects (BR) FZE				0.69		
					(0.69)		
ix)	Investment in Power Mech Environmental Protection Private Limited				0.01		
					(0.01)		

## Notes to the Financial Statements

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

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/ Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
x)	Investment in Energy Advisory and Consulting Services Private Limited.				0.01 (0.01)		
xi)	Investment in KBP Mining Private Limited.				0.01 (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			1.21 (1.81)			
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	2.95 (1.10)					
	S. Rohit		0.07 (0.07)				
xviii)	Rent Payable						
	S. Kishore Babu	0.04 (0.04)					
	S. Lakshmi		0.01 (0.02)				
	S. Kishore Babu (HUF)		- (0.02)				
	S. Vignatha		0.01 (0.02)				
	Power Mech foundation			0.01 -			
xix)	Advances Due from Power Mech Industri Private Limited				31.71 (27.71)		
xx)	Advances Due from Power Mech SSA Structures Private Limited				2.21 (2.21)		
xxi)	Advances Due from KBP Mining Private Limited				8.12 (2.91)		

## Notes to the Financial Statements

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

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/ Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
xxii)	Advances Due from GTA Power Mech FZE					0.69 (0.64)	
xxiii)	Trade Receivable - Hydro Magus Private Limited (including Retention money and Security Deposits)				4.23 (3.50)		
xxiv)	Trade Receivable - Power Mech BSCPL Consortium Private Limited (including Retention money and Security Deposits)				78.28 (80.71)		
xxv)	Trade Receivable - Mas Power Mech Arabia						13.45 (13.39)
xxvi)	Trade Receivable -Power Mech Projects (BR) FZE				7.79 (12.69)		
xxvii)	Trade Receivable - M/S POWER MECH-M/S ACPL JV (including Retention money and Security Deposits)					0.74 (1.77)	
xxviii)	Trade Receivable - PMPL-STS JV (including Retention money and Security Deposits)					11.10 (10.92)	
xxix)	Trade Receivable - PMPL-KHILARI Consortium JV (including Retention money and Security Deposits)					8.95 (8.28)	
xxx)	Trade Receivable - PMPL-SRC INFRA JV - Mizoram (including Retention money and Security Deposits)					12.76 (0.97)	
xxxi)	Trade Receivable - PMPL-SRC INFRA JV - Hassan (including Retention money and Security Deposits)					1.31 -	
xxxii)	Trade Receivable - PMPL-PIA JV (including Retention money and Security Deposits)					14.02 (2.48)	

## Notes to the Financial Statements

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

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/ Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
xxxiii)	Trade Receivable - PMPL-KVRECPL Consortium JV (including Retention money and Security Deposits)					0.31	
xxxiv)	Trade Receivable - PMPL-BRCC INFRA JV (including Retention money and Security Deposits)					143.19	
xxxv)	Trade Receivable - RITES-PMPL JV (including Retention money and Security Deposits)					(10.96)	
xxxvi)	Trade Receivable - POWER MECH-TAIKISHA JV (including Retention money and Security Deposits)					0.50	
xxxvii)	Mobilisation advance from GTA Power Mech FZE					-	
xxxviii)	Advance from GTA Power Mech FZE					10.13	
xxxix)	Security Deposit -Power Mech BSCPL Consortium Private Limited					(10.97)	
						1.88	
						(2.14)	
					1.12		
					(1.12)		

**42. Balances with all the customers and suppliers accounts are subject to confirmation and reconciliation.**

### 43. Segment reporting:

**Business Segment :** The company prodominently operates only in construction and maintenance activities. This in the context of IND AS -108" "Operating Segments" "is considered to constitute only one business segment."

**Geographical Segment:** The Company has operations within India and outside India and as per ind as 108 - "operating segment", the Segment information has been presented under the notes to consolidated financial statements.

## Notes to the Financial Statements

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

### 44. Key Financial Ratios

Particulars	Numerator	Denominator	Unit of Measurement	FY 2022-23	FY 2021-22	Variation in %
Current Ratio	Current Assets	Current Liabilities	No.of times	1.58	1.54	3%
Debt-Equity Ratio *	Total Debt	Shareholder's Equity	No.of times	0.39	0.51	-32%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	No.of times	2.58	2.04	21%
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	%	19%	15%	19%
Inventory Turnover Ratio #	Cost of Goods sold	Average Inventory	No.of times	4.13	2.77	33%
Trade receivables Turnover Ratio	Net Credit Sales	Avg. Accounts Receivable	No.of times	4.62	4.66	-1%
Trade payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	No.of times	3.43	3.09	10%
Net Capital Turnover Ratio	Net Sales	Working Capital	No.of times	3.94	3.74	5%
Net Profit Ratio	Net Profit	Net Sales	%	6%	5%	10%
Return on Capital Employed	Earning before interest and taxes	Capital Employed	%	17%	18%	-1%
Return on Investment	Income during the year	Time weighted average of investments				
(a) Return on Mutual funds			%	0%	8%	
(b) Return on Long-term investments			%	0%	112%	

\* The debt equity ratio has been improved on account of repayment of debt during the current financial year and increase in shareholders equity of the company.

# Inventory Turnover ratio has been increase primarily due to increase in revenue thereby increase in material consumption during the current financial year.

### 45. Calculation of Earnings per Share:

Sl. No	Particulars	2022-23	2021-22
1)	<b>Basic and Diluted Earning per share</b>		
	No. of shares at the beginning of the year	1,47,10,764	1,47,10,764
	Change in equity during the year	93,242	-
	Total Weighted average number of shares	1,48,04,006	1,47,10,764
	Face value per share (in ₹)	10.00	10.00
	Profit attributable to equity share holders	209.27	140.96
	Basic and Diluted Earning per share (in ₹)	141.38	95.82



## Notes to the Financial Statements

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

### 46. Leases

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(i) The following is the breakup of current and non-current lease liabilities</b>		
Current liabilities	0.83	1.64
Non-current liabilities	0.86	1.72
<b>Total</b>	<b>1.69</b>	<b>3.36</b>
<b>(ii) The following is the movement of lease liabilities</b>		
Balance at the Opening/Transition date	3.36	5.27
Additions during the year	0.39	0.31
Finance cost accrued during the year	0.25	0.43
Payment of lease liabilities during the year	(2.31)	(2.65)
<b>Balance at the end</b>	<b>1.69</b>	<b>3.36</b>
<b>(iii) Maturity analysis of lease liabilities</b>		
Less than one year	0.83	1.64
One to five years	0.86	1.72
More than five years	-	-
<b>Total</b>	<b>1.69</b>	<b>3.36</b>

(iv) The impact of change in accounting policy on account of adoption of Ind AS 116 is as follows

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities (Refer Note 29)	0.25	0.43
Depreciation of Right-of-use assets (Refer Note 4.2)	1.87	2.21
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	2.31	2.65

v) The impact on the profit for the year is not material.

### 47. Disclosure pursuant to Ind AS 115 "Revenue from contracts with customers"

#### a) Movement in expected credit losses:

Particulars	Provision on contract assets	
	Retention money & security deposits with customers & Debtors	Advances given to sub contractors against works
<b>Opening balance as at 01.04.2022</b>	10.15	1.22
Changes in allowance for expected credit loss		
- Provision for expected credit loss	1.18	2.95
- Reversal of Provision for expected credit loss	(2.15)	-
<b>Closing balance as at 31.03.2023</b>	<b>9.18</b>	<b>4.16</b>

## Notes to the Financial Statements

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

### b) Movement in contract balances :

Particulars	31.03.2023	31.03.2022	Net Increase / Decrease
<b>Contract Receivables</b>			
Dues from customers	886.10	641.19	244.91
<b>Contract assets</b>			
Retention & SD amounts due from customers	343.55	316.22	27.33
<b>Contract payables</b>			
Due to Sub Contractors	435.08	342.67	92.42
<b>Contract Liabilities</b>			
Retention & SD amount due to Sub Contractors	110.96	92.41	18.55

### 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 ₹13,578 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.

## 48. Dividend:

The board of Directors at its meeting held on 26.05.2023 have recommended a final dividend of ₹2.00/- each per share of face value of ₹10/- each for the financial year ended 31<sup>st</sup> March, 2023. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as a liability.

## 49. 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 <sup>st</sup> March, 2023	Maximum Balance Outstanding for the year 2022-23	Balance as on 31 <sup>st</sup> March, 2022	Maximum Balance Outstanding for the year 2021-22
<b>Subsidiaries</b>				
Power Mech Industri pvt ltd	31.71	32.63	27.71	28.44
Power Mech SSA Structures Private Limited	2.21	2.21	2.21	2.21
KBP Mining Private Limited	8.12	8.16	2.91	2.91
<b>Wholly owned subsidiary of Joint ventures</b>				
GTA Power Mech FZE	0.69	0.69	0.64	0.64

(ii) Details of investments made and guarantees given under Section 186 of the Companies Act, 2013 are disclosed in Note 6 and Note 36 respectively.

(iii) All the above loans and guarantees were given for carrying on their business activities.

# Notes to the Financial Statements

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

## 50. 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.

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.

51. The Income-Tax Department had carried out a search operation at the Company's various business premises, under Section 132 of the Income-tax Act, 1961 in the month of July, 2022. The Company has extended full cooperation to the Income-tax officials during the search and provided all the information sought by them. As on the date of Balance sheet, the Company has not received any formal communication or notices for filing returns of income from the Income-tax department. Management is of the view that this will not have any impact on the Company's financial position as at March 31, 2023 and the performance for the year ended on that date and hence no provision for any liability has been recognized in the financial results.

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 No. 235528

UDIN:23235528BGSAPZ7245

Place: Hyderabad

Date: 26.05.2023

### 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 Joint ventures and associates comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2023, 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 March 31, 2023 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.

### Emphasis of Matter:

Attention is invited to the following:

- a) Note No. 54, of the financial statements, relating to the search carried out by the Income Tax Department in July, 2022 at various locations of the Parent Company. Since the investigation and related proceedings are pending, there is uncertainty as regards the impact, if any, of the outcome of the proceedings. Due to this, no provision for liability has been recognized in the financial statements of the Parent Company.

Our opinion is not modified in respect of the matters stated above.

### 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> <p>Understood and tested the holding company's credit control procedures and tested key controls over granting credit to customers</p> <p>Tested ageing of trade receivables at the year ended on a sample basis</p> <p>Obtained list of long outstanding receivables and identified any debtors with financial difficulty through discussion with management.</p> <p>Assessed the recoverability of these outstanding receivables through our discussion with management and with reference to detailed receivables listings for the subsequent period.</p> <p>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.</p> <p>Assessed the recoverability of the balances by comparing the outstanding amounts as at year end against subsequent recoveries</p> <p>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> <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.

## Independent Auditors' Report

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its JV and associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its JV and associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

We communicate with those charged with governance of the Holding company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other 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 11 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 ₹ 59.69 crore as at 31<sup>st</sup> March, 2023 and total revenues of ₹ 65.30 crore, total profit after tax of ₹ 5.81 crore, total comprehensive income of ₹ 5.19 crore for the year ended 31<sup>st</sup> March, 2023 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 ₹ 1.81 crore and total comprehensive loss of ₹ 1.81 crore for the year ended 31<sup>st</sup> March, 2023 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 ₹ 65.61 crore as at 31<sup>st</sup> March, 2023, total revenues of ₹ 24.63 crore, total net profit after tax of ₹ 0.35 crore and total comprehensive income of ₹ 0.41 crore for the year ended 31<sup>st</sup> March, 2023 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 ₹ 0.88 crore and total comprehensive income of ₹ 0.88 crore for the year ended 31<sup>st</sup> March, 2023 in respect of 11 Indian Joint Ventures which have been audited by other auditors.



## Independent Auditors' Report

- d) These consolidated financial statements also include groups share of net loss after tax of ₹ 7.20 crore and total comprehensive loss of ₹ 7.20 crore for the year ended 31<sup>st</sup> March, 2023 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 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 31<sup>st</sup> March, 2023 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 March 31, 2023 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.

## Independent Auditors' Report

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated financial statements has disclosed the impact of pending litigations on its consolidated financial position of the Group and its JV and associate.
- ii. The parent company and other companies in the group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 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. The final dividend proposed in the previous year, declared and paid by the Parent Company during the year is in accordance with section 123 of the Act, as applicable. As stated in note 52 to the financial statements, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
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)**

**Sd/-**  
**Gopikrishna Chowdary Manchinella**  
**Partner**  
**Membership No. 235528**

**Place: Hyderabad**  
**Date: 26.05.2023**  
**UDIN: 23235528BGSAQA7596**

## 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 31<sup>st</sup> March, 2023, 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.

## Annexure-A

### Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors, the holding company and its Indian subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023, 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)**

**Sd/-**  
**Gopikrishna Chowdary Manchinella**  
**Partner**  
**Membership No. 235528**

**Place: Hyderabad**  
**Date: 26.05.2023**  
**UDIN: 23235528BGSAQA7596**

## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2023

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

Particulars	Note No.	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	4.1	182.31	172.47
(b) Right-of-use assets	4.2	4.01	5.50
(c) Capital Work-in-progress	5	2.73	2.38
(d) Intangible Assets	6	2.46	2.51
(e) Financial Assets			
(i) Investments	7.1	35.74	36.65
(ii) Loans	8	-	-
(iii) Other financial assets	9	331.69	304.27
(f) Deferred Tax Asset (Net)	20	12.31	11.82
(g) Other Non-current assets	10	1.37	1.32
<b>Total Non-Current assets</b>		<b>572.62</b>	<b>536.92</b>
<b>2 Current Assets</b>			
(a) Inventories	11	147.34	137.66
(b) Financial Assets			
(i) Investments	7.2	0.39	2.45
(ii) Trade Receivables	12	893.51	666.57
(iii) Cash and cash equivalents	13	44.47	73.49
(iv) Other Bank Balances	13	127.06	76.65
(v) Loans	8	4.88	5.74
(vi) Other Financial Assets	9	678.21	545.29
(c) Other Current assets	10	525.32	491.30
(d) Current tax Assets (Net)	24	60.37	60.79
<b>Total Current assets</b>		<b>2,481.55</b>	<b>2,059.94</b>
<b>Total Assets</b>		<b>3,054.17</b>	<b>2,596.86</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	14	14.91	14.71
(b) Other Equity	15	1,260.47	1,028.60
		<b>1,275.38</b>	<b>1,043.31</b>
<b>2 Non-Controlling Interests</b>	16	1.34	3.09
<b>3 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Long-term borrowings	17	26.07	34.96
(ii) Lease liabilities	18	0.86	1.72
(iii) Other financial liabilities	18	86.76	80.31
(b) Provisions	19	4.31	7.20
(c) Deferred Tax Liabilities (Net)	20	-	-
(d) Other non-current liabilities	21	89.66	77.15
<b>Total Non-Current liabilities</b>		<b>207.66</b>	<b>201.34</b>
<b>4 Current liabilities</b>			
(a) Financial Liabilities			
(i) Short-term borrowings	22	449.06	492.19
(ii) Lease liabilities	18	0.83	1.64
(iii) Trade payables	23		
a) Total outstanding dues of micro enterprises and small enterprises		1.16	1.47
b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		747.91	537.85
(iv) Other financial liabilities	18	134.25	126.97
(b) Other current liabilities	21	235.60	187.33
(c) Provisions	19	0.98	1.67
(d) Current tax Liabilities (Net)	24	-	-
<b>Total Current liabilities</b>		<b>1,569.81</b>	<b>1,349.12</b>
<b>Total Liabilities</b>		<b>1,777.47</b>	<b>1,550.46</b>
<b>Total Equity and Liabilities</b>		<b>3,054.17</b>	<b>2,596.86</b>

Corporate Information

Basis of Preparation and Significant Accounting Policies

The accompanying notes 34-55 from an integral part of the financial statements.

1

2-3

As per our report of even date

For K S RAO & CO

Chartered Accountants

Firm Registration Number: 003109S

Sd/-

(Gopikrishna Chowdary Manchinella)

Partner

Membership No. 235528

UDIN:23235528BGSAPZ7245

Place: Hyderabad

Date: 26.05.2023

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 31<sup>st</sup> March, 2023

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

Particulars		Note No.	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
I	Revenue from Operations	25	3,601.19	2,710.49
II	Other Income	26	17.00	17.31
<b>III</b>	<b>Total Income (I + II)</b>		<b>3,618.19</b>	<b>2,727.80</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of Material Consumed	27	536.18	336.19
	(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	28	(16.75)	(1.97)
	Contract Execution expenses	29	2,092.82	1,633.09
	Employee benefits expense	30	542.83	423.16
	Finance Costs	31	89.54	79.47
	Depreciation and Amortization expense	32	42.91	36.90
	Other expenses	33	42.56	34.02
	<b>Total Expenses (IV)</b>		<b>3,330.09</b>	<b>2,540.86</b>
<b>V</b>	<b>Profit before share of profit from Associate, Joint Venture, exceptional items and tax (III-IV)</b>		<b>288.10</b>	<b>186.94</b>
VI	Share of Profit/(Loss) from Joint Venture		(8.13)	(2.27)
<b>VII</b>	<b>Profit before exceptional items and tax (V+VI)</b>		<b>279.97</b>	<b>184.67</b>
VIII	Exceptional Items		-	-
<b>IX</b>	<b>Profit before tax (VII-VIII)</b>		<b>279.97</b>	<b>184.67</b>
<b>X</b>	<b>Tax Expense:</b>			
	Current tax		73.14	36.30
	Deferred tax		(0.48)	9.88
<b>XI</b>	<b>Profit for the year after tax (IX-X)</b>		<b>207.31</b>	<b>138.49</b>
<b>XII</b>	<b>Other Comprehensive Income</b>			
A.	Items that will not be re-classified to profit and Loss account			
a)	Changes in Fair value of Investments		0.01	0.01
b)	Remeasurement of defined employee benefit plans		0.83	1.16
B.	Items that will be re-classified to profit and Loss account			
a)	Exchange fluctuations on revaluation of foreign operations		(0.62)	(1.65)
<b>XIII</b>	<b>Total Comprehensive Income for the year (XI+XII)</b>		<b>207.53</b>	<b>138.01</b>
	<b>Profit for the year before Other Comprehensive Income</b>		<b>207.31</b>	<b>138.49</b>
	Attributable to			
	Equity holders of the parent		209.11	138.99
	Non-Controlling Interests		(1.80)	(0.50)
	<b>Total Comprehensive Income for the year</b>		<b>207.53</b>	<b>138.01</b>
	Attributable to			
	Equity holders of the parent		209.28	138.45
	Non-Controlling Interests		(1.75)	(0.44)
XIV	Earnings per Share - Basic and Diluted	49	<b>141.26</b>	<b>94.48</b>

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 No. 235528  
UDIN:23235528BGSAPZ7245

Sd/-  
J Satish  
CFO

Sd/-  
Mohith Kumar Khandelwal  
Company Secretary

Place: Hyderabad  
Date: 26.05.2023

## Consolidated Cash Flow Statement for the Year ended 31<sup>st</sup> March, 2023

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

Particulars	2022-23	2021-22
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	279.97	184.67
Add/Less: Adjustments for :		
Depreciation	42.91	36.90
FCTR Movement	(0.62)	(1.65)
Interest and Finance charges	89.00	78.77
Interest on Income Tax	0.54	0.71
Loss on sale of assets	0.04	3.18
Fair value gain on current investments	0.05	(0.19)
Net gain arising on financial assets measured at FVTPL	(0.08)	(0.07)
Interest income	(8.33)	(6.73)
Amortisation of Deferred Government grants	(0.05)	(0.05)
Profit on sale of assets	(1.62)	(0.23)
Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income	0.83	1.16
Share of Profit/(Loss) from Joint Venture	8.13	2.27
<b>Operating profit before working capital changes</b>	<b>410.77</b>	<b>298.74</b>
<u>Movements in Working Capital</u>		
Adjustments for (increase)/decrease in operating assets:		
- Trade Receivables	(226.94)	(132.99)
- Inventories	(9.68)	(22.99)
- Other Assets	(192.10)	(80.16)
Adjustments for increase/(decrease) in operating liabilities:		
- Trade Payables	209.77	26.70
- Other Liabilities and Provisions	63.70	146.54
<b>Cash generated from operations</b>	<b>255.52</b>	<b>235.84</b>
Less: Direct taxes paid	(73.26)	(61.19)
<b>Net cash from Operating activities (A)</b>	<b>182.26</b>	<b>174.65</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(53.65)	(43.83)
Proceeds from sale of fixed assets	4.11	4.00
Investment /Redemption in Mutual Funds (Net)	2.01	(0.02)
Margin money deposits with banks and other balances	(51.80)	(18.64)
Interest received (Excl interest on rental deposit)	8.33	6.73
<b>Net cash used in Investing activities (B)</b>	<b>(91.00)</b>	<b>(51.76)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Equity Share Capital by way of conversion of Unsecured Loan	25.00	-
Repayment of unsecured loan by way of conversion	(25.00)	-
Proceeds from/(Repayment of) borrowings	(27.01)	17.84
Interest and Finance charges paid	(88.75)	(78.34)
Lease rent paid	(2.31)	(2.65)
Dividend paid	(2.21)	-
<b>Net cash used in financing activities (C)</b>	<b>(120.28)</b>	<b>(63.15)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(29.02)</b>	<b>59.74</b>
Cash and cash equivalents at the beginning of the period	73.49	13.75
Cash and cash equivalents at the end of the period	44.47	73.49
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(29.02)</b>	<b>59.74</b>

## Consolidated Cash Flow Statement for the Year ended 31<sup>st</sup> March, 2023

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

### 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

### Components of cash and cash equivalents

Particulars	2022-23	2021-22
Cash on hand	1.15	1.47
In Current accounts	42.51	71.00
Deposits having maturity period for less than 3 months	0.81	1.02
<b>Total</b>	<b>44.47</b>	<b>73.49</b>

### Reconciliation of Changes in Liability arising from Financing activities for the year ending 31/03/2023

Particulars	Opening	Ind As 116 adoption	Cash flows	Non-Cash changes	Net cash flow	Closing
Long term borrowings (Including Current maturities of long-term borrowings)	82.47	-	-	-	(13.05)	69.42
Short-term borrowings	444.68	-	-	(25.00)	(13.97)	405.71
Lease Liabilities (Refer Note no. 50)	3.36	0.39	(2.31)	0.25	(2.06)	1.69

### 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 (Including Current maturities of 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. 50)	5.27	0.31	(2.65)	0.43	(2.21)	3.36

Corporate Information

1

Basis of Preparation and Significant Accounting Policies

2-3

The accompanying notes 34-55 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 No. 235528

UDIN:23235528BGSAPZ7245

Sd/-

**J Satish**

CFO

Sd/-

**Mohith Kumar Khandelwal**

Company Secretary

Place: Hyderabad

Date: 26.05.2023



## Consolidated Statement of Changes in Equity for the year ended 31.03.2023

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

### A. Equity share capital

Particulars	No's	Total
As at 31 <sup>st</sup> March, 2021	1,47,10,764	14.71
Changes in equity during the year	-	-
As at 31 <sup>st</sup> March, 2022	1,47,10,764	14.71
Changes in equity during the year	1,95,593	0.20
As at 31 <sup>st</sup> March, 2023	1,49,06,357	14.91

### B. Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income		Total
	Securities Premium Reserve	Other Reserves (General reserve)	Foreign Currently Translation Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/ (Loses)	
Balance at the end of reporting period - 31 <sup>st</sup> 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)
<b>Total Comprehensive income for the year</b>	-	-	<b>(1.71)</b>	<b>138.99</b>	<b>0.01</b>	<b>1.16</b>	<b>138.45</b>
Less : Appropriations	-	-	-	-	-	-	-
Balance at the end of reporting period - 31 <sup>st</sup> March 2022	160.93	37.00	(0.23)	825.67	0.03	5.20	1,028.60
Profit for the year attributable to equity share holders of parent	-	-	-	209.11	0.01	0.83	209.94
Other Comprehensive loss	-	-	(0.67)	-	-	-	(0.67)
Securities Premium on conversion of loan into equity	24.80	-	-	-	-	-	24.80
<b>Total Comprehensive income for the year</b>	<b>24.80</b>	<b>-</b>	<b>(0.67)</b>	<b>209.11</b>	<b>0.01</b>	<b>0.83</b>	<b>234.08</b>
Less : Appropriations	-	-	-	-	-	-	-
Final Dividend for the Financial year 2021-22 proposed & paid during the year	-	-	-	2.21	-	-	2.21
Balance at the end of reporting period - 31 <sup>st</sup> March 2023	185.73	37.00	(0.90)	1,032.57	0.04	6.03	1,260.47

Corporate Information

1

Basis of Preparation and Significant Accounting Policies

2-3

The accompanying notes 34-55 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 No. 235528

UDIN:23235528BGSAPZ7245

Sd/-

J Satish

CFO

Sd/-

Mohith Kumar Khandelwal

Company Secretary

Place: Hyderabad

Date: 26.05.2023

# 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)	
			31.03.2023	31.03.2022
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%	100%
KBP Mining Private Limited	India	Exploring, design & engineering, developing, operating and working on mines	74%	74%
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%

### b) Joint Venture:

Name of the company	Country of incorporation	Principal activities	Year ended	
			31.03.2023	31.03.2022
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%	82%
Rites-PMPL JV	India	Construction Works	51%	-
SCPL-PMPL JV	India	Construction Works	20%	-
M/s. Power Mech – M/s. Taikisha JV	India	Construction Works	66%	-
PMPL-PIA JV	India	Construction works	79%	79%

## Significant Accounting Policies and Notes on Consolidated Financial Statements

Name of the company	Country of incorporation	Principal activities	Year ended	
			31.03.2023	31.03.2022
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	
			31.03.2023	31.03.2022
MAS Power Mech Arabia	Saudi Arabia	Installation and Maintenance services	49%	49%

### Note No: 2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS :

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by the Ministry of Corporate affairs, pursuant to section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013('the Act')(to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the parent Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceased to control the subsidiary.

Profit and loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. 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.

# Significant Accounting Policies and Notes on Consolidated Financial Statements

## 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 31<sup>st</sup> March except in case of one overseas associate where financial statements have been drawn upto 31<sup>st</sup> December, 2022 and for consolidation purposes additional financial information for the q.e 31<sup>st</sup> March, 2023 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.

# Significant Accounting Policies and Notes on Consolidated Financial Statements

## Note No: 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 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.

# Significant Accounting Policies and Notes on Consolidated Financial Statements

## vii) Income Taxes:

The tax jurisdiction of Indian companies considered in the Group is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

## viii) Defined benefit obligations:

The Group uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine the obligations for employee benefits at each reporting period.

## ix) Revenue recognition:

The Group uses the percentage of completion method in accounting for its fixed price contracts and is measured with reference to actual completion of physical proportion of the work to the extent of work certified by the customer. Measurement of physical quantum of work completed is based on estimates at the reporting date.

## x) Other estimates:

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the group estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

## b) Property, plant and equipment

An item of Property, Plant and Equipment that qualified as an asset is measured at initial recognition at Cost. Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The cost comprises of purchase price, applicable duties and taxes, direct expenditure attributable on making the asset ready for its intended use and interest on borrowings for acquisition of qualifying asset upto the date the asset is ready for its intended use.

Advances paid for acquisition of Property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Cost of the assets not put to use before such date are disclosed under 'Capital Work-in-progress'. Any subsequent expenditure relates to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. Items of spare parts are recognized as Property, plant and equipment when they meet the definition of

Property, plant and equipment. The cost and related depreciation are eliminated from the property, plant and equipment upon sale or retirement of the asset and the resultant gain or losses are recognized in statement of profit and loss.

## c) Intangible assets

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

## d) Depreciation and Amortization

The depreciation on property, plant and equipment is provided under the Straight-line method over the useful lives of the assets estimated by the respective entities management. The management based on internal assessment and independent technical evaluation carried out by external valuers, believes that the useful lives as selected best represent the period over which the management expects to use these assets. Such estimation is made based on the past experience and working conditions in which assets are put to usage.

The management estimates the useful lives for the fixed assets 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.

# Significant Accounting Policies and Notes on Consolidated Financial Statements

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.

## 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.

# Significant Accounting Policies and Notes on Consolidated Financial Statements

- b) Work-in-progress:  
Contract execution expenses incurred in respect of projects to be commenced are included under work-in-progress and are valued at cost.
- c) Contracts awarded to the company and not commenced as on date of balance sheet, the cost incurred in securing the contract, mobilization expenses of labour and material and other related expenses incurred are shown as asset as per the requirements of Ind AS.

## j) Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the group is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

### Identifying Performance Obligation:

A performance obligation is identified in the construction projects that the group engages in, owing to the high degree of integration and customization of the various goods and services to provide a combined output which is transferred to the customer over time and not at a specific point in time. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time.

### Determination of Transaction Price:

Transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party (GST). Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

### Recognition of Revenue:

#### In case of sale of goods:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

#### In case of construction services:

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

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

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

#### In case of other Income:

Interest income is recognized using the effective interest method.

Dividend income is recognized when the right to receive payment is established.

## k) Employee Benefits

### i) Defined Contribution Plans

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



# Significant Accounting Policies and Notes on Consolidated Financial Statements

## 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.

## i) Foreign Currency Transactions

These consolidated financial statements are presented in Indian rupee which is the functional currency of the parent company.

In preparing the financial statements of each individual group entity, transactions in foreign currencies are recognized at the rates of exchange prevailing at the dates of the transactions. Gains/losses on settlement of the transaction are recognized in the statement of profit and loss.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured at historical cost in foreign currency, are translated using the exchange rate at the date of transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Any loss/gain on conversion of monetary items are recognized in statement of profit and loss.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The exchange differences arising on translation for consolidation are recognized in other comprehensive income and accumulated in equity and attributed to non-controlling interests proportionately. On disposal of foreign operation, the OCI component relating to that particular foreign operation is reclassified to consolidated statement of profit and loss.

## m) Income-Taxes

Income tax expense comprises the sum of tax currently payable and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current tax is determined at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities are recognized as income or expense in the year of enactment. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

# Significant Accounting Policies and Notes on Consolidated Financial Statements

## n) Provisions, Contingent Liabilities and Contingent assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Where the effect of time value of money is material, the amount of provisions is the present value of the expenditure required to settle the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

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

## o) Dividends

Provision for dividends payable (including income tax thereon) is accounted in the books of account in the year when they are approved by the shareholders at the Annual General Meeting.

## p) Earnings per share

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

## q) Leases

The Company's leased assets primarily consist of buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over 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

# Significant Accounting Policies and Notes on Consolidated Financial Statements

liabilities at fair value through profit and loss) are added to or deducted from the fair value of financial assets and liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities at fair value through profit or loss are recognized immediately in profit or loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

## Subsequent measurement:

### i) Financial assets carried at amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### ii) Financial assets at fair value through other comprehensive income.

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

### iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

## De-recognition of financial asset

The company de-recognises financial assets when the contractual right to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

## Impairment of financial assets:

The company applies expected credit loss (ECL) model for measurement and recognition of loss assets in case of trade receivables and other financial assets. For Trade Receivables, the company applies simplified approach which requires expected lifetime losses to be recognised from initial recognition of receivables. The company uses historical default rates applied on the ageing of receivables to determine loss allowance on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed. 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 interest 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.

# Significant Accounting Policies and Notes on Consolidated Financial Statements

## t) Recent Accounting pronouncements

The 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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

Ind AS 1, Presentation of Financial Statements – This amendment requires disclosure of material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is considered material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact in the consolidated financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption in paragraphs 15 and 24 of Ind AS 12, so that it does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning liabilities. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact in the consolidated financial statements.

## Notes on Consolidated Financials Statements

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

### PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Note No.4.1

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Carrying Amounts of:</b>		
Land	3.42	3.42
Office Buildings	29.21	30.90
Plant and Equipment	24.69	25.70
Furniture and Fixtures	2.28	1.81
Computers	2.34	1.84
Office Equipment	4.13	3.46
Motor vehicles	28.32	23.27
Cranes	75.66	68.01
Temporary Sheds	12.26	14.06
	<b>182.31</b>	<b>172.47</b>
Capital Work-in-progress (Refer Note No. 5)	<b>2.73</b>	<b>2.38</b>

## Notes on Consolidated Financials Statements

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

### Property, Plant and Equipment

Note No.4.1

Particulars	Land	Office Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Motor vehicles	Cranes	Temporary Sheds	Total
<b>Gross Block :</b>										
<b>As at 31<sup>st</sup> March, 2021</b>	<b>3.60</b>	<b>40.16</b>	<b>55.54</b>	<b>10.26</b>	<b>4.79</b>	<b>11.63</b>	<b>49.51</b>	<b>155.23</b>	<b>37.03</b>	<b>367.75</b>
Additions	-	-	10.91	1.03	1.02	1.83	11.94	10.19	9.57	46.49
Disposals	0.18	-	1.60	0.02	0.01	0.03	1.43	5.51	0.41	9.19
<b>As at 31<sup>st</sup> March, 2022</b>	<b>3.42</b>	<b>40.16</b>	<b>64.85</b>	<b>11.27</b>	<b>5.80</b>	<b>13.43</b>	<b>60.02</b>	<b>159.91</b>	<b>46.19</b>	<b>405.05</b>
Additions	-	-	5.18	1.43	1.25	2.07	12.85	24.25	6.24	53.27
Disposals	-	-	0.91	-	0.06	0.01	4.30	6.41	-	11.69
<b>As at 31<sup>st</sup> March, 2023</b>	<b>3.42</b>	<b>40.16</b>	<b>69.12</b>	<b>12.70</b>	<b>6.99</b>	<b>15.49</b>	<b>68.57</b>	<b>177.75</b>	<b>52.43</b>	<b>446.63</b>
<b>Accumulated Depreciation including accumulated Impairment losses :</b>										
<b>As at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>7.56</b>	<b>35.16</b>	<b>8.50</b>	<b>3.41</b>	<b>8.78</b>	<b>32.24</b>	<b>79.57</b>	<b>27.37</b>	<b>202.59</b>
Depreciation charge for the year	-	1.70	4.84	0.98	0.56	1.20	5.70	14.50	5.12	34.60
On disposals	-	-	0.85	0.02	0.01	0.01	1.19	2.17	0.36	4.61
<b>As at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>9.26</b>	<b>39.15</b>	<b>9.46</b>	<b>3.96</b>	<b>9.97</b>	<b>36.75</b>	<b>91.90</b>	<b>32.13</b>	<b>232.58</b>
Depreciation charge for the year	-	1.69	6.10	0.96	0.75	1.40	7.46	14.56	8.04	40.96
On disposals	-	-	0.82	-	0.06	0.01	3.96	4.37	-	9.22
<b>As at 31<sup>st</sup> March, 2023</b>	<b>-</b>	<b>10.95</b>	<b>44.43</b>	<b>10.42</b>	<b>4.65</b>	<b>11.36</b>	<b>40.25</b>	<b>102.09</b>	<b>40.17</b>	<b>264.32</b>
<b>Net Block :</b>										
<b>As at 31<sup>st</sup> March, 2023</b>	<b>3.42</b>	<b>29.21</b>	<b>24.69</b>	<b>2.28</b>	<b>2.34</b>	<b>4.13</b>	<b>28.32</b>	<b>75.66</b>	<b>12.26</b>	<b>182.31</b>
<b>As at 31<sup>st</sup> March, 2022</b>	<b>3.42</b>	<b>30.90</b>	<b>25.70</b>	<b>1.81</b>	<b>1.84</b>	<b>3.46</b>	<b>23.27</b>	<b>68.01</b>	<b>14.06</b>	<b>172.47</b>

### Notes:

- 1) Term loans taken by the group for purchase of Fixed assets are secured by way of hypothecation on respective assets for which loans were availed.
- 2) Working Capital Loans from banks are secured by way of first charge on Property, Plant and Equipment of the company both present and future, excluding those assets against which charge was given to equipment financiers.
- 3) None of the property, plant & equipment were acquired / transferred by way of business combinations.
- 4) The carrying values of any of the assets 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 respective Companies of the group.
- 6) No proceedings have been initiated or pending against any of the companies in the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

## Notes on Consolidated Financials Statements

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

### Right-of-use assets

Note No.4.2

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Right-of-use assets	4.01	5.50
<b>Total</b>	<b>4.01</b>	<b>5.50</b>

Particulars	Lease hold land & Improvements	Buildings	Total
<b>(A) Cost or deemed cost :</b>			
<b>As at 31<sup>st</sup> March, 2021</b>	<b>2.56</b>	<b>9.17</b>	<b>11.73</b>
Additions	-	0.57	0.57
Disposals/adjustments	-	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>2.56</b>	<b>9.74</b>	<b>12.30</b>
Additions	-	0.41	0.41
Disposals/adjustments	-	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>2.56</b>	<b>10.15</b>	<b>12.71</b>
<b>(B) Accumulated Amortisation and impairment :</b>			
<b>As at 31<sup>st</sup> March, 2021</b>	<b>0.16</b>	<b>4.40</b>	<b>4.56</b>
Amortisation expense for the year	0.01	2.23	2.24
Eliminated on disposal	-	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>0.17</b>	<b>6.63</b>	<b>6.80</b>
Amortisation expense for the year	0.01	1.89	1.90
Eliminated on disposal	-	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.18</b>	<b>8.52</b>	<b>8.70</b>
<b>(C) Carrying amount :</b>			
<b>As at 31<sup>st</sup> March, 2023</b>	<b>2.38</b>	<b>1.63</b>	<b>4.01</b>
<b>As at 31<sup>st</sup> March, 2022</b>	<b>2.39</b>	<b>3.11</b>	<b>5.50</b>

### Capital Work-in-Progress

Note No.5

Particulars	Amount
<b>Carrying value - At Cost</b>	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>5.32</b>
Additions	2.37
Capitalised/written off during the Year	5.31
<b>As at 31<sup>st</sup> March, 2022</b>	<b>2.38</b>
Additions	2.08
Capitalised during the year	1.73
<b>As at 31<sup>st</sup> March, 2023</b>	<b>2.73</b>

## Notes on Consolidated Financials Statements

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

### Capital Work-in-progress ageing schedule as on 31.03.2023

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	2.09	0.64	-	-	2.73
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 31.03.2022

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.

## INTANGIBLE ASSETS

Note No.6

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Power Mech Brand *	0.00	0.00
Computer Software	0.19	0.24
Goodwill	2.27	2.27
<b>Total</b>	<b>2.46</b>	<b>2.51</b>

\* Amounts below ₹1 Lakh

Particulars	Power Mech Brand	Computer Software	Goodwill	Total
<b>Gross Block :</b>				
<b>As at 31<sup>st</sup> March, 2021</b>	<b>0.00</b>	<b>1.54</b>	<b>2.27</b>	<b>3.81</b>
Additions	-	0.01	-	0.01
Disposals	-	-	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>0.00</b>	<b>1.55</b>	<b>2.27</b>	<b>3.82</b>
Additions	-	0.01	-	0.01
Disposals	-	-	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.00</b>	<b>1.56</b>	<b>2.27</b>	<b>3.83</b>
<b>Accumulated Amortisation and impairment :</b>				
<b>As at 31<sup>st</sup> March, 2021</b>	<b>0.00</b>	<b>1.24</b>	<b>-</b>	<b>1.24</b>
Amortisation expense for the year	-	0.07	-	0.07
On disposals	-	-	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>0.00</b>	<b>1.31</b>	<b>-</b>	<b>1.31</b>



## Notes on Consolidated Financials Statements

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

Particulars	Power Mech Brand	Computer Software	Goodwill	Total
Amortisation expense for the year	-	0.06	-	0.06
On disposals	-	-	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.00</b>	<b>1.37</b>	<b>-</b>	<b>1.37</b>
<b>Net Block :</b>				
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.00</b>	<b>0.19</b>	<b>2.27</b>	<b>2.46</b>
<b>As at 31<sup>st</sup> March, 2022</b>	<b>0.00</b>	<b>0.24</b>	<b>2.27</b>	<b>2.51</b>

- 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.

### INVESTMENTS (NON-CURRENT)

Note No.7.1

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. Investment in Equity Instruments</b>		
<b>(a) (i) Quoted - Trade (carried at fair value through OCI)</b>		
a) 24 (24) Equity shares of ₹ 10/- each in Reliance Power Limited	0.00	0.00
<b>(ii) Quoted - Non Trade (carried at fair value through OCI)</b>		
a) 200 (200) Equity shares of ₹ 10/- each in Assam Company Limited	0.00	0.00
<b>Total Investment in Quoted Equity Instruments (a)</b>	<b>0.00</b>	<b>0.00</b>
<b>(b) (i) Unquoted - Trade</b>		
<b>Investment in Associates (Carried at cost) :</b>		
<b>Investment in Joint Venture (Carried at cost) :</b>		
a) 1,50,00,000 (1,50,00,000) equity shares of 1 Naira each in GTA Power Mech Nigeria Limited	31.32	32.80
b) 50 (50) Equity shares of AED 1000 each in GTA Power Mech DMCC	0.44	0.77
c) Investment in PMPL-ACPL JV ( Capital introduced Nil )	1.43	1.25
d) Investment in PMPL-STC JV ( Capital introduced Nil )	0.90	0.82
e) Investment in PMPL-KHILARI Consortium JV ( Capital introduced Nil )	0.50	0.42
f) Investment in PMPL-SRC INFRA JV - Mizoram ( Capital introduced Nil )**	1.09	0.54
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 )**	-	-
k) Investment in POWER MECH-TAIKISHA JV ( Capital introduced Nil )**	-	-
l) Investment in RITES-PMPL JV ( Capital introduced Nil )**	-	-
m) Investment in SCPL - PMPL JV ( Capital introduced Nil )**	-	-
<b>Total Investment in Un-Quoted Equity Instruments (b)</b>	<b>35.68</b>	<b>36.60</b>
<b>Total Investment in Equity Instruments (A = a+b)</b>	<b>35.68</b>	<b>36.60</b>

## Notes on Consolidated Financials Statements

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

Particulars		As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>B. Investment in Mutual Funds - Quoted (Carried at fair value through OCI)</b>			
a) 20,000(20,000) units of SBI Infra structure fund - I - Growth ₹10/- each		0.06	0.05
<b>Total Investment in Mutual Funds</b>	<b>(B)</b>	<b>0.06</b>	<b>0.05</b>
<b>Total</b>	<b>(A+B)</b>	<b>35.74</b>	<b>36.65</b>
<b>Aggregate amount of : Quoted investments -</b>			
- At cost		0.02	0.02
- Market value		0.06	0.05
<b>Aggregate amount of un-Quoted investments</b>		<b>35.68</b>	<b>36.60</b>

### Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised
<b>Financial assets measured at:</b>				
<b>(i) Fair value through Other Comprehensive Income</b>				
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	0.06	-	0.05	-
<b>(ii) Using Equity method for Investments in Joint Ventures and Associates as per Ind As 28</b>	<b>35.68</b>	<b>-</b>	<b>36.60</b>	<b>-</b>
	<b>35.74</b>	<b>-</b>	<b>36.65</b>	<b>-</b>

\* Amounts below ₹1 Lakh

\*\* The Parent Company has become a venturer in joint ventures incorporated during the financial year 2018-19 to 2022-23. 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".

### INVESTMENTS (CURRENT)

Note No.7.2

Particulars		As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Investment in Mutual Funds - Quoted: (Carried at fair value through P&amp;L)</b>			
a) 92,793 (2,50,000) units of Baroda PNB Paribas Large & Mid Cap Fund		0.15	0.41
b) 2,50,000 (Nil) units of Baroda BNP Paribas Flexi Cap Fund		0.24	-
c) Nil (16,30,879) units of Union Bank Corporate Fund Regular Plan - Growth Fund		-	2.04
<b>Total Investment in Mutual Funds (B)</b>		<b>0.39</b>	<b>2.45</b>
<b>Aggregate amount of: Quoted investments -</b>			
- At cost		0.34	2.15
- Market value		0.39	2.45

## Notes on Consolidated Financials Statements

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

### LOANS

Note No.8

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Unsecured, Considered Good</b>				
a) Employee related advances	-	-	4.19	5.10
b) Loans to others - GTA Power Mech FZE (Subsidiary to GTA Power Mech Nigeria, a JV)	-	-	0.69	0.64
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4.88</b>	<b>5.74</b>

The above Loans Receivables are sub-classified as :

a) Loans considered good - Secured	-	-	-	-
b) Loans considered good - Unsecured	-	-	4.88	5.74
c) Loans which have significant increase in Credit Risk	-	-	-	-
d) Loans - Credit impaired	-	-	-	-
	<b>-</b>	<b>-</b>	<b>4.88</b>	<b>5.74</b>

#### 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.
- 3) Loans repayable on demand without specifying the terms or period of repayment.

Particulars of Loans granted	As at 31 <sup>st</sup> March, 2023	% out of Total Loans advanced	As at 31 <sup>st</sup> March, 2022	% out of Total Loans advanced
	-	-	-	-
a) Promoters	-	-	-	-
b) Directors	-	-	-	-
c) KMP	-	-	-	-
d) Related parties	0.69	100.00	0.64	100.00

### OTHER FINANCIAL ASSETS

Note No.9

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
a) Security deposits with Govt. authorities and others	11.60	9.50	0.02	0.02
b) EMD with customers	37.64	37.65	-	-
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	59.23	57.85	-	-
d) Retention Money and Security Deposit with customers	227.50	205.37	118.07	113.62
e) Uncertified Revenue	-	-	560.12	431.65
<b>Total</b>	<b>335.97</b>	<b>310.37</b>	<b>678.21</b>	<b>545.29</b>

## Notes on Consolidated Financials Statements

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

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Less: Provision for doubtful receivables (Retention Money and Security Deposit with customers)	(4.28)	(6.10)	-	-
	<b>331.69</b>	<b>304.27</b>	<b>678.21</b>	<b>545.29</b>

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 31.03.2023

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	459.90	47.13	28.13	19.41	5.55	560.12

### 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

### OTHER ASSETS

Note No.10

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Unsecured, Considered Good				
a) Advances for Capital goods	1.37	1.32	-	-
b) Mobilisation advances to Sub - Contractors	-	-	14.93	8.96
c) Advances to creditors against supplies	-	-	22.73	21.20
d) Advances to sub-contractors against works - Unsecured	-	-	410.00	356.02
e) Prepaid Royalty and other expenses	-	-	15.96	31.00
f) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	57.26	67.30
Works contract tax (TDS)	-	-	1.16	1.24
MAT Credit entitlement	-	-	0.15	0.15
Custom Duty Receivable	-	-	0.02	0.10
Taxes paid under protest	-	-	0.94	0.54
g) Other advances	-	-	6.33	6.01
<b>Total</b>	<b>1.37</b>	<b>1.32</b>	<b>529.48</b>	<b>492.52</b>
Less : Provision for doubtful advances (Advance to sub-contractors against works)	-	-	(4.16)	(1.22)
<b>Total</b>	<b>1.37</b>	<b>1.32</b>	<b>525.32</b>	<b>491.30</b>

## Notes on Consolidated Financials Statements

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

Note: No advances are due from directors or other officers in the group 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.

### INVENTORIES (At Lower of Cost and Net Realizable Values)

Note No.11

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
a) Stores and spares	114.13	121.20
b) Construction Work-in-progress	33.21	16.46
<b>Total</b>	<b>147.34</b>	<b>137.66</b>

#### 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 31<sup>st</sup> March, 2023 was ₹ 536.18 Cr (for the year ended 31<sup>st</sup> March, 2022: ₹ 336.19 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.

### TRADE RECEIVABLES

Note No.12

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	893.51	666.57
Trade receivables which have significant increase in Credit Risk	4.90	4.06
Trade receivables - Credit impaired	-	-
Less: Allowance for doubtful receivables	(4.90)	(4.06)
<b>Total</b>	<b>893.51</b>	<b>666.57</b>

- 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, ₹ 209.63 Cr (as at March 31, 2022 : ₹ 166.15 Cr) is due from one of the Parent Company's largest customer. Further, an amount of ₹ 238.02 Cr. (as at March 31, 2022 : ₹ 87.48 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 31.03.2023

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	771.12	15.46	50.90	50.90	5.13	893.51
(ii) undisputed trade Receivables - which have significant increase in credit risk	-	-	0.84	2.60	1.46	4.90
(iii) undisputed trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade Receivables - considered good	-	-	-	-	-	-

## Notes on Consolidated Financials Statements

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

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	
(v) Disputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade Receivables - credit impaired	-	-	-	-	-	-
Provision for expected credit loss	-	-	(0.84)	(2.60)	(1.46)	(4.90)
<b>Total</b>	<b>771.12</b>	<b>15.46</b>	<b>50.90</b>	<b>50.90</b>	<b>5.13</b>	<b>893.51</b>

### 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)
<b>Total</b>	<b>504.48</b>	<b>47.25</b>	<b>109.36</b>	<b>3.32</b>	<b>2.16</b>	<b>666.57</b>

### CASH AND CASH EQUIVALENTS

Note No.13

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
i) Balances with banks		
a. In Current accounts	42.51	71.00
ii) Cash on hand	1.15	1.47
iii) Fixed Deposits with original maturity period of less than 3 months	0.81	1.02
<b>Total</b>	<b>44.47</b>	<b>73.49</b>

### OTHER BANK BALANCES

Note No.13

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
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	127.04	76.63
b. Earmarked balances with banks towards unclaimed dividends	0.02	0.02
<b>Total</b>	<b>127.06</b>	<b>76.65</b>

**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 ₹ Crores, except share data and where otherwise stated

## SHARE CAPITAL

Note No. 14

### a) Authorised Share Capital

Particulars	Equity	
	No's	Total
As at 31 <sup>st</sup> March, 2021	2,60,00,000	26.00
Changes during the year	-	-
As at 31 <sup>st</sup> March, 2022	2,60,00,000	26.00
Changes during the year	-	-
As at 31 <sup>st</sup> March, 2023	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 <sup>st</sup> March, 2021	1,47,10,764	14.71
Increase / (Decrease) during the Year	-	-
As at 31 <sup>st</sup> March, 2022	1,47,10,764	14.71
Increase in paid-up capital on conversion of Loan into equity	1,95,593	0.20
As at 31 <sup>st</sup> March, 2023	1,49,06,357	14.91

### 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 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	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	25.93%	38,64,942	26.27%
S. Kishore Babu (HUF)	-	0.00%	12,44,000	8.46%
S. Lakshmi	30,08,626	20.18%	37,28,626	25.35%
Vignatha Sajja	11,03,054	7.40%	3,83,054	0.00%
Aishwarya Kurra	8,07,513	5.42%	87,513	0.00%
HDFC Small Cap Fund	12,47,109	8.37%	12,27,393	8.34%
	<b>1,00,31,244</b>	<b>67.30%</b>	<b>1,05,35,528</b>	<b>68.42%</b>

## Notes on Consolidated Financials Statements

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

### e) Details of shares held by promoters as on 31.03.2023

Name of the promoters	As at 31 <sup>st</sup> March 2023		% Change during the FY 2022-23
	No. of shares	% of total shares	
Sajja Kishore Babu	38,64,942	25.93	0.00
Lakshmi Sajja	30,08,626	20.18	(19.31)
Sajja Rohit	5,43,413	3.65	2,699.22
Sajja Vignatha	11,03,054	7.40	187.96
Aishwarya Kurra	8,07,513	5.42	822.73
Gogineni Babu	25,958	0.17	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	0.00
Subhashini Kanteti	2,520	0.02	0.00
Uma Devi Koyi	3,026	0.02	0.00
Sai Malleswara Rao Sajja	255	0.00	0.00
Power Mech Infra Limited	1,95,593	1.31	100.00

### Details of shares held by promoters as on 31.03.2022

Name of the promoters	As at 31 <sup>st</sup> 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

- 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 ₹ Crores, except share data and where otherwise stated

## OTHER EQUITY

Note No. 15

### Securities Premium Reserve

Particulars	Amount
As at 31 <sup>st</sup> March, 2021	160.93
Changes during the Year	-
As at 31 <sup>st</sup> March, 2022	160.93
Add: Increase on account of Conversion of Loan into equity at a Premium of ₹ 1,268.16 per share.	24.80
As at 31 <sup>st</sup> March, 2023	185.73

### General Reserve

Particulars	Amount
As at 31 <sup>st</sup> March, 2021	37.00
Transfers during the Year	-
As at 31 <sup>st</sup> March, 2022	37.00
Transfers during the Year	-
As at 31 <sup>st</sup> March, 2023	37.00

### Foreign Currency Translation Reserve Account

Particulars	Amount
As at 31 <sup>st</sup> March, 2021	1.48
Changes during the Year	(1.71)
As at 31 <sup>st</sup> March, 2022	(0.23)
Changes during the Year	(0.67)
As at 31 <sup>st</sup> March, 2023	(0.90)

### Retained Earnings

Particulars	Amount
As at 31 <sup>st</sup> March, 2021	690.74
Add: Total comprehensive income for the year transferred from statement of profit and loss	140.16
Less: Appropriations	-
As at 31 <sup>st</sup> March, 2022	830.90
Add: Total comprehensive income for the year transferred from statement of profit and loss	209.95
Less: Appropriations	-
Final Dividend for the Financial year 2021-22 proposed & paid during the year	2.21
As at 31 <sup>st</sup> March, 2023	1,038.64

### Summary of Other Equity

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Securities Premium	185.73	160.93
General Reserve	37.00	37.00
Foreign Currency Translation Reserve Account	(0.90)	(0.23)
Retained Earnings	1,038.64	830.90
<b>Total</b>	<b>1,260.47</b>	<b>1,028.60</b>

# Notes on Consolidated Financials Statements

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

## 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 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) **Foreign currency Translation reserve**

Exchange differences relating to the translation of the results and the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. INR) are recognised directly accumulated in the foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

### d) **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.

## Minority Interest

Note No. 16

Particulars	Amount
<b>As at 31<sup>st</sup> March, 2021</b>	<b>3.53</b>
Changes during the Year	(0.44)
Dividend paid	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>3.09</b>
Changes during the Year	(1.75)
Dividend paid	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>1.34</b>

## LONG TERM BORROWINGS

Note No.17

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. Secured</b>				
i. Term Loans				
<b>a) From Banks :</b>				
i) Axis Bank	5.31	7.94	13.43	11.95
ii) HDFC Bank	0.70	0.95	1.32	2.06
iii) ICICI Bank	0.13	7.06	7.11	9.24
iv) Kotak Mahindra Bank	6.00	6.16	7.23	5.29
v) Yes Bank	-	0.31	0.31	0.34
vi) Bank of Baroda	1.98	-	1.27	-
vii) Emirates Islamic Bank	1.18	0.63	0.69	0.46
<b>b) From Others :</b>				
i) HDB Financial Services	3.92	4.35	4.55	3.34
ii) TATA Capital	2.52	6.43	6.11	12.49
iii) Mahindra Finance	0.19	1.13	1.21	2.34
iv) Al-Futtaim	0.12	-	0.11	-
<b>Total (a)</b>	<b>22.05</b>	<b>34.96</b>	<b>43.34</b>	<b>47.51</b>

## Notes on Consolidated Financials Statements

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

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>B. Unsecured</b>				
i) TATA Capital	-	-	-	-
a) Deferred payment liabilities				
Due to suppliers on deferred credit basis	4.02	-	-	-
<b>Total (b)</b>	<b>4.02</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (a+b)</b>	<b>26.07</b>	<b>34.96</b>	<b>43.34</b>	<b>47.51</b>

- The term loans from banks and companies are secured by way of hypothecation of assets funded under the said facility. Further, in respect of loans availed by parent Company, the same were 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 : 2024-25 - ₹ 10.51; 2025-26 - ₹ 4.39; 2026-27 - ₹ 0.33 & 2027-28 - ₹ 0.08  
 Companies : 2024-25 - ₹ 5.82 & 2025-26 - ₹ 0.93
- 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 except for the term loans sanctioned in parent Company bearing sanction amount of ₹ 0.66 Cr and outstanding balance of ₹ 0.65 Cr as at 31.03.2023 for which no charge was registered and term loans bearing sanction amount of ₹ 0.27 Cr and outstanding balance of ₹ Nil as at 31.03.2023 for which no satisfaction of charge was filed by the parent company.
- No defaults were made in repayment of above term loans

### OTHER FINANCIAL LIABILITIES

Note No.18

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
a) Retention Money & Security deposits recovered from Sub-Contractors	86.76	80.31	25.05	15.46
b) Creditors for capital goods	-	-	0.82	0.79
c) Interest accrued and due	-	-	0.16	0.24
d) Interest accrued but not due	-	-	-	0.21
e) Unclaimed dividend	-	-	0.02	0.02
f) Employee related payments	-	-	64.50	63.80
g) Share application money refundable	-	-	0.11	0.11
h) Other Liabilities	-	-	43.59	46.34
	<b>86.76</b>	<b>80.31</b>	<b>134.25</b>	<b>126.97</b>

## Notes on Consolidated Financials Statements

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

Particulars	Non-Current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
a) Lease liability as per Ind As 116 (Refer Note No. 51)	0.86	1.72	0.83	1.64
<b>Total</b>	<b>87.62</b>	<b>82.03</b>	<b>135.08</b>	<b>128.61</b>

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.

### PROVISIONS

Note No.19

Particulars	Non-Current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	0.36	2.67	0.03	0.59
- Leave Encashment (Unfunded)	3.95	4.53	0.95	1.08
<b>Total</b>	<b>4.31</b>	<b>7.20</b>	<b>0.98</b>	<b>1.67</b>

### 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 ₹ 29.11 Cr (Year ended March 31, 2022: ₹ 19.96 Cr) for provident fund contributions, and ₹ 3.81 Cr (Year ended March 31, 2022: ₹ 2.05 Cr) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

#### b. Defined benefit plans

The Group provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

##### (i) Balance Sheet

The assets, liabilities and surplus/(deficit) position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Present value of obligation	14.31	12.98
Fair Value of plan assets	13.92	9.72
<b>(Asset)/Liability recognised in the Balance Sheet</b>	<b>0.39</b>	<b>3.26</b>

## Notes on Consolidated Financials Statements

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

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

Particulars	Plan Obligation	Plan Assets	Deficit/ (Surplus)
<b>As at March 31, 2021</b>	<b>11.27</b>	<b>9.64</b>	<b>1.63</b>
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	(0.78)	(0.76)	(0.03)
Return on plan assets, excluding interest income	-	(0.11)	0.11
<b>As at March 31, 2022</b>	<b>12.98</b>	<b>9.72</b>	<b>3.26</b>
Current service cost	3.70	-	3.70
Past service cost	-	-	-
Interest cost	0.87	-	0.87
Interest income	-	0.84	(0.84)
Actuarial gain arising from changes in experience adjustments	(0.65)	-	(0.65)
Actuarial gain arising from changes in financial assumptions	(0.31)	-	(0.31)
Contributions by employer	-	5.77	(5.77)
Benefit payments	(2.28)	(2.28)	(0.00)
Return on plan assets, excluding interest income	-	(0.13)	0.13
<b>As at March 31, 2023</b>	<b>14.31</b>	<b>13.92</b>	<b>0.39</b>

### (iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Employee Benefit Expenses</b>		
Current service cost	3.70	3.01
Past service cost	-	-
Interest cost	0.87	0.75
Interest Income	(0.84)	(0.65)
<b>Net impact on profit before tax</b>	<b>3.73</b>	<b>3.11</b>
Remeasurement of the net defined benefit plans:		
Actuarial gain arising from changes in Financial assumptions	(0.31)	(0.78)
Actuarial (gain)/loss arising from changes in Experience adjustments	(0.65)	(0.49)
Return on plan assets, excluding interest income	0.13	0.11
<b>Net impact on other comprehensive income before tax</b>	<b>(0.83)</b>	<b>(1.16)</b>

## Notes on Consolidated Financials Statements

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

### (iv) Assets

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Insurance policies	100%	100%

### (v) Investment details

Particulars	As at 31st March, 2023	As at 31st March, 2022
Insurance Policies*	13.92	9.72

\* insurance policies above represents plan assets maintained by the parent company with the Life Insurance Corporation of India

### (vi) Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet date, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Discount rate	7.51%	7.34%
Salary escalation rate	3.00%	3.00%

### (vii) Sensivity analysis

Particulars	Defined benefit obligation As at 31st March, 2023
Salary Escalation - Up by 1%	16.42
Salary Escalation - Down by 1%	12.47
Withdrawal Rates - Up by 1%	15.16
Withdrawal Rates - Down by 1%	13.22
Discount Rates - Up by 1%	12.61
Discount Rates - Down by 1%	16.27
Mortality Rates - Up by 1%	14.30
Mortality Rates - Down by 1%	14.24

### (viii) Maturity profile of defined benefit obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non current
Defined Benefit obligation	0.63	2.90	43.99

## Notes on Consolidated Financials Statements

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

### DEFERRED TAX

Note No.20

The following is the analysis of deferred tax (Assets) / Liabilities presented in the Balance Sheet

Particulars	Components	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Liability:</b>		
Towards depreciation	-	-
<b>Asset:</b>		
Disallowances under Income-tax	1.98	2.49
On account of Unabsorbed Losses	3.63	3.61
Towards depreciation	6.70	5.72
<b>Total</b>	<b>12.31</b>	<b>11.82</b>

### Movement in Deferred Tax Assets/(Liabilities)

Component	As at 31 <sup>st</sup> March, 2021	(Credit)/ Charge to Statement of P&L	As at 31 <sup>st</sup> March, 2022	Credit/ (Charge) to Statement of P&L	As at 31 <sup>st</sup> March, 2023
<b>Deferred tax Liability / (Asset ) in relation to:</b>					
Depreciation	2.27	(3.44)	5.72	(0.98)	6.70
Expenses allowable under Income tax when paid	6.85	4.34	2.49	0.52	1.98
On account of unabsorbed losses	12.59	8.98	3.61	(0.02)	3.63
<b>Total</b>	<b>21.71</b>	<b>9.88</b>	<b>11.82</b>	<b>(0.48)</b>	<b>12.31</b>

### OTHER LIABILITIES

Note No.21

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
a) Mobilisation advances received from customers	72.90	67.56	145.26	93.60
b) Advances received from customers against supplies or works	-	-	22.40	19.08
c) Provision for Loss in Associate	16.31	9.10	-	-
d) Statutory Liabilities	-	-	67.94	74.65
e) Deferred government grants (Refer note 1 below)	0.45	0.49	-	-
<b>Total</b>	<b>89.66</b>	<b>77.15</b>	<b>235.60</b>	<b>187.33</b>

Note:

- 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.
- 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.

# Notes on Consolidated Financials Statements

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

## SHORT TERM BORROWINGS

Note No.22

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. Secured</b>		
1. Loans repayable on demand :		
a) Working Capital Loans From Banks		
i) State Bank of India	86.45	82.95
ii) Standard Chartered Bank	-	12.00
iii) Axis Bank	-	3.03
iv) IDFC First Bank	12.55	35.55
v) Punjab National Bank	17.37	19.81
vi) Bank of India	19.91	20.87
vii) IndusInd Bank	4.27	0.25
viii) Union Bank of India	33.87	35.30
ix) Bank of Baroda	64.54	44.42
x) UCO Bank	44.77	49.94
xi) Central Bank of India	-	1.59
xii) Bandhan Bank	49.10	19.13
xiii) Fidelity Bank	-	19.06
xiv) Karnataka Bank	22.95	-
2) Current maturities of long-term debt (Refer Note no.17)	43.35	47.51
<b>B. Un Secured</b>		
1. Loans repayable on demand :		
a) Working Capital Loans from Banks		
i) Bank of Bahrain & Kuwait	48.80	49.85
2. Short term loans :		
i) Inter Corporate loan		
i) From AMR India Limited	1.13	0.93
ii) From Power Mech Infra Limited	-	50.00
<b>Total</b>	<b>449.06</b>	<b>492.19</b>

### Note:

- Working capital loans from all the banks 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 7.97 % to 10.65 %.
- 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.



## Notes on Consolidated Financials Statements

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

- f) The company availed working capital loans against security of current assets. As per unaudited books of accounts and amounts as reported in the statement submitted to the banks and the differences are immaterial.
- g) The company has not declared as willful defaulter by any of the bank or any other institution.

### TRADE PAYABLES

Note No.23

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Dues to : Small and Micro Enterprises	1.16	1.47
: Other than Small and Micro Enterprises (including Acceptances)*	747.91	537.85
<b>Total</b>	<b>749.07</b>	<b>539.32</b>

\* Acceptances include arrangements where suppliers of goods and services are initially paid by banks/financiers

#### Ageing of Trade Payables as on 31.03.2023

Particulars	Outstanding for following periods from the date of transaction				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	1.10	0.02	0.04	-	1.16
(ii) others	621.61	53.96	27.59	44.75	747.91
(iii) Unbilled Dues	-	-	-	-	-
(iv) Disputed dues MSME	-	-	-	-	-
(v) Disputed dues others	-	-	-	-	-

#### Ageing of Trade Payables as on 31.03.2022

Particulars	Outstanding for following periods from the date of transaction				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	1.43	0.04	-	-	1.47
(ii) others	385.96	87.55	39.69	24.65	537.85
(iii) Unbilled Dues	-	-	-	-	-
(iv) Disputed dues MSME	-	-	-	-	-
(v) Disputed dues others	-	-	-	-	-

#### 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.

## Notes on Consolidated Financials Statements

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

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	1.16	1.47
(b) Interest due there on	0.35	0.26
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	0.37	0.06
(b) Interest paid along with such payments during the year	0.02	0.00
(c) Interest due and payable at the end of the year on such payments made during the year.	0.24	-
3. Amount of Interest for the year u/s 16 of the Act accrued and remaining un-paid at the end of the year	0.11	0.04
4. Total amount of interest u/s 16 of the Act including that arising in earlier years, accrued and remaining unpaid at end of the year.	0.35	0.26

### CURRENT INCOME-TAX(ASSETS)/LIABILITIES (NET)

Note No.24

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Provision for Income-tax	330.77	257.63
Less: Advance Income-tax and TDS	391.14	318.42
	<b>(60.37)</b>	<b>(60.79)</b>

### Income-tax recognised in profit or loss

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>Current Tax</b>		
Tax expense in respect of current year Income	73.14	36.30
(Excess)/Short provision of current tax in earlier years	-	-
	<b>73.14</b>	<b>36.30</b>
<b>Deferred Tax</b>		
Deferred Tax Income in respect of Current year	(0.48)	9.88
MAT credit entitlement credit in respect of tax paid under provision of MAT	-	-
	<b>(0.48)</b>	<b>9.88</b>
<b>Total tax expense recognised in statement of profit or loss</b>	<b>72.66</b>	<b>46.18</b>

## Notes on Consolidated Financials Statements

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

### REVENUE FROM OPERATIONS

Note No.25

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Contract receipts:</b>		
Income from contracts and services	3,600.44	2,709.30
<b>Other operating revenue :</b>		
Crane hire charges received	0.75	1.19
<b>TOTAL</b>	<b>3,601.19</b>	<b>2,710.49</b>

### OTHER INCOME

Note No.26

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest from banks and others	8.33	6.73
Interest on unwinding portion of Rental Deposits (at amortized cost)	0.08	0.07
Rent received	1.39	0.26
Profit on sale of assets	0.24	0.23
Insurance claims received on Property plant and equipment damaged	1.38	-
Fair value gain on current investments	-	0.19
Gain on exchange fluctuations	2.48	9.78
Forex Gain on revaluation	3.05	-
Sale of Duty credit scrip and deferment of govt. grants	0.05	0.05
Interest on Income tax refund	0.00	0.00
<b>TOTAL</b>	<b>17.00</b>	<b>17.31</b>

### COST OF MATERIALS CONSUMED

Note No.27

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening Stock	121.20	100.18
Add: Purchases	529.11	357.21
	<b>650.31</b>	<b>457.39</b>
Less : Closing Stock	114.13	121.20
<b>TOTAL</b>	<b>536.18</b>	<b>336.19</b>

### CHANGES IN INVENTORIES OF WORK -IN- PROGRESS

Note No.28

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening work-in-progress	16.46	14.49
	<b>16.46</b>	<b>14.49</b>
Closing work-in-progress	33.21	16.46
	<b>33.21</b>	<b>16.46</b>
<b>Increase / (Decrease) in Work-in-progress</b>	<b>16.75</b>	<b>1.97</b>

## Notes on Consolidated Financials Statements

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

### CONTRACT EXECUTION EXPENSE

Note No.29

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Sub-contract expenses	1,688.64	1,245.78
Radiography charges	17.31	15.78
Royalty Charges	175.77	179.23
Hire charges	40.40	43.18
Rent at Project sites	24.95	20.88
Power and fuel	6.34	5.34
Insurance	5.09	5.93
Vehicles movement and other freight expenses	25.91	27.27
Repairs and maintenance : Plant and machinery	20.55	13.64
Other assets	3.66	3.24
Fuel and vehicle maintenance	71.35	59.69
Travelling expenses at projects	12.85	13.12
Wages paid to contract labour	-	0.01
<b>TOTAL</b>	<b>2,092.82</b>	<b>1,633.09</b>

### EMPLOYEE BENEFIT EXPENSE

Note No.30

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Salaries and Wages	463.35	364.03
Remuneration to managerial personnel	11.71	5.32
Contribution to provident and other funds	32.95	22.01
Staff welfare expenses	31.09	28.69
Contribution towards group gratuity	3.73	3.11
<b>TOTAL</b>	<b>542.83</b>	<b>423.16</b>

### FINANCE COST

Note No.31

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Interest paid to banks and others	69.87	64.18
Bank charges and BG commission	11.19	9.56
Loan Processing charges	7.58	4.53
Interest on Income-tax	0.54	0.71
Exchange fluctuations on deferred credit payment	0.11	0.06
Finance cost on lease liability	0.25	0.43
<b>TOTAL</b>	<b>89.54</b>	<b>79.47</b>

## Notes on Consolidated Financials Statements

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

### DEPRECIATION AND AMORTISATION

Note No.32

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Depreciation	40.96	34.60
Amortisation	0.06	0.07
Depreciation on Right-to-use assets	1.89	2.23
<b>TOTAL</b>	<b>42.91</b>	<b>36.90</b>

Refer note no 3(d) given under Significant accounting policies for method of providing depreciation.

### OTHER EXPENSE

Note No.33

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Directors Sitting Fee	0.12	0.11
Payments to auditors		
Towards Statutory audit	0.23	0.18
Towards tax audit and taxation matters	0.02	0.01
Rates and taxes	4.72	6.00
Fair value gain on current investments	0.05	-
Miscellaneous expenses	29.89	18.69
Bad debts writtenoff	4.31	-
Less : Provision withdrawn	(2.15)	-
Provision towards doubtful debts and advances	4.13	4.28
CSR expenses	1.20	1.53
Loss on sale of assets	0.04	3.18
Loss on exchange fluctuations	(0.00)	0.04
<b>TOTAL</b>	<b>42.56</b>	<b>34.02</b>

### Categories of Financial Instruments

Note: 34

The Carrying amounts and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022 are as follows:

Particulars	Fair value		Carrying value	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Financial assets</b>				
<b>Measured at Amortised cost</b>				
(i) Other financial assets	1,009.90	849.56	1,010.14	849.67
(ii) Loans and advances	4.88	5.74	4.87	5.74
<b>Measured at FVTOCI</b>				
(i) Investments in equity instruments and Mutual Funds	0.06	0.05	0.02	0.02
<b>Measured at FVTPL</b>				
(i) Investments in Mutual Funds	0.39	2.45	0.34	2.15
<b>Measured at cost</b>				
(i) Investment in Joint ventures & Associates	35.68	36.60	35.68	36.60
<b>Total assets</b>	<b>1,050.91</b>	<b>894.40</b>	<b>1,051.05</b>	<b>894.18</b>

# Notes on Consolidated Financials Statements

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

Particulars	Fair value		Carrying value	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
(i) Borrowings (including current maturities of Long term borrowings)	69.42	82.47	69.42	82.47
(ii) Other financial liabilities	221.00	207.30	221.00	207.30
(iii) Lease liabilities	1.69	3.36	1.69	3.36
<b>Total liabilities</b>	<b>292.11</b>	<b>293.13</b>	<b>292.11</b>	<b>293.13</b>

## Fair value hierarchy

**Note: 35**

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The categories used are as follows:

**Level 1:** Quoted prices for identified instruments in an active market.

**Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data.

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Group's financial assets are measured at the fair value at the end of each reporting period.

The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique and other inputs used).

Financial Assets	Fair Value as at		Fair Value hierarchy	Valuation technique and key input
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022		
1) Investments in Quoted Mutual Funds	0.45	2.50	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.

## Financial Risk Management

**Note: 36**

The group's business activities are exposed to a variety of financial risks namely credit risk, liquidity risk and foreign currency risk. The group's senior management has the overall responsibility for establishing and governing the group's risk management framework. The group's risk management policies are established to identify and analyse the risks faced by the group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of Directors of the group.

### A. Credit Risk

Credit risk is the risk of financial loss to the group if a customer fails to meet its contractual obligation. Credit risk encompasses of both the direct risk of default and the risk of deterioration of credit worthiness. Credit risk is controlled by monitoring and interaction with the customers on a continuous basis.

## Notes on Consolidated Financials Statements

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

Financial instruments that are subject to concentrations of credit risk principally consists of trade receivables, retentions, deposits with customers and unbilled revenue.

### Receivables from customers

Concentration of credit risk with respect to trade receivables are limited since major customers of the Company are from public sector and accounts for more than 39% 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 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Turnover from top Customer	693.45	650.61
Dues from top customer	355.05	295.00
Turnover from other top 4 customers	1,314.07	547.57
Dues from other top 4 customers	244.14	32.91

### 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 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022, 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 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 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Letter of Credit	USD	4.02	-

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.

# Notes on Consolidated Financials Statements

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

(In ₹ Cr)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Net Foreign currency exposure in</b>		
USD - US Dollars	10.11	9.35
SAR - Saudi Arabian Riyals	0.04	3.06
AED - Arab Emirates Dirham	32.49	19.08
BDT - Bangladeshi Taka	181.61	165.26
LYD - Libyan Dinars	1.47	1.22
OMR - Oman Riyals	4.24	5.30
<b>Total</b>	<b>229.96</b>	<b>203.27</b>

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, 2023 and March 31, 2022. 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.

## 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 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Equity	1,276.70	1,046.40
Short Term Borrowings	405.71	444.68
Long Term Borrowings (including Current maturities of Long term debt)	65.39	82.47
Cash and Cash Equivalents (including other bank balances)	(230.76)	(207.98)
<b>Net Debt</b>	<b>240.34</b>	<b>319.17</b>
Total Capital (Equity+Net Debt)	1,517.04	1,366.57
<b>Gearing Ratio (Net Debt / Equity)</b>	<b>18.82%</b>	<b>30.50%</b>



## Notes on Consolidated Financials Statements

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

Note	Particulars	31.03.2023	31.03.2022
<b>37</b>	<b>Contingent Liabilities and Commitments</b>		
<b>A.</b>	<b>Contingent Liabilities</b>		
	a) Claims against the Company not acknowledged as debts		
	VAT	1.80	1.80
	Goods & Service Tax (GST)	8.28	-
<b>B.</b>	<b>Commitments</b>		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	4.24	2.17
<b>38</b>	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.	1,221.45	1,017.44
<b>39</b>	CIF value of Imports made by the Group during the year		
	a) Consumables & Spare parts	0.06	0.29
	b) Capital goods	4.61	2.71
<b>40</b>	<b>Earnings in foreign exchange currency</b>		
	a) Contract receipts (Projects executed outside India)		
	Abu Dhabi	119.52	84.39
	Bheramara	203.75	266.54
	Sharja	10.45	1.03
<b>41</b>	<b>Expenditure in foreign currency</b>		
	a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
	Abu Dhabi	105.87	79.16
	Bheramara	176.77	181.07
	Kuwait	0.49	0.17
	Shuqaiq	4.34	0.58
	Libya	0.02	-
	Sharja	7.56	1.04
	b) Foreign travel	0.05	0.01

## Notes on Consolidated Financials Statements

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

### 42. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
a) Gross amount required to be spent by the parent Company during the year *	1.06	1.36
b) Amount spent during the year (Contribution paid to Power Mech Foundation /others)	1.20	1.53
c) Related party transactions in relation to Corporate Social Responsibility	1.18	1.41
d) Details of excess amount spent	0.14	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		

\* In respect of other Indian Companies in the group, the provisions of contribution to CSR under Section 135 does not apply

### 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	99.99%
Power Mech Projects Limited LLC	Oman	70.00%
Power Mech BSCPL Consortium Private Limited	India	51.00%
Power Mech SSA Structures Private Limited	India	99.99%
Aashm Avenues Private Limited	India	99.99%
Power Mech Projects (BR) FZE	Nigeria	99.99%
Power Mech Environmental Protection Private Limited	India	99.99%
KBP Mining Private Limited	India	74.00%
Energy Advisory and Consulting Services Private Limited	India	99.99%

### Enterprises consolidated as Joint ventures in accordance with Indian Accounting Standard - 28 : Investment in Associates and Joint Ventures

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest/Profit sharing
GTA Power Mech NIGERIA Limited	Nigeria	50.00%
GTA Power Mech DMCC	Dubai	50.00%
M/s. PMPL- M/s. ACPL JV	India	80.00%
PMPL-STC JV	India	74.00%
PMPL-KHILARI Consortium JV	India	75.00%
PMPL-SRC INFRA JV -Mizoram	India	74.00%
PMPL-SRC INFRA JV -Hassan	India	60.00%
PMPL-BRCC INFRA JV	India	70.00%
PMPL-KVRECPL Consortium JV	India	82.23%
PMPL-PIA JV	India	79.47%
POWER MECH-TAIKISHA JV	India	66.00%
RITES-PMPL JV	India	51.00%
M/s. SCPL-PMPL JV	India	20.00%

## Notes on Consolidated Financials Statements

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

### 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	49.00%

### 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
<b>Parent</b>				
Power Mech Projects Limited	95.86%	1,223.96	101.22%	210.07
<b>Subsidiaries</b>				
Hydro Magus Private Limited	0.33%	4.24	(0.08%)	(0.17)
Power Mech Industri Private Limited	(0.17%)	(2.15)	0.29%	0.61
Power Mech SSA Structures Private Limited	0.00%	(0.01)	0.00%	(0.00)
Aashm Avenues Private Limited	0.00%	(0.01)	0.00%	(0.00)
Power Mech BSCPL Consortium Private Ltd	0.05%	0.65	0.00%	(0.00)
Power Mech Projects Limited LLC	(0.30%)	(3.79)	(1.94%)	(4.02)
Power Mech Projects (BR) FZE	2.62%	33.40	5.27%	10.94
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)
<b>Joint Venture</b>				
M/s. PMPL- M/s. ACPL JV	0.11%	1.43	0.09%	0.18
PMPL-KHILARI Consortium JV	0.04%	0.50	0.04%	0.08
PMPL-STIS JV	0.07%	0.90	0.04%	0.08
PMPL-SRC INFRA JV (MIZORAM)	0.09%	1.09	0.26%	0.54
PMPL-SRC INFRA JV (HASSAN)	0.00%	-	0.00%	-
PMPL-BRCC INFRA JV	0.00%	-	0.00%	-
PMPL-KVRECPL Consortium JV	0.00%	-	0.00%	-
PMPL-PIA JV	0.00%	-	0.00%	-
POWER MECH-TAIKISHA JV	0.00%	-	0.00%	-
RITES-PMPL JV	0.00%	-	0.00%	-
SCPL - PMPL JV	0.00%	-	0.00%	-
GTA Power Mech NIGERIA Limited	(0.01%)	(0.17)	(0.00%)	(0.01)
GTA Power Mech DMCC	0.03%	0.44	(0.16%)	(0.34)
GTA Power Mech FZE	2.45%	31.32	(0.71%)	(1.47)
<b>Associate</b>				
MAS Power Mech Arabia (MASPA)	(1.28%)	(16.31)	(3.47%)	(7.20)
Share of Minority	0.10%	1.32	(0.84%)	(1.75)
	<b>100%</b>	<b>1,276.80</b>	<b>100%</b>	<b>207.53</b>

# Notes on Consolidated Financials Statements

All amounts are in ₹ Crores, 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 Before Taxation	Provision for Taxation	Profit After Taxation	Other Comprehensive Income	Total Comprehensive Income	% of Shareholding
<b>Subsidiaries</b>													
1	Hydro Magus Private Limited	INR	0.21	8.09	7.26	15.57	0.45	(0.19)	(0.00)	(0.19)	-	(0.19)	88%
2	Power Mech Industri Private Limited	INR	0.02	(0.12)	37.70	37.59	24.18	0.65	0.10	0.55	0.06	0.61	100%
3	Power Mech BSCPL Consortium Private Limited	INR	0.01	1.28	81.34	82.64	-	(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)	0.06	0.15	-	(0.00)	-	(0.00)	-	(0.00)	100%
6	Power Mech Environmental Protection Private Limited	INR	0.01	(0.01)	0.01	0.00	-	(0.00)	-	(0.00)	-	(0.00)	100%
7	KBP Mining Private Limited	INR	0.01	(0.01)	9.98	9.98	-	(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	188.25	138.89	330.74	360.15	65.02	-	65.02	-	65.02	100%
10	Power Mech Projects Limited LLC	Oman Riats	0.03	(0.03)	0.01	0.00	0.00	(0.03)	-	(0.03)	-	(0.03)	70%
<b>Joint ventures</b>													
1	M/s. PMP - M/s. ACPL JV (Capital introduced Nil)	INR	-	1.81	4.83	6.64	26.76	0.35	0.13	0.22	-	0.22	0.80
2	PMP-L-STS JV (Capital introduced Nil)	INR	-	1.22	35.38	36.60	15.11	0.18	0.07	0.11	-	0.11	0.74
3	PMP-L-KHILARI Consortium JV (Capital introduced Nil)	INR	-	0.67	23.45	24.12	17.09	0.16	0.06	0.10	-	0.10	0.75
4	PMP-L - SRC INFRA JV (MIZORAM) (Capital introduced Nil)	INR	-	2.70	21.55	24.24	117.47	1.16	0.43	0.73	-	0.73	0.74
5	PMP-L - SRC INFRA JV (HASSAN) (Capital introduced Nil)	INR	-	-	-	-	-	-	-	-	-	-	0.60
6	PMP-L-BRCC INFRA JV (Capital introduced Nil)	INR	-	0.00	283.61	283.61	675.77	0.00	0.00	0.00	-	0.00	0.70
7	PMP-L-KVRECP L Consortium JV (Capital introduced Nil)	INR	-	(0.04)	1.86	1.82	12.58	(0.05)	(0.01)	(0.04)	-	(0.04)	0.82
8	PMP-L-PIA JV (Capital introduced Nil)	INR	-	0.27	19.68	19.95	48.39	0.36	0.09	0.27	-	0.27	0.79
9	POWER MECH-TAIKISHA JV (Capital introduced Nil)	INR	-	-	5.25	5.25	5.05	-	-	-	-	-	0.66
10	RITES-PMP L JV (Capital introduced Nil)	INR	-	-	1.40	1.40	8.21	-	-	-	-	-	0.51
11	SCPL-PMP L JV	INR	-	-	5.51	5.51	25.42	-	-	-	-	-	0.20
12	GTA Power Mech NIGERIA Limited	NGN	3.00	(2.25)	0.93	1.67	-	(0.10)	-	(0.10)	-	(0.10)	0.50
13	GTA Power Mech DMCC	AED	0.01	0.04	0.01	0.05	0.04	(0.03)	-	(0.03)	-	(0.03)	0.50
<b>Associates</b>													
1	MAAS Power Mech Arabia (MASPA)	SAR	0.25	(1.60)	2.31	0.95	(0.45)	(0.67)	-	(0.67)	-	(0.67)	0.49

## Notes on Consolidated Financials Statements

All amounts are in ₹ Crores, 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
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 Vignatha Solar Private Limited

### B) Transactions with related parties

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP
<b>i)</b>	<b>Rent &amp; Electricity Charges Paid</b>			
a)	S. Kishore Babu	0.23 (0.18)		
b)	S. Lakshmi		0.16 (0.16)	
c)	S. Kishore Babu (HUF)		0.02 (0.09)	
d)	S. Vignata		0.12 (0.12)	
e)	Power Mech Infra Limited			1.84 (1.96)
f)	Power Mech foundation			0.01 -
<b>ii)</b>	<b>Remuneration Paid</b>			
a)	S. Kishore Babu	11.71 (5.32)		
b)	S. Rohit		0.36 (0.36)	
c)	Ajay Kumar	- (0.05)		
<b>iii)</b>	<b>Amount paid towards Corporate Social Responsibility (CSR)</b>			
a)	Power Mech Foundation			1.18 (1.41)
<b>Interest paid</b>				
a)	Power Mech Infra Limited			2.57 -
<b>Loans Repaid</b>				
a)	Power Mech Infra Limited			25.00 -
<b>Fresh issue of equity shares by way of conversion of Unsecured Loan</b>				
a)	Power Mech Infra Limited			25.00 -

## Notes on Consolidated Financials Statements

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

### C) Balances outstanding as on 31.03.2023

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP
<b>i)</b>	<b>Due to Power Mech Infra Limited</b>			1.24
				(1.85)
	Due to Power Mech Infra Limited (loan)			-
				(50.00)
	Rental Deposit with Power Mech Infra Limited			0.89
				(0.89)
<b>ii)</b>	<b>Remuneration Payable</b>			
	S. Kishore Babu	2.95		
		(1.10)		
	S. Rohit		0.07	
			(0.07)	
	Ajay Kumar	0.00		
		(0.00)		
<b>iii)</b>	<b>Rent Payable</b>			
	S. Kishore Babu	0.04		
		(0.04)		
	S. Lakshmi		0.01	
			(0.02)	
	S. Kishore Babu (HUF)		-	
			(0.02)	
	S. Vignatha		0.01	
			(0.02)	
	Power Mech foundation			0.01
				(0.00)

**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 Segment reporting:

**Business Segment:** The group predominantly operates only in construction and maintenance activities. This in the context of Accounting standard-108 "Operating Segments" is considered to constitute only one business segment.

**Geographical Segment:** The group has operations within India and outside India and the Segment information is presented in consolidated financial statements as mentioned in para 4 of AS -108.

Geographical Segment	Revenue for the year 2022-23	Segment Assets as on 31.03.2023	Capital Expenditure for the year 2022-23
With in India	3,204.65	2,665.72	50.45
(Previous year)	(2,344.03)	(2,233.23)	(38.81)
Outside India	396.53	388.43	3.20
(Previous year)	(366.46)	(363.64)	(5.02)

## Notes on Consolidated Financials Statements

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

### 48. Key Financial Ratios

Particulars	Numerator	Denominator	Unit of Measurement	FY 2022-23	FY 2021-22	Variation in %
Current Ratio	Current Assets	Current Liabilities	No. of times	1.58	1.53	3%
Debt-Equity Ratio *	Total Debt	Shareholder's Equity	No. of times	0.37	0.51	-36%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	No. of times	2.56	2.01	21%
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	%	18%	14%	20%
Inventory Turnover Ratio #	Cost of Goods sold	Average Inventory	No. of times	3.88	2.68	31%
Trade receivables Turnover Ratio	Net Credit Sales	Avg. Accounts Receivable	No. of times	4.62	4.52	2%
Trade payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	No. of times	3.47	3.08	11%
Net Capital Turnover Ratio	Net Sales	Working Capital	No. of times	3.95	3.81	3%
Net Profit Ratio	Net Profit	Net Sales	%	6%	5%	11%
Return on Capital Employed	Earning before interest and taxes	Capital Employed	%	21%	17%	20%
Return on Investment						
(a) Return on Mutual funds	Income during the year	Time weighted average of investments	%	0%	8%	0%

\* The debt equity ratio has been improved on account of repayment of debt during the current financial year and increase in shareholders equity of the Company.

# Inventory Turnover ratio has been increase primarily due to increase in revenue thereby increase in material consumption during the current financial year.

### 49. Calculation of Earnings per Share:

Sl. No	Particulars	2022-23	2021-22
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	1,49,06,357	1,47,10,764
	Face value per share (in ₹)	10.00	10.00
	Profit after tax attributable to equity share holders and after minority interest	209.11	138.99
	Basic and Diluted Earning per share (in ₹)	<b>141.26</b>	<b>94.48</b>

## Notes on Consolidated Financials Statements

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

### 50. Leases

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(i) The following is the breakup of current and non-current lease liabilities</b>		
Current liabilities	0.83	1.64
Non-current liabilities	0.86	1.72
<b>Total</b>	<b>1.69</b>	<b>3.36</b>
<b>(ii) The following is the movement of lease liabilities</b>		
Balance at the Opening/Transition date	3.36	5.27
Additions during the year	0.39	0.31
Finance cost accrued during the year	0.25	0.43
Payment of lease liabilities during the year	(2.31)	(2.65)
<b>Balance at the end</b>	<b>1.69</b>	<b>3.36</b>
<b>(iii) Maturity analysis of lease liabilities</b>		
Less than one year	0.83	1.64
One to five years	0.86	1.72
More than five years	-	-
<b>Total</b>	<b>1.69</b>	<b>3.36</b>

(iv) The impact of change in accounting policy on account of adoption of Ind AS 116 is as follows

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities (Refer Note 31)	0.25	0.43
Depreciation of Right-of-use assets (Refer Note 4.2)	1.89	2.23
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	2.31	2.65

(v) The impact on the profit for the year is not material.

### 51. Disclosure pursuant to Ind AS 115 "Revenue from contracts with customers"

a) Movement in expected credit losses:

Particulars	Retention money & security deposits with customers	Advances given to sub contractors against works
<b>Opening balance as at 01.04.2022</b>	<b>10.15</b>	<b>1.22</b>
Changes in allowance for expected credit loss		
- Provision for expected credit loss	1.18	2.94
- Reversal of Provision for expected credit loss	(2.15)	-
<b>Closing balance as at 31.03.2023</b>	<b>9.18</b>	<b>4.16</b>



## Notes on Consolidated Financials Statements

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

### b) Movement in contract balances :

Particulars	31.03.2023	31.03.2022	Net Increase / Decrease
<b>Contract Receivables</b>			
Dues from customers	893.51	666.57	226.94
<b>Contract Assets</b>			
Retention & SD amounts due from customers	341.28	312.89	28.39
<b>Contract Payables</b>			
Due to Sub Contractors	435.81	345.88	89.93
<b>Contract Liabilities</b>			
Retention & SD amount due to Sub Contractors	111.81	95.77	16.04

### 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 ₹23,027 Cr which will be recognized as revenue over the respective project durations. Generally the project duration of contracts with customers will be 1-25 years.

## 52. Dividend:

The board of Directors of the parent Company at its meeting held on 26.05.2023 have recommended a dividend of ₹2.00/- each per share of face value of ₹10/- each for the financial year ended 31<sup>st</sup> March, 2023. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as a liability.

## 53. 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 Companies in the group 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 group.

### (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 Companies in the group have 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 Companies in the group have 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.

## Notes on Consolidated Financials Statements

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

**(e) Undisclosed Income**

The companies in the group 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 companies in the group did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

**54.** The Income-Tax Department had carried out a search operation at the parent Company's various business premises, under Section 132 of the Income-tax Act, 1961 in the month of July, 2022. The Company has extended full cooperation to the Income-tax officials during the search and provided all the information sought by them. As on the date of issuance of these financial results, the Company has not received any formal communication or notices for filing returns of income from the Income-tax department. Management is of the view that this will not have any impact on the Company's financial position as at March 31, 2023 and the performance for the year ended on that date and hence no provision for any liability has been recognized in the Standalone financial results.

**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 No. 235528

UDIN:23235528BGSAPZ7245

Place: Hyderabad

Date: 26.05.2023

**For and on behalf of the Board**

Sd/-

**S. Kishore Babu**

Chairman and Managing Director

**DIN: (00971313)**

Sd/-

**J Satish**

CFO

Sd/-

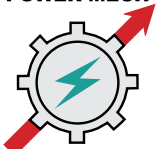
**Mohith Kumar Khandelwal**

Company Secretary

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**POWER MECH**



**Growth Unlimited**

**POWER MECH PROJECTS LIMITED**

CIN: L74140TG1999PLC032156

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