

Date: 13.02.2024

To  
The Corporate Relations Department  
BSE Limited,  
Dalal Street, PJ Towers,  
MUMBAI-400001

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

Dear Sir/Madam,

Sub: Monitoring Agency Report for the Quarter ended 31.12.2023

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

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with 173A(4) of SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2018 please find enclosed herewith, Monitoring Agency Report issued by CARE Ratings Limited, Monitoring Agency, for the quarter ended 31.12.2023 in respect of Utilization of proceeds of the QIP of the Company.

A copy of this disclosure is also being uploaded on the website of the Company at [www.powermechprojects.com](http://www.powermechprojects.com)

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



JAS-ANZ



M4570910IN

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

Phone : 040-30444444  
Fax : 040-30444400  
E-mail : [info@powermech.net](mailto:info@powermech.net)  
Website : [www.powermechprojects.com](http://www.powermechprojects.com)



**No. CARE/HRO/2023-204/1019**

**The Board of Directors  
Power Mech Projects Limited**

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

February 13, 2024

Dear Sir/Madam,

**Monitoring Agency Report for the quarter ended December 31, 2023 - in relation to the  
Qualified Institutions Placement of Power Mech Projects Limited ("the Company")**

We write in our capacity of Monitoring Agency for the Qualified Institutions Placement for the amount aggregating to Rs.350.00 crore of the Company and refer to our duties cast under 173A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended December 31, 2023 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated July 27, 2023.

Request you to kindly take the same on records.

Thanking you,  
Yours faithfully,



**Puja Jalan**

Associate Director  
puja.jalan@careedge.in

CARE Ratings Limited

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CIN-L67190MH1993PLC071691

## Report of the Monitoring Agency

Name of the issuer: Power Mech Projects Limited

For quarter ended: December 31, 2023

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Not applicable

### Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.



Signature:

Name and designation of the Authorized Signatory: Puja Jalan

Designation of Authorized person/Signing Authority: Associate Director

CARE Ratings Limited

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**1) Issuer Details:**

Name of the issuer : Power Mech Projects Limited  
 Name of the promoter : Sajja Kishore Babu  
 Industry/sector to which it belongs : Construction and Mining

**2) Issue Details**

Issue Period : October 18, 2023 to October 23, 2023  
 Type of issue (public/rights) : Qualified Institutions Placement  
 Type of specified securities : Equity shares  
 IPO Grading, if any : Not applicable  
 Issue size (in ` crore) : Rs.350.00 crore (Note 1)

## Note 1:

The company had offered 9,01,789 Equity Shares under the Qualified Institutions Placement, at Rs.3,881.17 per share (including share premium of Rs.3871.17 per share) aggregating to Rs.350 crore.

Particulars	Remarks
Total shares issued and subscribed as part of QIP	9,01,789
Total subscriptions towards QIP (in Rs. )	349,99,96,413.13
Details of expenses incurred related to issue (in Rs.)	6,60,37,520.00
Net Proceeds of QIP issue (Rs.)	343,39,58,893.13

**3) Details of the arrangement made to ensure the monitoring of issue proceeds:**

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate*, Utilization certificate as received from the management <sup>1</sup>	The net proceeds of QIP issue are Rs.343 crore. As per the letter of offer, the net proceeds from the QIP issue have to be utilized as per the objects by financial year 2026.	-
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable as no deviation	Not applicable	Not applicable	-

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Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether the means of finance for the disclosed objects of the issue have changed?	Not applicable as there was no change	Not applicable	Not applicable	
Is there any major deviation observed over the earlier monitoring agency reports?	Not applicable as this is the first report	Not applicable	Not applicable	-
Whether all Government/statutory approvals related to the object(s) have been obtained?	The company is yet to receive government, regulatory and statutory approvals for the installation of coal washery at Tasra project.	Mail correspondence from the company	Delay in the receipt of required approvals can extend the construction timelines of washery at Tasra project.	-
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	-
Are there any favorable/unfavorable events affecting the viability of these object(s)?	The company is awaiting approval for Environmental clearance from Ministry of Environment, Forest and Climate Change, Government of India for the installation of coal washery.	Mail correspondence from the company	Approvals from concerned authorities are critical for the installation and operation of coal washery. Delay in the receipt of the same might extend the construction timelines of washery at Tasra project.	-
Is there any other relevant information that may materially affect the decision making of the investors?	No. All information has already been disclosed in the letter of offer.	Not applicable	No	-

\*Chartered Accountant certificate from M/s K. S. Rao & Co. Chartered Accountants (**Member of Peer Review Board and also Statutory Auditor of PMPL**) dated February 07, 2024.

<sup>1</sup>A detailed document dated February 07, 2024 presenting the utilization of funds during Q3FY24 undersigned by CFO, Mr. Nani Aravind Nallamothu.

#Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

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#### 4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Funding capital expenditure for the installation and operation of washery and coal handling plant including other incidental infrastructure works for the Tasra opencast project	Chartered Accountant certificate*, utilization certificate from the management <sup>1</sup>	240.00	Not applicable	In line with the objects in letter of offer	-	-	-
2	Repayment / prepayment in full or part, of a portion of the loan availed by our Company from Bank of Bahrain and Kuwait B.S.C	Chartered Accountant certificate*, utilization certificate from the management <sup>1</sup>	20.00	Not applicable	In line with the objects in letter of offer	-	-	-
3	General corporate purposes (GCP)	Chartered Accountant certificate*, utilization certificate from the management <sup>1</sup>	83.40	Not applicable	In line with the objects in letter of offer	-	-	-
<b>Total</b>			<b>343.40</b>					

\* Chartered Accountant certificate from M/s K. S. Rao & Co. dated February 07, 2024.

<sup>1</sup>A detailed document dated February 07, 2024 presenting the utilization of funds during Q3FY24 undersigned by CFO, Mr. Nani Aravind Nallamothu.

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## (ii) Progress in the objects –

S. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Funding capital expenditure for the installation and operation of washery and coal handling plant including other incidental infrastructure works for the Tasra opencast project	Chartered Accountant certificate*, utilization certificate as received from the management <sup>2</sup> , Bank statements, confirmation from bankers.	240.00	0.00	0.00	0.00	240.00	The entire amount was transferred to the monitoring account, from where the amounts were transferred to Fixed deposit accounts and are currently outstanding in the said FD accounts <sup>&amp;</sup> . As per the offer document, the company proposes to spend Rs.24 crore in FY24, Rs.48 crore in FY25 and Rs.168 crore in FY26.	-	-
2	Repayment / prepayment in full or part, of a portion of the loan availed by	Chartered Accountant certificate*, utilization	20.00	0.00	20.00	20.00	0.00	The company has spent entire amount of	-	-

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S. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
	our Company from Bank of Bahrain and Kuwait B.S.C	certificate as received from the management <sup>1</sup> , Bank statements						Rs.20 crore towards repayment of loan availed from Bank of Bahrain and Kuwait B.S.C, as per the objects of the issue.		
3	General corporate purposes (GCP)^	Chartered Accountant certificate*, utilization certificate as received from the management <sup>1</sup> , Bank statements	83.40	0.00	83.40	83.40	0.00	The company made repayment (additional repayment of Rs.10 crore of Bank of Baharain and Kuwait B.S.C) and multiple payments towards suppliers and sub-contractors, as per the objects of the issue.	-	-
<b>Total</b>			<b>343.40</b>	<b>0.00</b>	<b>103.40</b>	<b>103.40</b>	<b>240.00</b>			

\* Chartered Accountant certificate from M/s K. S. Rao & Co. dated Feb. 07, 2024.

<sup>1</sup> A detailed document dated February 07, 2024 presenting the utilization of funds during Q3FY24 undersigned by CFO, Mr. Nani Aravind Nallamothu.

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^As per the objects of issue, The general corporate purposes for which the company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities, **part prepayment/repayment of any borrowings**, business development initiatives, meeting expenses incurred in the ordinary course of business and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

&As per the offer document, pending utilization of net proceeds can be deposited in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market / mutual funds, as approved by the Board and/or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws

(iii) Deployment of unutilized QIP proceeds: The remaining funds amounting to Rs.240.00 crore are parked in FD accounts with RBL Bank and IndusInd Bank.

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1.	Fixed Deposits	Rs.106 crore	October 31, 2024	Rs.8.82 crore	8.05%	Rs.107.45 crore
2.	Fixed Deposits	Rs.106 crore	October 31, 2024	Rs.8.82 crore	8.05%	Rs.107.45 crore
3.	Fixed Deposits	Rs.28 crore	November 01, 2024	Rs.2.23 crore	7.96%	Rs.28.37 crore

(iv) Delay in implementation of the object(s) – No delays in Q3FY24

Objects	Completion Date				Delay (no. of days/months)	Comments of the Board of Directors	
	As per the offer document			Actual		Reason of delay	Proposed course of action
Funding capital expenditure for the installation and operation of washery and coal handling plant including other incidental infrastructure works for the Tasra opencast project		<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	Nil spent as on Dec. 31, 2023	NA	-
	<b>Rs. crore</b>	24	48	168			
Repayment / prepayment in full or part, of a portion of the loan availed by our Company from Bank of Bahrain and Kuwait B.S.C	By FY24				Fully utilized on October 30, 2023	NA	-
General corporate purposes (GCP)	By FY24				Full amount of Rs.83.40 crores has been spent till Dec. 31, 2023.	NA	-

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**5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:**

Sr. No	Item Head <sup>^</sup>	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Repayment of working capital demand loan	10.00	Chartered Accountant certificate*, Management certificate <sup>1</sup>	Amount of Rs.83.40 crore utilised under various item heads are as per the provisions of letter of offer. Section from the letter of offer related to GCP is presented below.	-
2	Payment to suppliers	63.00	Chartered Accountant certificate*, Management certificate <sup>1</sup>		
3	Payment to sub-contractor	10.40	Chartered Accountant certificate*, Management certificate <sup>1</sup>		
	<b>Total</b>	<b>83.40</b>			

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<sup>1</sup> A detailed document dated February 07, 2024 presenting the utilization of funds during Q3FY24 undersigned by CFO, Mr. Nani Aravind Nallamothu.

<sup>^</sup> Section from the offer document related to GCP:

"Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ 833.96 million, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities, **part prepayment/repayment of any borrowings**, business development initiatives, **meeting expenses incurred in the ordinary course of business** and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds.

In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals."

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