



# POWER MECH®

Date: 01.10.2016

To,  
Corporate Relations Department.  
BSE Limited,  
PJ Towers, Dalal Street,  
Fort, Mumbai – 400001  
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To,  
National Stock Exchange of India Limited,  
Exchange Plaza,  
BandraKurla Complex,  
Bandra (E), Mumbai - 400051  
Fax: +91 – 22 – 66418124/25/26

Dear Sir,

**Sub: - Submission of Annual Report for the FY 2015-16 as per Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

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

Pursuant to the Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith Annual Report for the financial year 2015-16.

Kindly take the same on record.

Thanking You,

Yours Faithfully  
**For Power Mech Projects Limited**

**Mohit Gurjar**  
Company Secretary

## POWER MECH PROJECTS LIMITED

AN ISO 9001, ISO 14001 & OHSAS 18001 CERTIFIED COMPANY

**Regd. & Corporate Office :**  
Plot No. 77, Jubilee Enclave, Opp. Hitex,  
Madhapur, Hyderabad-500081  
Telangana, India  
CIN : 74140TG1999PLC032156

Phone : 040-30444444  
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Website : www.powermechprojects.in

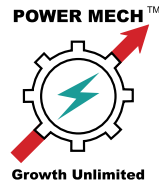


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# POWER MECH PROJECTS LIMITED

17<sup>th</sup>  
ANNUAL REPORT  
2015-16





# Contents

Company Information	6
Message from Chairman & Managing Director	8
About the Company	10
Notice	39
Directors' Report	48
Annexure to Directors' Report	53
Management Discussion and Analysis Report	67
Report on Corporate Governance	75
Auditor's Certification on Corporate Governance	90
<b>Standalone Financials</b>	
Auditor's Report on Financial Statements	92
Balance Sheet	97
Statement of Profit & Loss	98
Cash Flow Statement	99
Notes forming part of Financial Statements	100
<b>Consolidated Financials</b>	
Auditor's Report on Financial Statements	121
Balance Sheet	123
Statement of Profit & Loss	124
Cash Flow Statement	125
Notes forming part of Financial Statements	126
Form for ECS Mandate	147
Proxy Form & Attendance Slip	

## BOARD OF DIRECTORS



**Shri S Kishore Babu**  
*Chairman & Managing Director*

Shri Sajja Kishore Babu is the founding Chairman and Managing Director of our Company. He holds a bachelor's degree in Mechanical Engineering from Nagarjuna University, Andhra Pradesh. He is a first generation entrepreneur, responsible for our Company's growth and business development since its inception. He has several years of experience in the power sector including construction and O&M. He has been instrumental in completing major projects including Super-critical units in scheduled time. He is also the director of Hydro Magus Private Limited, Power Mech Industri Private Limited, the subsidiaries of our Company and the founder and managing trustee of Power Mech Foundation, a charitable trust.



**Smt S Lakshmi**  
*Non-Executive Director*

Smt Sajja Lakshmi is a non-executive Director of our Company. She holds a bachelor's degree in science from Andhra University. She has been associated with our Company since its inception. She has been responsible for office expansion, human resources and structural modernization of our Company. She has several years of experience in the field of human resources. She is also the chairperson of Power Mech Foundation and is involved in social work.



**Shri M Rajendran**  
*Director & COO*

Shri Murugesan Rajendran is the Executive Director and Chief Operating Officer of our Company. He holds a bachelor's degree in civil engineering from University of Madras. He has more than 30 years of experience in construction engineering and has exposure to erection of BTG and BOP of power projects. He is responsible for our Company's overall business operations. He has been associated with our Company since the year 2002. He has been instrumental in the Company receiving ISO certification. Prior to joining our Company, he was associated with BHEL and Sunil Hi-Tech Private Limited. He is also a member of the Institution of Engineers and The Indian Institute of Welding.

**Shri GDV Prasada Rao**  
*Independent Director*



Shri Gorijala Durga Vara Prasada Rao is a non-executive independent Director of our Company. He holds a bachelor's degree in chemical engineering from Andhra University and a master's degree, also in chemical engineering from University of Madras. He commenced his career in the fertilizer industry and later joined Andhra Bank as a technical officer for project appraisal. Having served in different capacities all over India he rose to the rank of a general manager in Andhra Bank after a service of 28 years and 10 months. He is the vice president of HEAL (Health and Education for All), a non government organization providing health and education to orphans and poor children.

**Shri M Rajiv Kumar**  
*Non-Executive Director*



Shri. M Rajiv Kumar is a non-executive Director of our Company. He 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 Exe Director, Power Sector, Eastern Region. During his career, he initiated, planned, executed and commissioned many power projects and today they stand testimony of his leadership quality and feeding power to the Nation. He has strong project management skill, is exceptionally good at team-building, easily adaptable and flexible towards projects needs and posses superior interpersonal & time-management skills. Gifted with good foresight, he holds impeccable record for identifying right persons for right jobs, mentoring and motivating the entire team under him.

**Shri T Sankarlingam**  
*Independent Director*



Shri Thiagarajan Sankaralingam is a non-executive independent Director of our Company. He holds a bachelor's degree in electrical engineering from Regional Engineering College, Trichy, affiliated to Madras University. He joined BHEL in 1973 and later NTPC. He became the director (projects) of NTPC in August 2011 and served as chairman and managing director from April, 2006 to April, 2008. He served as chairman of the jury of International Project Management Association award committee for the year 2006. Post superannuation from NTPC, he was the managing director of BGR Energy Systems Limited from September 2009 to December 2012 and Cuddalore Power Company Limited from January 2010 to October 2012. Currently he is the non-executive chairman of Bhubaneswar Power Private Limited and non-executive independent director of Athena Chattisgarh Power Private Limited. He is the recipient of Eminent Engineer Award from Institution of Engineers, Delhi. He is also a fellow member of Institution of Engineers, India.

**Shri Sutanu Behuria**  
*Independent Director*



Dr Sutanu Behuria is a non-executive independent Director of our Company. He is an economist and is an alumnus of St. Stephens, Delhi and holds Masters in economics from Delhi School of Economics. He also holds another Master's and Doctorate in Economics from Southern Methodist University, USA. He started his career as Lecturer in his Alma Mater and later joined the Indian Administrative Service in 1976 and had an illustrious career spanning 38 years before he retired on superannuation as Secretary, Government of India. During his service he held many important positions including principal Secretary, Govt. of Himachal Pradesh and Secretary Govt. of India, Heavy Industry, Minority affairs, National Disaster Management, Fertilisers etc. He also has worked for 5 years with Asian Development Bank and acted as Advisor to Govt., of Mauritius for 2 years. He has submitted many papers on Finance and Economics with regular periodicity.

**Shri Amitabha Guha**  
*Independent Director*  
*(resigned w.e.f 04.06.2016)*



Shri Amitabha Guha holds a bachelor's and a master' degree in science from University of Calcutta. He has over 40 years of experience in the banking sector and has served as the managing director of State Bank of Travancore and State Bank of Hyderabad as well as Deputy Managing Director of State Bank of India. Currently, he is the part time non-executive chairman of the South Indian Bank Limited, He is also on the member board of governors, Asian School of Business Management, Bhubaneswar.

**Shri Vivek Paranjpe**  
*Independent Director*  
*(Appointed w.e.f 31.08.2016)*



Shri Vivek Paranjpe did his B. Sc (Honors) from Fergusson College Pune and post graduated from XLRI, Jamshedpur and has four decades work experience. He started his career with Hindustan lever and after serving few other reputed Companies he moved to Hewlett Packard before joining Reliance Industries limited to hold the position, Group President HR. He is a columnist, HR consultant, visiting faculty and lead assessor and experienced in corporate merger and acquisition. Currently he is the Strategic HR advisor to RIL, Independent Director, MotilalOswal Financial Services and on the Board of Governors, ITM University and on advisory board, SHRM, South East Asia.

## COMPANY INFORMATION

### Chief Financial Officer

Shri J Satish

### Company Secretary

Shri Mohit Gurjar

### Audit Committee

Shri Sutanu Behuria	Chairman
Shri GDV Prasada Rao	Member
Shri T Sankaralingam	Member

### Nomination and Remuneration Committee

Shri T Sankaralingam	Chairman
Smt S Lakshmi	Member
Shri GDV Prasada Rao	Member

### Stakeholder's Relationship Committee

Shri M Rajiv Kumar	Chairman
Smt S Lakshmi	Member
Shri GDV Prasada Rao	Member

### Corporate Social Responsibility Committee

Shri S Kishore Babu	Chairman
Smt S Lakshmi	Member
Shri GDV Prasada Rao	Member

### Registered & Corporate Office

Plot No: 77, Jubilee Enclave Road  
Opp: Hitex, Madhapur  
Hyderabad - 500 081  
Telangana, India.  
Tel: +91 40 30444444  
Fax: +91 40 30444400

### Statutory Auditors

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

### Secretarial Auditors

M/s PS Rao & Associates  
Flat No. 10, 4<sup>th</sup> Floor  
# 6-3-347/22/2, Ishwarya Nilayam  
Opp: Sai Baba Temple  
Dwarakapuri Colony, Panjagutta  
Hyderabad - 500 082  
Telangana

### Internal Auditors

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

### Bankers

State Bank of Hyderabad  
State Bank of India  
Standard Chartered Bank  
Axis Bank  
RBL Bank Ltd  
HDFC Bank Ltd  
ICICI Bank

### Registrar & Share Transfer Agent

Karvy Computershare Pvt Ltd  
Karvy Selenium Tower B  
6<sup>th</sup> Floor, Plot 31-32, Gachibowli  
Financial District, Nanakramguda  
Hyderabad - 500 032



Power Mech Projects Limited (PMPL) is an engineering and construction company providing versatile and comprehensive services in power and infrastructure sectors. The core strength of the company lies in **Erection, Testing and Commissioning (ETC) of BTG and BOPs, Operation and Maintenance, Repairs, Overhauling, Renovation and Modernization of power plants and related civil works**. Power Mech, having its major operations in India, also operates in more than ten countries worldwide.

The company has undertaken projects of all types, sizes and under extreme environments in India and abroad which include Ultra Mega Power Projects, Super Critical Thermal Power Projects, Sub Critical Power Projects, Heat Recovery Steam Generators, Waste Heat Recovery Steam Generators, Circulating Fluidized Bed Combustion Steam Generators, Gas Turbine Generators, Hydro Electric Plants, overhauling, renovation, modernization, operation & maintenance of running plants and complete civil works for power plant.

With a large fleet of cranes and machines the Company is capable of handling, over 4,00,000 MT annually and operating up to 55 sites simultaneously.

The company has established subsidiary companies, **Hydro Magus Private Limited** for undertaking hydro projects, **Power Mech Industri Private limited**, with a workshop in Noida, for fabrication, manufacturing and repairing of BTG parts, **Mas Power Mech Arabia** in Saudi Arabia, Power Mech Projects Limited LLC, Oman to extend the company's services in that part of the world, and joint venture **GTA Power Mech Nigeria Limited** for undertaking project works in the African region.





“

Power Mech derives its strength to undertake projects in any discipline through proven credibility and expertise gained over decades of experience in engineering and construction.



## MESSAGE FROM CHAIRMAN & MANAGING DIRECTOR

### Dear Shareholders,

I am happy to present the 17<sup>th</sup> Annual Report and the first Annual Report post listing of the Company for the year 2015-16 with a sense of relative satisfaction in contemporary market. We have come through this financial year against odds and ends. Sometimes during a journey we require a landing space like the one that is in a stair case, to stop a while, take stock of the situation and move further and higher. I strongly believe that we are right in to this crucial but all-needed space and time.

As you are aware, the scenario in power sector seems to be rather gloomy for the last couple of years. Many projects are on hold for various reasons and many power plants are being operated at their low PLF. Even in subdued environment, we are able to sustain our growth from Revenue of Rs 13,662 Mn in FY 15 to Rs 13,838 Mn in FY 16 and the net profit stands at Rs 755 Mn in FY 16 against the net profit of Rs 714 Mn in FY 15 (Consolidated basis). The CAGR growth continues to stay ahead at 19% since FY 2012. In spite of all odds we could keep the order book at a modest Rs 35,240 Mn as on 31<sup>st</sup> March, 2016.

The constituents of order book contributing to the revenue growth are Erection Testing and Commissioning (ETC) at Rs 14,950 Mn, O&M at 11,970 Mn, International Operation at 4,680 Mn and Civil at 3,640 Mn which is a clear indication of pattern of growth for the next financials. The Company is able to provide a strong returns to the shareholders with return on equity (ROE) and return on capital employed (ROCE) at 16.60% and 21.26% respectively.

***“The world moves, and ideas that were good once are not always good”***

Power Mech understands this logic well and therefore contemplating new ideas and ventures in its pursuit to sustain the pace and growth, It is time that we made some strategic moves.

As opportunities in ETC dipped, we expanded into different verticals of power sector. We aggressively pursued our business in **Operation & Maintenance** vertical whose present turnover captures about 28% of the gross turnover and target to take it to an ambitious 50%. Many of the projects which were delayed for some reason or the other are being cut in to service and therefore added the prospects of getting Annual Maintenance Contracts. Already we are holding almost 50% of the Annual Maintenance of Private Power Plants. The scenario in public sector also seems to be favorable as more power plants are likely to go for outsourcing the Annual Maintenance. We have already received our first order for Annual Maintenance of 2 x 600 MW units of State Generation Corporation in South India. This is the beginning of a breakthrough!

**Overseas Operation** is gaining momentum, during FY 15-16, the Company has on a large scale executed works in Bangladesh and Shuquaiq. The Revenue from International operations stood at Rs 1,720 Mn for FY 15-16. With presence in Abu Dhabi, Bangladesh, Dubai, Hongkong, Korea, Nigeria and Oman Overseas Operation is poised for greater growth in both ETC and O&M Business.

**Power Mech Industri Pvt Ltd**, a 100% subsidiary of your Company, has successfully commissioned the workshop in Noida and it would be a great boom for the growth of group Companies. The state of art workshop in Noida will undertake reengineering and manufacture of critical and non-critical spare parts to power plants. The workshop has facility to undertake massive fabrication of structures and vessels.

Yet our strength lies and ever shall be in power industry where we have an unblemished and proven record for our credibility and ability. It shall remain our mission and passion.

Our expectations soar high as we are confident of getting some relief in the near future through proposed major projects to the tune of 34,000 MW power to the grids through NTPC and State Generation Corporations. The Civil vertical of the company was started in the year 2011 and has strongly grown over the years. It contributed 15% to the overall revenue for FY 15-16. We believe that the Civil vertical has all the credentials and strengths to demonstrate its capabilities in similar areas and hence the company is looking for good pasture across the field like Railways, Roads and irrigation. Many projects are being proposed in Andhra Pradesh and Telangana states.

Power Mech derives its strength to undertake projects in any discipline through proven credibility and expertise gained over decades of experience in engineering and construction.

The climate conference held in Paris (COP 21 Accord) has recommended strict norms for emissions from power plants. India being one of the signatories, it is bound to introduce Selective Catalytic Converter (SCR) / and FGD (Flue Gas Desulphurization) packages to the existing power plants and we envisage it as great opportunity and potential for Power Mech.

Acknowledgment: Last FY the Company went public and the Initial Public Offer (IPO) was oversubscribed by 38 times which was an overwhelming success. I take this as recognition of our sustained growth and market credibility. It also affirms the confidence our stakeholders have on us. I take this opportunity to thank all the stakeholders, investors and bankers for their support and patronage.

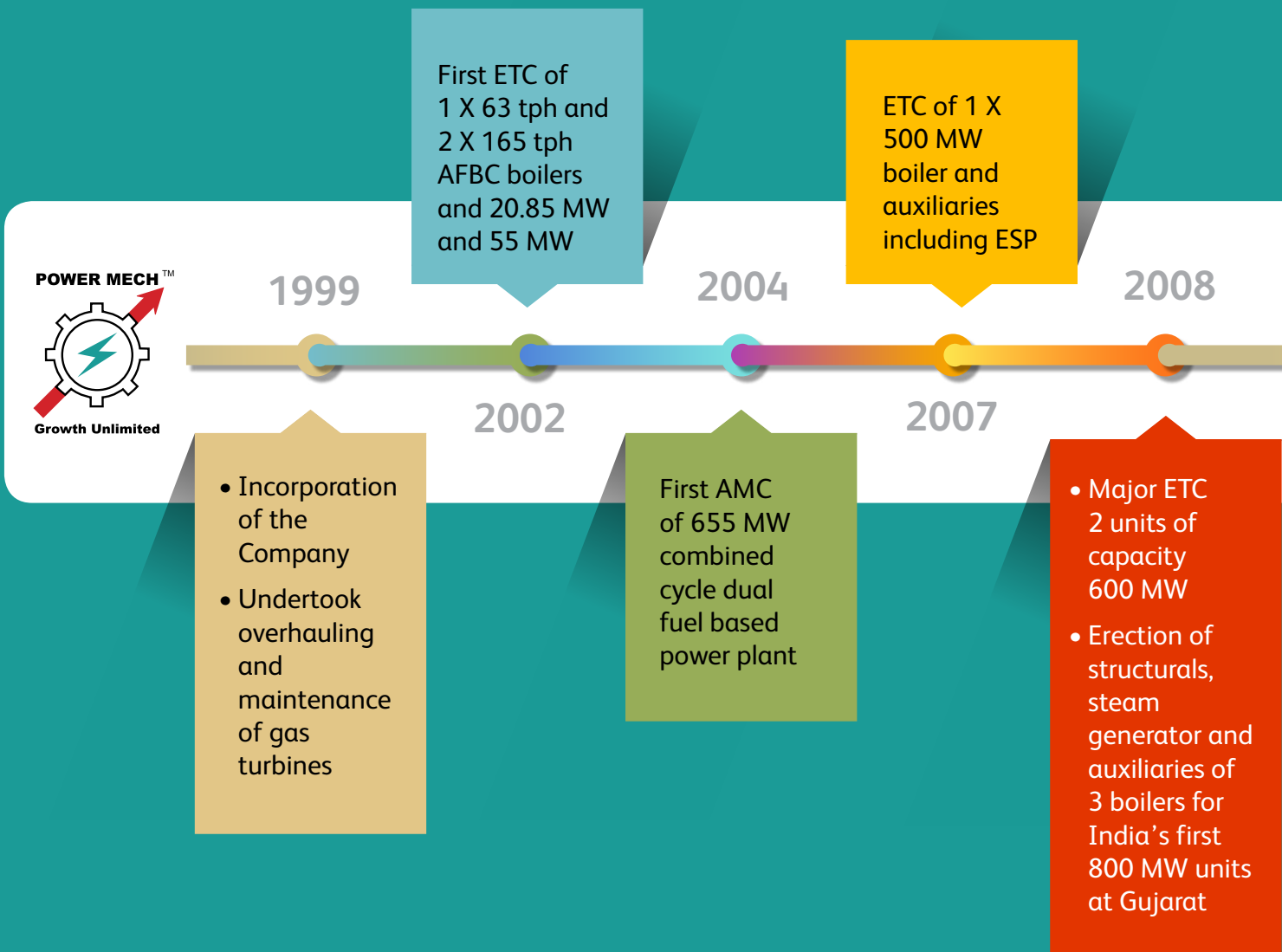
My sincere thanks to the State and Central Government, the financial institutions for their cooperation throughout the year. I pledge my commitment in getting the company to next level with increased vigour and labour in our contributions.

I express my gratitude to my colleagues in the Board for their consistent support and cooperation. My heartfelt gratitude to all my staff without whom this growth and achievements would not have been a reality.

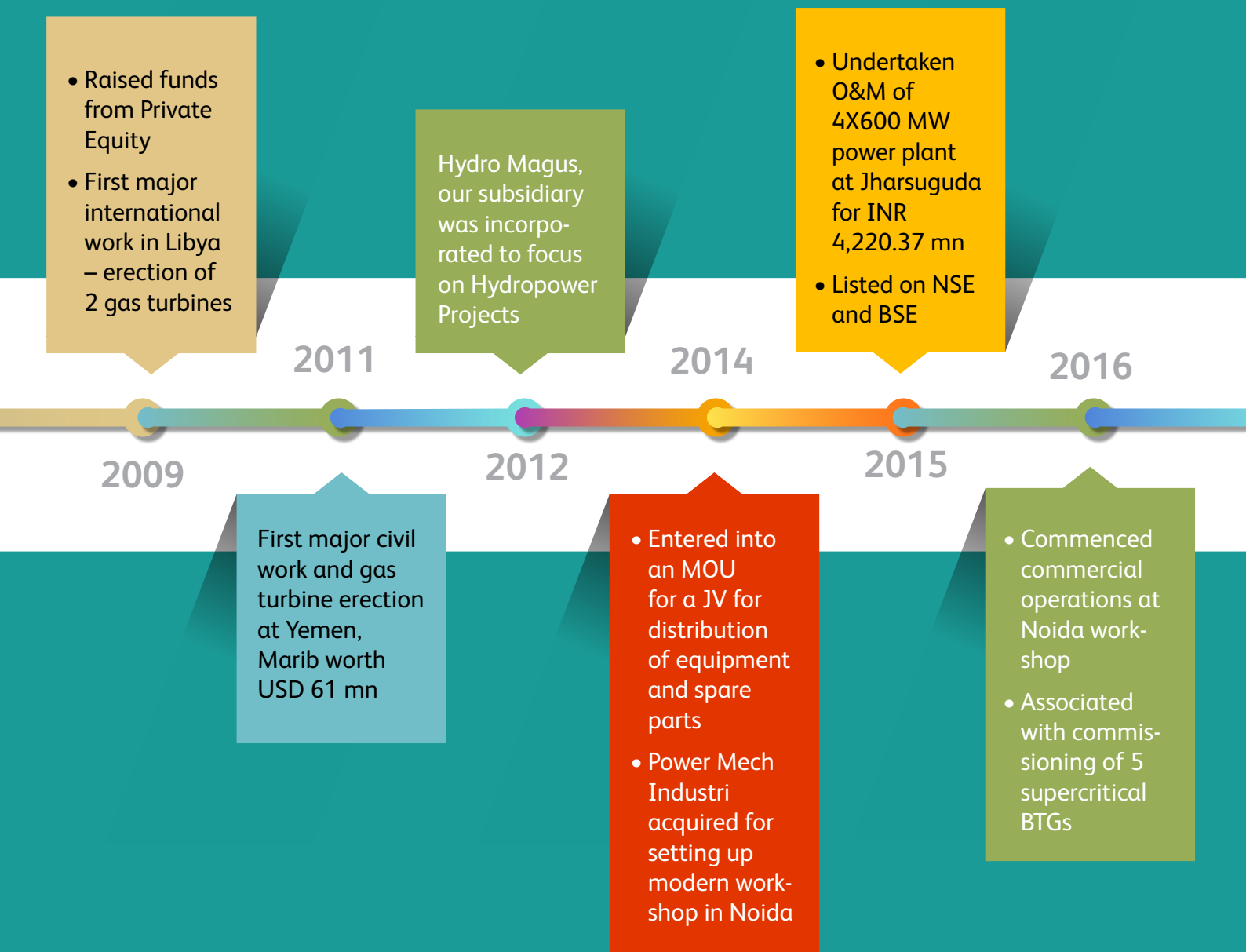
Thank you all!  
With best wishes and regards

**S Kishore Babu**  
Chairman

## JOURNEY AT A GLANCE







## ESTABLISHED TRACK RECORD

### Integrated engineering and construction Company in India

#### Track record over 17 Years

- Established a track record of successfully executing ETC-BTG and BOP contracts for large power projects
- Engaged on ETC of the only two ultra-mega power projects (UMPPs) (Mundra & Sasan) as well as for 16 super-critical power projects in India
- Executed India's first 800 MW super critical units
- Carried out the overhauling of a super-critical 660 MW turbine and providing AMC services for an ultra-mega power project (UMPP)
- Executed various international power projects in the Middle East, North Africa, South Asia and South America

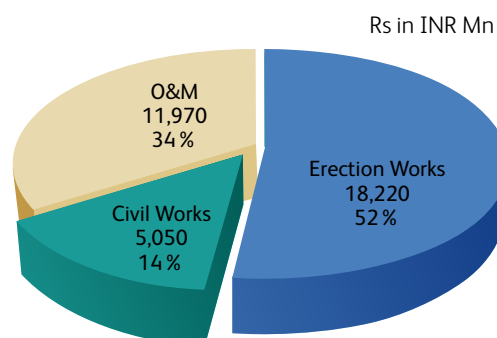
251,439	MT of aggregate tonnage of the erection works executed in FY 2015-16
43,805	MW, the aggregate generating capacity of the plants under AMCs as of 30 <sup>th</sup> May, 2016
33,801	MW, engaged on ETC of BTG and BOP when the thermal power plant capacity addition in India was 88,048 MW during fiscal 2011 through 2015
500	Number of overhauling contracts that we have been engaged in, since 1999
268	Number of Cranes, as of 31 <sup>st</sup> March, 2016, ranging from 10 tonne to 300 tonne in capacity
34	Number of power plants under AMC services across India
16	Number of super critical power projects where we executed ETC-BTG projects
2	Executed ETC-BTG for India's both UMPP's

#### Comfortable Order Book

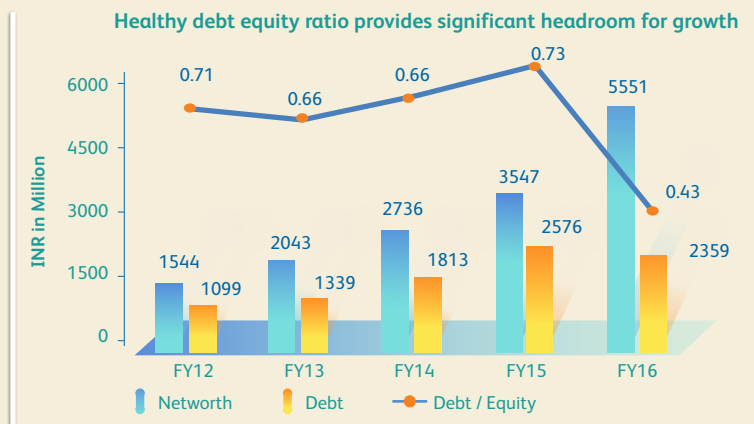
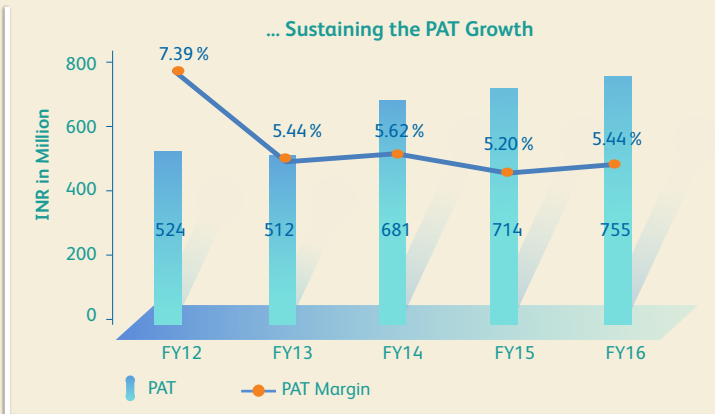
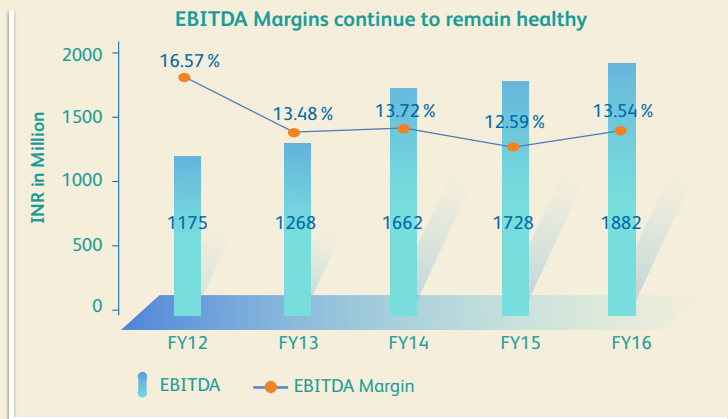
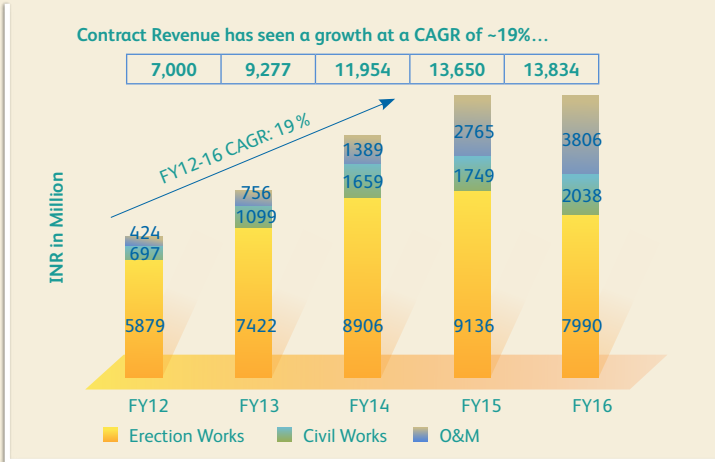
Order Backlog as of 31<sup>st</sup> March, 2016 is INR 35,240 Mn providing a visibility of 24-30 months

The order book includes International Projects to the tune of Rs. 4,680 Mn spread across three segments

*Note – Order Book numbers are on standalone basis*



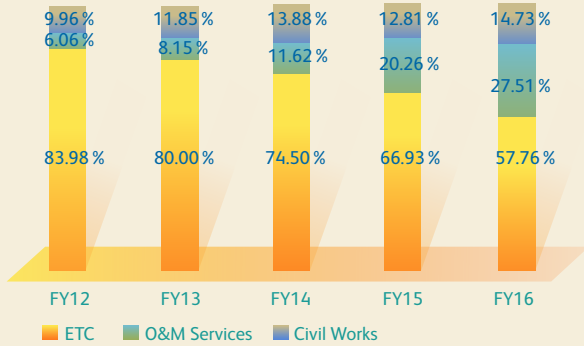
# Financial Performance (Consolidated) FY 2015–16



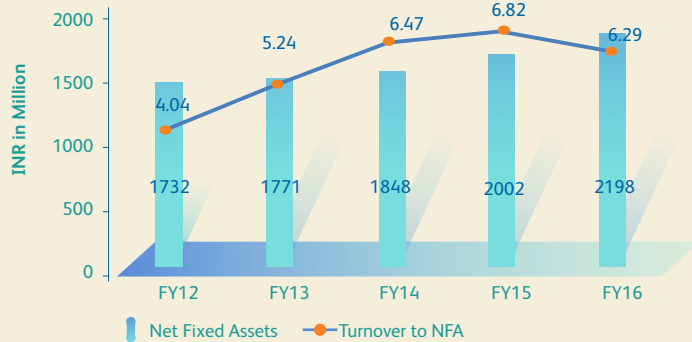


## Financial Performance (Consolidated) FY 2015–16

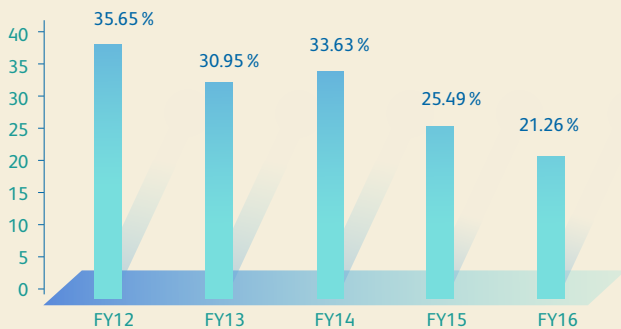
Contract revenue mix shift towards high-margin O&M services segment



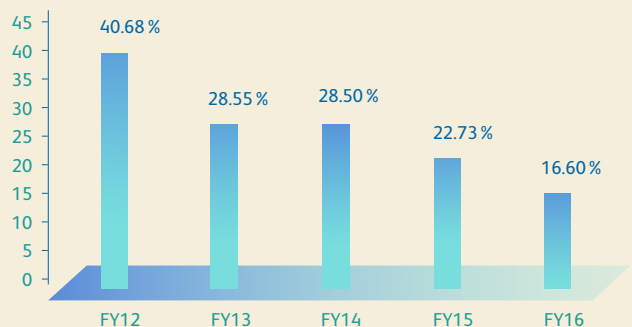
High Asset Contract Turnover ... testament to higher efficiency



Healthy Return Ratios in a challenging environment  
Return on Capital Employed



Healthy Return Ratios in a challenging environment  
Return on Network



# Clientele

Our long term relationship help in a better understanding of our clients' requirements and better evaluation of the scope of work and risks involved in a project we bid for, as well as address changing demands in our target markets



... and many more

Note : All Brands, Names, Logos & Trade Marks are property of their respective owners.

# Service Portfolio

## Diversified services under one roof

We provide wide spectrum of expert services:

### **Thermal (coal & oil) Gas, Combined Cycle & Hydro Plants**

- Erection Testing and Commissioning (ETC) of Boiler, Turbine, Generator and auxiliaries
- Balance of Plant
- Fabrication of Power House, Bunkers and BOP Structures
- Operation & Maintenance
  - Annual Operation & Maintenance
  - Shutdown Maintenance and Overhauling
  - Renovation, Modernization and Refurbishing

### **Process Industries (Steel, Cement & Petro-Chemicals)**

- ETC of Structures, Piping, Tanks and Industrial Drives & Auxiliaries
- Operation and Maintenance

### **Civil & Architectural**

- Excavation
- Piling
- Foundation Concrete
- Superstructure Concrete
- Gates, Hydro plant, Penstock fabrication
- Slip Form works

### **Special Services**

- Reengineering, Manufacture and Repair of Spares
- Fabrication of heavy structures and vessels
- Supply of spare parts for power plants
- ETC & EPC of FGD systems for thermal plants





*Chimney, 1 x 500MW Unchahaar TPP, UP*



*2 x 600 MW, KSK, Janjgir, Chhattisgarh*



*3 x 660 MW, Talwandi TPP, Punjab*



*2 x 700 MW, RAPP, Rajasthan*

## Erection Testing and Commissioning – Mechanical

Power Mech undertakes packages of Erection Testing and Commissioning (ETC) of STG, Boiler, ESP, Structures, BOP, whole BTG and civil works up to 800 MW. The Company is also undertaking maintenance, overhauling and refurbishing works in Boiler, Turbine and balance of plant. The company has construction activities in major Oil refineries, Coal based power plants, Gas Turbines, Combined cycle power plant, Heat Recovery Steam generator Boilers and Captive power plants.

Power Mech has played an important role in capacity addition of 58,392 MW to the National grids and are in the process of contributing another 35,772 MW of power to the Grid through ongoing projects across India.



*2 x 500 MW Anpara D TPP, UP*





*2 x 660 MW Chhabra TPP, Lifting Ceiling Girder 3030 MT*



*LPT 106 MW STG at NTPC Auriya, UP*

## Civil & Architecture



The division for executing Civil and Architectural works in power plants and infrastructures is headed by highly experienced Engineers drawn from reputed organizations. It is receiving solid support base from planning engineers, administrators, designers and executioners to provide comprehensive service in Civil, Structural and Architectural works in highly professional way.

Power Mech has undertaken major projects in India and in Yemen, with supply of materials and specialized services from Soil Testing to TG Casting. The Division by itself has staff strength of over 1200 of which 30% are qualified Civil & Structural Engineers backed by professional managers. Hence Power Mech is in a position in providing service from land-breaking to commissioning.





### SERVICES OFFERED

- Topographical Survey & Soil Investigation
- Mass Excavation, levelling and Area Grading
- Bored Cast in situ Piling work and Testing
- All Civil and Structural work of BTG, BOP and CHP of Power projects
- Civil works of Chimney and Induced Draft Cooling Towers
- Commercial Buildings, Plant Roads and Drains
- Fabrication and Erection of Structural Steel
- Pre Engineered Structures
- Green Building

### MAJOR PROJECTS UNDERTAKEN

- 1 x 800 MW for TS Genco (BHEL) at Kothagudam, Telangana – Civil, Structural and Architectural works for main plant at KTPS, Unit 12.
- 1 x 500 MW for NTPC (NBPPL) at Unchahar, Uttar Pradesh – Civil, Structural and Architectural works for main plant, balance of plant and coal handling plant at FGUTPP – Stage IV.
- 1 x 100 MW (Gas based), for APGCL (BHEL) at Namrup, Assam – Civil, Structural and Architectural works for main plant and balance of plant.
- 1 x 660 MW, Stage-V, 2 X 660 MW for RRVUNL (BHEL) at Suratgarh, Rajasthan – Civil, Structural and Architectural works for main plant of Unit 7.
- 2 x 800 MW for RPCL (BHEL) at Yermarus, Raichur – Civil, Structural and Architectural works for Unit I & Crusher House and MCC building.
- 4 x 100 MW for PEC (BHEL) at Marib, Yemen, UAE – Civil Structural and Architectural works for main plant at 400 MW gas based CCPP phase II.
- 1 x 366 MW gas based for IOCL (BHEL) at Paradip, Odisha – Civil, Structural and Architectural works for main plant, balance of plant and various buildings for gas based CCPP.
- 1 x 110 MW for PSPCL (BHEL) at Bhatinda, Punjab – Civil, Structural and Architectural works for R&M of main plant, BTG area and ESP area.
- 1 x 520 MW for HNPCL (BHEL) at Vizag, Andhra Pradesh – Piling, Civil, Structural and Architectural works of Unit 1 at HNPCL TPP.



## Operation & Maintenance of Power Plants

Power Mech has made strong inroads in providing permanent solutions to Overhauling, Maintenance, Renovation and Modernization and Annual Maintenance Contracts (AMC) of Power plants. This critical space demands very compressed time line for jobs to be executed and accurate knowledge and information on different original equipments. As an experienced service provider in this segment, the Company has evaluated the best team of skilled technicians and qualified engineers. The Company is equipped with all modern equipments and testing instruments for identifying and rectifying defects in rotating and non-rotating parts of the plants. The service portfolio covers the entire spectrum of operation and maintenance of a plant.





**Overhauling & Maintenance**

During the past 17 years, Power Mech holds its premier position in the highly technical field of Overhauling, Maintenance of Power plants. This critical space demands very compressed time line for jobs to be executed and accurate knowledge and information on different equipments. As an experienced service provider in this segment, the Company has built the best team of skilled technicians and qualified engineers. The Company is equipped with all modern equipments and testing instruments for identifying and rectifying defects in rotating and non-rotating parts of the plants.

**Comprehensive List**

Capacity	Turbine & Aux, Generator			Steam Generator & Aux
	Steam	Gas	Hydro	
Up to 100 MW	41	20	32	26
100-250 MW	106	48	9	66
500 MW & Above	42	-	-	17
Total	189	68	41	109

**MAJOR ORDERS EXECUTED**

- Unit # 7, 210 MW at Satpura Thermal Power Station, Sarni. M.P. Maintenance of Steam Generator & Auxiliaries
- 1000 MWe nuclear steam turbine unit # 2, Kudankulam Nuclear powerproject Disassembly, Servicing of internal components and assembly
- Unit # 5 & 6, 490 MW, at NTPC, Dadri, Restoration of Damaged ESP Fields
- Unit # 6, 500 MW Capital overhauling of HP/IP and LT and Generator, Auxiliaries, Tata Power, Trombay
- Gas Turbine SGT5-2000E & 80 MW Steam Turbine of CCPP at Gepp-Paguthan, Major Overhauling
- GT-11 Gas Turbine SGT5-2000E & Generator at Samalkot / Ansalde, Major Overhaul
- Unit # 4, 4 x 120 MW at Jojobera, Turbine Overhauling
- Unit 4 of Khoms GTPP at Libya
- Unit 3 and 6 of Western Mountain GTPP at Libya



## Operation & Maintenance (AMC)

Power Mech was the first to undertake Operation & Maintenance of India's 1st 4000MW Ultra Mega Power Project (UMPP) TATA CGPL, Mundra (5x800MW) which is in operation. The annual maintenance concept is unique in Indian scenario and Power Mech has grabbed the given opportunity on merit and competence.

The company is capable of providing comprehensive service in Mechanical, Electrical and C&I fronts. With a pool of highly skilled technicians, experienced engineers etc Power Mech is able to provide versatile service under one roof. Centrally located service head-quarter enables the company to attend any break down work at a relatively higher pace and reduce the down time of the equipments and units. Engineers and technicians are drawn from established organizations forming a formidable team.





### MAJOR POWER PLANTS UNDER OPERATION & MAINTENANCE (AMC)

- 5 x 800 MW, Ultra Mega Power Plant, Costal Gujarat Power Limited, Mundra, Gujarat
- 2 x 700 MW, Nabha Power Limited, Rajpura, Punjab
- 6 x 660 MW, Sasan Power Limited, Sasan, MP
- 5 x 660 MW and 4 x 330 MW, Adani Power Limited, Mundra, Gujarat
- 5 x 660 MW, Adani Power Maharashtra Limited, Tiroda, Maharashtra
- 3 x 660 MW, Lalitpur Power Generation Company Limited, Lalitpur, UP
- 3 x 660 MW, Prayagraj Power Generation Company Limited, Bara, UP
- 3 x 660 MW, MAHAGENCO-Koradi Thermal Power Station, Koradi, Maharashtra
- 2 x 660 MW, Jaypee Nigrie Super Thermal Power Project, Nigrie, MP
- 2 x 660 MW, Jhajjar Power Limited-CLP India, Jhajjar, Haryana
- 2 x 660 MW, Thermal Power tech Corporation India Limited, Nellore, AP
- 2 x 660 MW, Adani Power Rajasthan Limited, Kawai, Rajasthan
- 4 x 600 MW, Vedanta Limited, Jharsuguda, Odisha
- 2 x 600 MW, KSK Mahanadi Power Company Limited, Nariyara, Chhattisgarh
- 2 x 600 MW, Jindal India Thermal Power Limited, Derang, Odisha
- 2 x 600 MW, Dainik Bhaskar Power Limited, Bharadara, Chhattisgarh
- 2 x 600 MW, IL&FS Tamil Nadu Power Company Ltd, Cuddalore, TN
- 1 x 600 MW, Korba West Power Company Li, Raigarh, Chhattisgarh
- 1 x 600 MW, Jhabua Power Limited-Avantha Power, Seoni, MP
- 2 x 525 MW, Maithon Power Limited, Jharkhand
- 4 x 300 MW, Rosa Power Supply Company Limited, Rosa, UP
- 4 x 300 MW, Bharat Aluminum Company Limited, Korba, CG
- 2 x 300 MW, Haldia Energy Limited, Haldia, WB
- 2 x 300 MW, GMR-EMCO Energy TPP, Warora, Maharashtra
- 2 x 300 MW, Dhariwal Infrastructure Limited, Tadali, Maharashtra
- 1 x 241 MW & 3 x 138 MW, Combined Cycle Power Plant, China Lighting Power, Paguthan, Gujarat
- 2 x 150 MW, TATA-Meenakshi Energy Power Ltd, Nellore, Andhra Pradesh
- 2 x 150 MW, Shirpur Power Private Limited, Shirpur, MH
- 2 x 135 MW, Vandana Vidyut Limited, Korba, CG
- 1 x 135 MW, VS Lignite Plant, Bikaner, Rajasthan
- 2 x 110 MW, Barauni Thermal Power Station, Barauni, Bihar
- 2 x 43 MW, Sai Lilagar Power Limited, Champa, Chhattisgarh
- 3 x 33 MW, TATA-Bharat Oman Refinery Limited, Bina, MP

## Renovation and Modernisation

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Power Mech undertakes Renovation, Modernisation, Refurbishing and Upgrading of power plant including coal & gas based plants and hydro plants. A specialized team of Engineers and technicians make a difference in our approach, trouble shooting, speed in mobilization and execution while maintaining quality, safety and time-line. The company has proven record in undertaking many packages in different terrain and situations.







### MAJOR ORDERS UNDERTAKEN

- R&M of Boiler and Aux Turbine TG Set & Aux, Miscellaneous Equipment in 110 MW U #1 & #2 for BHEL / KBUNL
- Dismantling and R&M of Boiler and its Aux, Turbine and its Aux, 110 MW U #6 & U #7 for BHEL / BSEB
- Dismantling of existing C&I system, and erection, testing, commissioning etc of new control & instrumentation (C&I) system in 110 MW U #2 for BHEL / KBUNL
- R&M of Boiler & ESP package for Bandel Thermal Power Project 210 MW Unit #5 for DOOSAN / WBPDC
- Renovation, Modernization & Life Extension Work of 50 MW U #1, 2, 3 & 6 at Rihand HEP for BHEL / UPJVNL
- Erection, Testing, commissioning, Trail operation, commissioning and handing over of C&I equipments for 210 MW U #10 & 11, Obra B TPP for BHEL / UPJVNL
- Dismantling, Erection, Commissioning of MAX DNA DCS system for TG auto loop / Regenerative / Boiler area for 210 MW U #10 & 11, OBRA 'B' TPS, for BHEL / UPJVNL
- Renovation and modernization of Air Pre-heater 210 MW Unit #2 for BHEL / PSPCL
- R & M OF TG 110 MW U #3 and 4 at GNDTP, Bhatinda for BHEL / GNDTP
- R & M and Up-rating of C & I of Boiler, TG of U #4, 110 MW, Bhatinda for BHEL / GNDTP

## International Operation

Power Mech entered global market and has undertaken number of maintenance, Overhauling, Refurbishment and Rewinding works in running plants and has presence in more than ten countries including Bangladesh, Nepal, Chile, Nigeria, Saudi Arabia, Oman, Middle East and African Countries. The Company has also undertaken ETC projects in Libya, Yemen, Bangladesh, UAE and Saudi Arabia in association with reputed organizations keeping high standards in tune with international levels in quality, safety and time lines.





### Overhauling & Maintenance

- Complete Generator Field Rewind works at 62.5 MW Siddhirgunj TPS, Bangladesh
- Manpower services for Field Rewind Works at Nigeria TPS, Nigeria
- Man power Services for Inspection & Repair of four Heat Recovery Steam Generators (HRS G) in Riyadh Power Plant-9, Saudi Arabia
- Man power Services to Overhaul V 94.2 Gas Turbine at AES Barka Power & Desalination Plant, Oman
- Providing Maintenance services for GT, Boiler and C&I at 2350 MW Power Plant, Dubai, Dubai
- Providing Services for HGPI of (Siemens Make SGT4000F), Unit 41 & 42 at 1510 MW Shuweihat S2 Power Plant, Abu Dhabi, UAE.
- Providing Services for Inspection of Siemens Make SGT4000F at 1500 MW Shuweihat Power Plant, Abu Dhabi, UAE.
- Providing Services for HGPI of (Siemens Make SGT4000F), Unit 31 at SUR project Oman
- Providing Services for Outage works (GE Make Gas Turbines) at QarnAlam Power Plant, Oman
- 'C' Inspection of 150 MW Alstom Make GT13E1MXL Gas turbine at Khoms, Libya
- Major overhauling of Siemens Make SGT 2000E at WMGTPP, Ruwais, Libya
- Repairing and Replacement of GBE & Bearings (Siemens SGT 2000E) at WM GTPP, Ruwais, Libya
- Providing skilled manpower Services for BOP Piping at Sabiya Kuwait
- Providing skilled manpower for Mechanical activities at AzZour, Kuwait
- Chemical cleaning of Boilers A&B – at Abu Dhabi Refinery, Takreer, Abu Dhabi

### ETC PROJECTS

- 2 x 157MW Gas Turbine Extension Power Plant, Ruwais, Libya – Erection, Testing, Commissioning & Trial Operation of Total Mechanical, Electrical and C&I Packages of GTG & its Auxiliaries.
- Installation works of Boilers#3 & #1 and Aux. Equipment of 2640 MW Shuqaiq Steam Power Plant (Stage-1)
- Erection, Testing, Commissioning and trial operation of Mechanical Works for GTG, STG, HRSG & Its Auxiliaries at 360 MW Bheramara CCPP Development Project, Kushtia Dist., Bangladesh
- Erection, Testing, Commissioning and trial operation of 400 MW Marib-II and 300 MW Marib-III Balance of Plant, Inter Connecting Piping, Electrical and C&I Auxiliaries at MARIB GAS POWER STATION – YEMEN
- Civil, Structural and Architectural Works, GTG Mechanical works for one unit at 400 MW Marib-Phase-II Yemen – GTG
- Material Handling, Erection, testing and commissioning of Generating Equipments including Common I Station Auxiliaries of Units 1, 3 & 5 for 6 x 200 MW Punatsangchhu-I HEP, Bhutan.
- Installation & Commissioning of 4 Rolls-Royce Gas Turbines and their Auxiliaries & Support Piping For a 120MW Open Cycle Power Plant at KSS, Kazakhstan



## Petro-Chemical, Irrigation, Cement, Steel & Nuclear

Power Mech provides solution and service in other fields including Petro Chemical Plants, Irrigation Projects, Cement, Oil, Gas and Steel Industries. The company has successfully executed several challenging jobs in unfavorable environment, and in remote areas in India and abroad.

The range of services include erection of penstocks for Hydro Power Plants, Fabrication and erection of Pressure Vessels for Industries, Canal Siphon for irrigation projects, blast furnace for steel plants etc. Since each of the sector demands unique requirements Power Mech is capable of providing deemed service and holds credibility through performance.

Power Mech is a reliable partner in executing projects under difficult terrains and unfavourable conditions.





### MAJOR PROJECTS EXECUTED

- Fabrication and Erection of Steel Shell Liner and Penstock for Madikheda Hydro Electric Plant, Near Gwalior, MP for MPSEB
- Fabrication and Erection of Raised Canal Siphon (636 m long steel pipeline of 4 m Diameter) for major irrigation work on 16 piers across river Bansagar Feeder canal at Bansagar, MP, India.
- Air Cooled Condenser, Jaypee Rewa, Madhya Pradesh
- Dismantling of Coal Handling Plant while in operation at Trombay TPP
- Erection of Two Coal Unloaders at Mangalore Port for Udipi TPP
- Erection works at Petro-Chemicals Plant for IOCL, Panipat
- Erection works at Petro-Chemicals Plant for HNPCL, Visakhapatnam
- Civil, Structural & GTG 366 MW, Paradip CCPP, Odisha
- Erection of structures for blast furnace, JSPL, Odisha.
- Erection of structure for steel melting shop, 3.0 MTPA integrated steel plant, NMDC, Nagarnar, Chhattisgarh.
- Mechanical Erection of Balance of Turbine Island of 2 x 700 MW Rajasthan Atomic Power Project, Nuclear Power Corporation of India Limited.



## Subsidiary Companies & Joint Ventures



Hydro Magus Pvt Ltd., is a subsidiary of Power Mech Projects Limited established with a vision to make positive contribution in surging Hydro Power Sector in India and neighbouring countries. The Company's operational profile envisages supply and construction of hydro power plants on EPC basis, Renovation & Modernisation, After Sales Services, Spares Management, RLA Study, LTSA, AMC and O&M of existing hydro plants, Trouble shooting of chronic problems by providing definite value added technical solutions in Electro-mechanical and Hydro-mechanical fields, Project management and Deliverable Index. The strength of the Company is derived by its commitment in upholding quality and safety in execution at all stages.

### MAJOR PROJECTS UNDERTAKEN

- Major capital overhaul of Unit # 2 Dhakrani Hydro electric Project, Kashmir
- Rehabilitation of its 330 MW Alaknanda Hydro Electric Project, Kashmir
- Rehabilitation of damaged Unit-I at Upper Sindh Stg-II HEP Kashmir
- Renovation of one unit of 25 MW at Kopili Extension HEP, Assam
- Overhauling of 2 Butterfly Valves at the Forebay of Khandong HEP, Assam
- Renovation of unit of 50 MW at Kopili HEP, Assam
- Renovation, & upgradation of 35 MW unit at LJHP, Kashmir





**Power Mech Industri Private Limited**, a subsidiary of Power Mech Projects Limited has been established to meet the needs of power plants both thermal as well as Hydro for manufacturing, re-engineering and repairing of components. A state-of-the-art workshop in Noida is equipped with sophisticated and heavy duty machines with facilities to repair and re-blade turbine rotors of capacity up to 600 MW. Strategically located, the workshop would provide vital service indigenously and therefore bringing down the down time of equipment in a power plant. It is aimed to provide efficient engineering services at affordable price, reasonable time line and high level of quality.

The uniqueness of the workshop is not confined to the machines but the men behind the machines. It is a workshop that provides guided service by highly experienced engineers in hydro and thermal power plants, who are aware of the working parameters of the equipment or parts that matters.

### SPECIAL FACILITIES

- State-of-art repair shop for thermal & hydro power plants
- Facility to attend to repairs of hydro turbine rotors up to 220 MW
- Service facility to repair critical & non-critical parts
- Manufacturing facility for spare parts
- Machining facility for parts upto 60 mt & 5.6 m
- Complete solution for structural fabrication



## Subsidiary Companies & Joint Ventures

شركة ماس باور ميك  
العربية



Mas Power Mech  
arabia

**Mas Power Mech Arabia**, is a subsidiary of Power Mech Projects Limited established in collaboration with local partners at Saudi Arabia. It is aiming to cater to the needs in Saudi Arabia and surrounding region for providing service in ETC, Civil and O&M. The Company is equipped to provide service in all the verticals keeping high standards in quality, safety and time line.

Mas Power Mech Arabia is drawing inspiration, strength, and support from the parent Company for technical guidance. Mas Power Mech Arabia shall be an extended arm of Power Mech Projects Limited in providing skills and expertise in this part of the world.

### SERVICE PORTFOLIO

- ETC of BTG, Thermal, Gas & CCPP
- Structure Fabrication & Erection
- Operation and Maintenance of Power plants
- Civil and Architecture
- Process plants, Petro-Chemical, Steel, Cement
- Balance of plants
- Man Power Supply
- Renovation, Modernisation and Refurbishing







### GTA Power Mech Nigeria Ltd.

GTA Power Mech Nigeria Ltd, a joint venture of Power Mech Projects Limited and Skipper T&D, Dubai group Company of SkipperSeil, Delhi is destined to undertake packages in power, infra and process industry sectors including ETC of Civil, Mechanical and Electrical and also Operation and Maintenance of plants in African region. With solid and stable technical back-up from the parent Companies, **GTA Power Mech** is in a position to take over projects of any magnitude and type in different terrains and weathers. The Company has its registered office in the city of Lagos, Nigeria and has made inroads and has established a networking with potential customers with tangible support from partnering Companies.

The Company has the capability to undertake packages in spectrum of activities in projects and plants supported by expert team in respective field and strategic and technical cooperation from parent Companies. **GTA Power Mech** shall also provide manpower to operate and maintain running plants including desk & field operation on long term basis.

### UNIQUE FEATURES

- All inclusive service provider for power, infrastructure and process industry
- Fast pace in mobilization of manpower and resources to kick start the work
- Independent team for spectrum of activities including quality and safety
- Capable to undertake power projects with unit capacity up to 800 MW



## Health, Safety & Environment



Power Mech Projects Management demonstrates its commitment by integrating Health, Safety and Environment into its strategic level decisions. The holistic theme of Safety Management is developed logically and systematically, the functional operation of the company is examined in well-structured Safety Management attributes and elements. Risk quantification and control strategy formulation addressed competently. The human resource essentials for Safety Management are thoughtfully presented through Guiding Principles – **Commitment, Organization, Accountability, Management System and Standards, Risk Management, Legal and other Requirement Compliance, Training, Environmental Aspects, Continual Improvement, Monitor and Audit and Review.**

**Commitment:** Management at all levels of the company will be actively committed to HSE excellence.

**Organization:** We maintain and enhance a company wide organization structure and culture that recognizes the full and active participation of all employees in the systematic management of Health, Safety and Environmental issues.





**Accountability:** Achievement of Health, Safety and Environmental excellence depends heavily on the continuing participation and accountability of the management.

**Management System and Standards:** We develop, implement and continuously improve effective HSE management system and develop standards that effect best industry practices.

**Risk Management:** We ensure the potential Health, Safety and Environmental risks associated with all our activities are attended easily to utilize and manage adverse effects and to identify opportunities for improvement.

**Legal and other Requirement Compliance:** We operate to standards that will comply with appropriate legal and other statutory requirements.

**Training:** Training is an essential element of HSE excellence. Management at all levels will ensure that appropriate training is conducted on a regular basis.

**Environmental Aspects:** We continuously evaluate the environmental aspects of our products and services to ensure sound environmental strategy.

**Continuous Improvement:** The Company believes that effective HSE management is good business and is committed to continuous improvement of HSE management practices.

**Monitor, Audit and Review:** Effective management requires ongoing assessment and review to define whether the HSE policy is being appropriately implemented.

**Plan-Do-Check-Act (PDCA).** PDCA can be briefly described as follows:

**PLAN**

Establish the objectives and processes necessary to deliver results in accordance with the organization’s OH&S policy.

**DO**

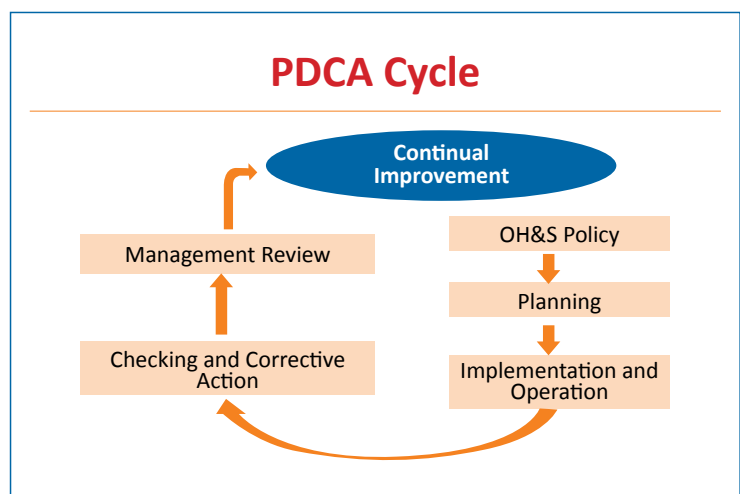
Implement the processes.

**CHECK**

Monitor and measure processes against OH&S policy, objectives, legal and other requirements, and report the results.

**ACT**

Take actions to continually improve OH&S performance.



# Corporate Social Responsibility



We believe in growth with a human face. The Company always strives to discharge its social responsibility to the society at large. It encourages its employees to volunteer for CSR activities, resulting in a self-driven approach in fulfilling the obligations to the society. Our employees indeed are making a difference through periodic blood donation camps and regular services to old age homes, hospitals, orphanages and village schools. As a leading corporate company in power sector, **Power Mech Projects Limited** recognized its social responsibility and a charity Trust was founded by Shri Sajja Kishore Babu who is also the Chairman and Managing Director of Power Mech Projects limited. **Power Mech Foundation** is an extended arm of group of companies to meet the responsibilities they owe to the society. The Foundation is set out on a mission to develop social infrastructure and enhance the quality of life of communities around. The Trust also involves in community development by adopting schools in the neighborhood villages and takes care of the academic needs of the poor students. In the process the Foundation blends the services of the villagers as well in making the events and programs a success story! The Foundation is committed to inclusive, sustainable, social and economic development with thrust on:

- Education
- Community Development
- Health Management & Medical Aids
- Social Welfare
- Orphanages & Old-Age Homes
- Environment Protection
- Disaster I Calamity Management
- Empowerment & Livelihoods



## NOTICE

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the Members of M/s. Power Mech Projects Limited will be held on Friday, the 30<sup>th</sup> September, 2016 at 11:00 A.M. at Hotel Avasa, Madhapur, Hyderabad - 500081, Telangana, India to transact the following business:

### Ordinary Business

1. To consider and adopt the Audited Financial Statements (both Standalone and Consolidated) of the Company for the year 2015-16 together with the Report of the Board of Directors and Auditors thereon;
2. To confirm Interim Dividend of 10% (ie) Re 1/- per share as Final Dividend for the financial year 2015-16.
3. To appoint a director in place of Shri S Kishore Babu, Director who retires by rotation and being eligible offers himself for re-appointment.
4. Ratification of appointment of M/s. Brahmayya & Co, Chartered Accountants, Vijayawada as statutory auditors of the Company and fix their remuneration.

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013, and the rules made there under, the Company hereby ratifies the appointment of M/s. Brahmayya & Co., Chartered Accountants, Vijayawada, (ICAI Firm Registration No 000513S) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 18<sup>th</sup> Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors of the Company.”

### Special Business

#### 5. To Appoint Shri M Rajiv Kumar (DIN: 07336483) as a Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, all other applicable provisions of the Companies Act, 2013, and the rules framed thereunder, Shri M Rajiv Kumar (DIN: 07336483), who was appointed as an Additional Director of the Company with effect from 14<sup>th</sup> November, 2015 by the board of directors and who holds office up to the date of this Annual General Meeting of the Company under section 161 of the companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

#### 6. To Appoint Shri Sutanu Behuria (DIN: 00051668) as an Independent Director

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

“RESOLVED THAT Shri Sutanu Behuria (DIN: 00051668) who was appointed as an Additional Director of the Company with effect from 14<sup>th</sup> November, 2015 by the board of directors and who holds office up to the date of this Annual General Meeting of the Company under section 161 of the companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as Director of the Company.

FURTHER RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Shri Sutanu Behuria (DIN: 00051668), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five years commencing from 14<sup>th</sup> November, 2015.”

#### 7. To Appoint Shri Vivek Paranjpe (DIN: 03378566) as an Independent Director

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

“RESOLVED THAT Shri Vivek Paranjpe (DIN: 03378566) who was appointed as an Additional Director of the Company with effect from 31<sup>st</sup> August, 2016 by the board of directors and who holds office up to the date of this Annual General Meeting of the Company under section 161 of the companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as Director of the Company.

FURTHER RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Shri Vivek Paranjpe (DIN:03378566), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five years commencing from 31<sup>st</sup> August, 2016.”

#### 8. Reappointment of Shri S Kishore Babu (DIN: 00971313) as Managing Director

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 section 196, 197, 198 and section 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013 and as recommended by Nomination and Remuneration Committee, approval of the Company be and is hereby accorded, for the re appointment of Shri S Kishore Babu, as Managing Director for a term of 5 years with effect from 01.04.2016 on a remuneration detailed below:



1.	Basic Salary	Rs. 3,56,000/- per month
2.	HRA	Rs. 1,42,400/-
3.	Other Perquisites and Allowances	As per Company HR policy
4.	Commission	Not exceeding 5 % of net Profit of the Company calculated in terms of Section 198 of Companies Act, 2013
5.	Others	<p>a) Provision of One Car with Chauffeur on Company's business use and telephone(s) at residence.</p> <p>b) Apart from the above Shri S Kishore Babu is also entitled to contribution to Provident Fund, Superannuation Fund, Gratuity and Encashment of Leave as per the rules of the Company. These will not be considered as perquisites to the extent not taxable as per the provisions of the Income Tax Act and will not be considered for calculation of overall remuneration as per Schedule III of the Companies Act, 2013, subject however to any changes in the Income Tax Act &amp; Companies Act and Rules made thereunder.</p>
	Overall remuneration	The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 5 % of the net profits or any such other limits prescribed from time to time under section 197 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013 as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Nomination and Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Shri S Kishore Babu and accepted by the Nomination and Remuneration Committee.

**\*Pay Scale:** The Board of Directors, have power to increase the remuneration up to Rs. 2,00,000/- per month each year including all perquisites and allowances, during the tenure of his appointment.

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

Place : Hyderabad  
Date : 31<sup>st</sup> August, 2016

Sd/-  
**Mohit Gurjar**  
Company Secretary

## NOTES FOR MEMBERS

- i. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business under Item No 5 to 8, is annexed hereto.
- ii. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy / proxies to attend and vote on a Poll instead of himself / herself and such a proxy / proxies need not be a member of the Company.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.  
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable.
- iii. The register of members and share transfer books of the Company will remain closed from 26<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive) for annual closing.
- iv. The Interim Dividend of Re. 1/- per share declared by the Board of Directors of the Company on 18<sup>th</sup> March, 2016 has already been paid to those shareholders whose name appear in the Register of Members as on 30<sup>th</sup> March, 2016. Shareholder who are eligible and have not received dividend may contact Registrar and Transfer Agents of the Company namely **M/s. Karvy Computershare Private Limited** having its Office at Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500032 quoting their folio Numbers / Client ID.
- v. (i) Members holding shares in physical form are requested to avail the DEMAT facility in order to ensure timely and efficient delivery of corporate actions and announcements. Further the Members holding shares in physical form are also requested to immediately notify change in their address, if any, to the Registrar and Transfer Agents of the Company namely **M/s. Karvy Computershare Private Limited** having its Office at Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500032 quoting their folio Numbers.
- vi. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank account details. ECS mandates, nominations, power of attorney, change of address/ name etc. to their depository participant only and not to the Company or its Registrar and Transfer Agent. The said nominations will be automatically reflected in the Company's records.
- vii. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their DEMAT accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agents of the Company namely **M/s. Karvy Computershare Private Limited** having its Office at Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500032 quoting their folio Numbers.
- viii. 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.
- ix. 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.
- x. Electronic copy of the Notice of the 17<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 17<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- xi. Pursuant to the requirements on the Corporate Governance under the listing agreement entered into with stock exchanges, the information about the Directors proposed to be appointed /re-appointed is given in the **Annexure-1** to the notice.
- 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 are requested to carry their copies of Annual Report to the AGM and are requested to sign the Attendance Slip and hand it over at the entrance of the AGM. No Annual Report copies will be given at the AGM.
- xiv. All the documents referred to in the Notice and explanatory statement will be available to the members at the Registered Office of the Company between 10.30 A.M to 12.30 P.M on all working days from the date hereof up to the date of the 17<sup>th</sup> AGM.
- xv. Members may also note that the Notice of the 17<sup>th</sup> Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website [www.powermechprojects.com](http://www.powermechprojects.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: [cs@powermech.net](mailto:cs@powermech.net)

xvi. Voting through electronic means

1. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
  - (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/ Depository Participants (s)]:
    - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
    - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 2773 followed by folio number. In case of DEMAT account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
    - iii. After entering these details appropriately, click on 'LOGIN'.
    - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
    - v. You need to login again with the new credentials.
    - vi. On successful login, the system will prompt you to select the 'EVENT' i.e., 'Name of the Company – 'POWER MECH PROJECTS LIMITED'
    - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under 'FOR/AGAINST' or alternatively, you may partially enter any number in 'FOR' and partially 'AGAINST' but the total number in 'FOR/AGAINST' taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either 'FOR' or 'AGAINST' it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.
    - viii. Members holding multiple folios / DEMAT accounts shall choose the voting process separately for each folio / DEMAT accounts.
    - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
    - x. You may then cast your vote by selecting an appropriate option and click on 'Submit'.
    - xi. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
    - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email : [cssunil1427@gmail.com](mailto:cssunil1427@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format '**Corporate Name\_Event No.**'
  - (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company / Depository Participants (s)]:
    - i. E-Voting Event Number – 2773 User ID and Password is provided in the Attendance Slip.
    - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
2. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.



**OTHER INSTRUCTIONS**

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on 27<sup>th</sup> September, 2016 ( 9.00 A.M. IST) and ends on 29<sup>th</sup> September, 2016 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2016, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e., 23<sup>rd</sup> September, 2016.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 23<sup>rd</sup> September, 2016, he / she may obtain the User ID and Password in the manner as mentioned below :
  - i. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399  
 Example for NSDL: MYEPWD <SPACE> IN12345612345678  
 Example for CDSL: MYEPWD <SPACE> 1402345612345678  
 Example for Physical: MYEPWD <SPACE> XXXX1234567890
  - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click 'Forgot Password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Member may call Karvy's toll free number 1800-3454-001.
  - iv. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

**PROCEDURE AND INSTRUCTIONS FOR WEB CHECK-IN/ATTENDANCE REGISTRATION**

**Web Check- in / Attendance Registration:** Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the AGM, the Company has provided a Web-Check in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

**Procedure of Web Check-in is as under**

- a. Log on to <https://karisma.karvy.com> and click on '**Web Checkin for General Meetings (AGM / EGM / CCM)**'.
  - b. Select the name of the Company: POWER MECH PROJECTS LIMITED
  - c. Pass through the security credentials viz., DP ID/Client ID/Folio no. entry, PAN No & 'CAPTCHA' as directed by the system and click on the submission button.
  - d. The system will validate the credentials. Then click on the 'Generate my attendance slip' button that appears on the screen.
  - e. The attendance slip in PDF format will appear on the screen. Select the 'PRINT' option for direct printing or download and save for the printing.
  - f. A separate counter will be available for the online registered Members at the AGM Venue for faster and hassle free entry and to avoid standing in the queue.
  - g. After registration, a copy will be returned to the Member.
  - h. The Web Check-in (Online Registration facility) is available for AGM during e-voting Period only i.e., 27<sup>th</sup> September, 2016 ( 9.00 A.M. IST) and ends on 29<sup>th</sup> September, 2016 (5.00 P.M.IST).
  - i. The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.
- xvii. Shri MB Suneel, Company Secretary in practice (Membership No:31197) (C.P No: 14449) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the e-voting process in a fair and transparent manner.
- xviii. The Chairman shall, at the 17<sup>th</sup> Annual General Meeting (AGM), at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of 'Poling Paper' for all those members who are present at the 17<sup>th</sup> Annual General Meeting (AGM) but have not cast their votes by availing the remote e-voting facility.

- xix. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later 48 Hours of the conclusion of the 17<sup>th</sup>Annual General Meeting (AGM) a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- xx. 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 Karvy (<https://evoting.karvy.com>) immediately 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 Limited, Mumbai and NSE Ltd., Mumbai.

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

Place : Hyderabad  
Date : 31<sup>st</sup> August, 2016

Sd/-  
**Mohit Gurjar**  
Company Secretary

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

### Item No. 5

Shri M Rajiv Kumar was appointed as an Additional Director of the Company with effect from 14<sup>th</sup> November, 2015 by the board of directors under section 161 of the companies Act, 2013 (the Act). In terms of section 161 of the Act, Shri M Rajiv Kumar holds office only upto the date of forthcoming Annual General Meeting (AGM) but is eligible for appointment as a Director. A notice under section 160 of the Act has been received from a member signifying its intention to propose appointment of Shri M Rajiv Kumar as a director.

The directors are of the view that the appointment of Shri M Rajiv Kumar will be beneficial to the Company and that the Company should receive the benefit of valuable experience and advice.

The Brief Profile of Director is as follows:

Shri 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 Executive Director, Power Sector, Eastern Region. During his career, he initiated, planned, executed and commissioned many power projects and today they stand testimony of his leadership quality and feeding power to the Nation. He has strong project management skill, is exceptionally good at team-building, easily adaptable and flexible towards projects needs and posses superior interpersonal & time-management skills. Gifted with good foresight, he holds impeccable record for identifying right persons for right jobs, mentoring and motivating the entire team under him.

None of the directors or key managerial personnel and their relatives except Shri M Rajiv Kumar is concerned or interested (financially or otherwise) in this resolution.

### Item No. 6

Shri Sutanu Behuria was appointed as an Additional Director of the Company with effect from 14<sup>th</sup> November, 2015 by the board of directors under section 161 of the companies Act, 2013 (the Act). In terms of section 161 of the Act, Shri Sutanu Behuria holds office only upto the date of forthcoming Annual General Meeting (AGM) but is eligible for appointment as a Director. A notice under section 160 of the Act has been received from a member signifying its intention to propose appointment of Shri Sutanu Behuria as a director.

The directors are of the view that the appointment of Shri Sutanu Behuria will be beneficial to the Company and that the Company should receive the benefit of valuable experience and advice.

It is also proposed to appoint him as an Independent Director, not liable to retire by rotation for a term of consecutive 5 years from 14<sup>th</sup> November, 2015. The Company has received a certificate from Shri Sutanu Behuria confirming that he meets the criteria of independence as prescribed under section 149(6) of the Act as well as relevant regulations of SEBI (Listing Obligations and Disclosure requirements) Regulations 2015 (listing Regulations). Shri Sutanu Behuria is independent of the management and in the opinion of the board fulfills the conditions specified in the Act and rules made thereunder for appointment as independent director of the Company. A copy of the draft letter of appointment as an independent director setting out the terms and conditions would be available for inspection without any fee to the members at the registered office of the Company during normal business hours on any working day upto the date of the AGM.

The Brief Profile of Directors being reappointed is as follows:

Shri Sutanu Behuria is basically an economist and is an alumnus of St. Stephens, Delhi and holds Masters in economics from Delhi School of Economics. He also holds another Master's and Doctorate in Economics from Southern Methodist University, USA. He started his career as Lecturer in his Alma Mater and later joined the Indian Administrative Service in 1976 and had an illustrious career spanning 38 years before he retired on superannuation as Secretary, Government of India. During his service he held many important positions including principal Secretary, Govt. of Himachal Pradesh and Secretary Govt. of India, Heavy Industry, Minority affairs, National Disaster Management, Fertilisers etc. He has submitted many papers on Finance and Economics with regular periodicity. He hails from Odisha.

Other than Shri Sutanu Behuria, none of the directors and Key Managerial personnel of the Company of their respective relatives are concerned or interested in the resolution at item no:6 of the accompanying Notice.

### Item No. 7

Shri Vivek Paranjpe was appointed as an Additional Director of the Company with effect from 31<sup>st</sup> August, 2016 by the board of directors under section 161 of the companies Act, 2013 (the Act). In terms of section 161 of the Act, Shri Vivek Paranjpe holds office only upto the date of forthcoming Annual General Meeting (AGM) but is eligible for appointment as a Director. A notice under section 160 of the Act has been received from a member signifying its intention to propose appointment of Shri Vivek Paranjpe as a director.

The directors are of the view that the appointment of Shri Vivek Paranjpe will be beneficial to the Company and that the Company should receive the benefit of valuable experience and advice.

It is also proposed to appoint him as an Independent Director, not liable to retire by rotation for a term of consecutive 5 years from 31<sup>st</sup> August, 2016. The Company has received a certificate from Shri Vivek Paranjpe confirming that he meets the criteria of independence as prescribed under section 149(6) of the Act as well as relevant regulations of SEBI (Listing Obligations and Disclosure requirements) Regulations 2015 (listing Regulations). Shri Vivek Paranjpe is independent of the management and in the



opinion of the board fulfills the conditions specified in the Act and rules made thereunder for appointment as independent director of the Company. A copy of the draft letter of appointment as an independent director setting out the terms and conditions would be available for inspection without any fee to the members at the registered office of the Company during normal business hours on any working day upto the date of the AGM.

The Brief Profile of Directors being reappointed is as follows:

Shri Vivek Paranjpe did his B. Sc (Honors) from Fergusson College Pune and post graduated from XLRI, Jamshedpur and has four decades work experience. He started his career with Hindustan lever and after serving few other reputed Companies he moved to Hewlett Packard before joining Reliance Industries limited to hold the position, Group President HR. He is a columnist, HR consultant, visiting faculty and lead assessor and experienced in corporate merger and acquisition. Currently he is the Strategic HR advisor to RIL, Independent Director, Motilal Oswal Financial Services and on the Board of Governors, ITM University and on advisory board, SHRM, South East Asia.

Other than Shri Vivek Paranjpe, none of the directors and Key Managerial personnel of the Company of their respective relatives are concerned or interested in the resolution at item no:7 of the accompanying Notice.

### Item No.8

The tenure of Shri S Kishore Babu, as Managing Director expired on 31<sup>st</sup> March, 2016. The Board of Directors at its meeting held on 13<sup>th</sup> February, 2016 has re-appointed Shri S Kishore Babu as Managing Director, for a period of Five years w.e.f from 1<sup>st</sup> April, 2016, subject to the approval of the Members at the remuneration stated in the resolution no. 8. The said reappointment and remuneration was approved by the Nomination and Remuneration Committee of the Company at their meeting held on 13<sup>th</sup> February, 2016.

The Brief Profile of Shri S Kishore Babu is as follows:

Shri S Kishore Babu is the founder promoter of the Company. He has been instrumental in spearheading the growth of the Company and played a key role at every stage and phase of development and decision making. His efforts and decisions have put the Company on the fastest growth path since its inception. He has been recognized as one of key player in the business segment of the Company by the peers and competitors. His vision, guidance, dynamism, and efforts will definitely take the Company to new heights in the coming years.

Taking into consideration the rich experience of over 30 years and in view of the increased responsibility with increase in business activities of the Company and the relentless efforts and time devoted by him in contributing to the success of the organization, it is proposed that Shri S Kishore Babu, be reappointed as Managing Director for another term of 5 years with effect from 01.04.2016 on a remuneration detailed in the resolution and as approved by Nomination and Remuneration Committee

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of appointment and remuneration as set out in item no. 8 are now being placed before the Members for their approval by way of Ordinary Resolution.

Excepting for Shri S Kishore Babu and Smt S Lakshmi Directors of the Company, none of the other directors are concerned or interested, financially or otherwise in this resolution set out in item no 8.

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

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

Place : Hyderabad  
Date : 31<sup>st</sup> August, 2016

Sd/-  
**Mohit Gurjar**  
Company Secretary

## ADDITIONAL INFORMATION

(Pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015 – Information of directors proposed to be appointed / re-appointed)

<b>Name of the Appointee</b>	Shri S Kishore Babu	Shri M Rajiv Kumar	Shri Sutanu Behuria	Shri Vivek Paranjpe
<b>Date of Birth</b>	1 <sup>st</sup> July, 1963	20 <sup>th</sup> November, 1953	2 <sup>nd</sup> July, 1954	8 <sup>th</sup> September, 1952
<b>Date of appointment on the Board</b>	22 <sup>nd</sup> July, 1999	14 <sup>th</sup> November, 2015	14 <sup>th</sup> November, 2015	31 <sup>st</sup> August, 2016
<b>Qualification, Experience &amp; Expertise</b>	He is a B.Tech Graduate and he has several years of experience in the power sector including construction and O&M. He is first generation entrepreneur, responsible for our Company's growth and business development since inception of our Company. He has been instrumental in completing major projects including sub-critical units in scheduled time.	He is a graduate in Electrical Engineering and he has experience of 38 years in BHEL. He has strong project management skill, is exceptionally good at team-building, easily adaptable and flexible towards projects needs and posses superior interpersonal & time-management skills	He is basically an economist and holds economics masters in economics from Delhi school of economics. He also holds another Master's and Doctorate in Economics from Southern Methodist University, USA had an illustrious career spanning 38 years before he retired on superannuation as Secretary, Government of India	He did his B.Sc (Honors) from Fergusson College Pune and post graduated from XLRI, Jamshedpur and has four decades work experience. He has served companies like Hindustan Lever, Hewlett Packard and Reliance Industries limited He is a columnist, HR consultant, visiting faculty and lead assessor and experienced in corporate merger and acquisition.
<b>Directorship in other public companies (excluding Private Companies, Foreign Companies and Section 25 Companies)</b>	1. Power Mech Infra Limited	NIL	1. Escorts Limited 2. Quippo Oil and Gas Infrastructure Limited 3. Quippo Energy Limited	1. Motilal Oswal Financial Services Limited
<b>Shareholding</b>	36,01,080 shares	NIL	NIL	NIL

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

Place : Hyderabad  
Date : 31<sup>st</sup> August, 2016

Sd/-  
**Mohit Gurjar**  
Company Secretary

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have immense pleasure in presenting the Seventeenth Annual Report of the Company with Audited Financial Statements (both Standalone and Consolidated) for the year ended 31<sup>st</sup> March, 2016

### Financial Results

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

(Rs in Mn)

Sl. No.	Particulars	Standalone		Consolidated	
		Current Year (2015-16)	Previous Year (2014-15)	Current Year (2015-16)	Previous Year (2014-15)
1.	Revenue from Operations	13,621	13,556	13,838	13,662
2.	Other income	56	59	55	58
3.	Total Income	13,677	13,615	13,893	13,720
4.	Expenditure	11,820	11,904	12,011	11,992
5.	Profit before interest, depreciation and tax	1,856	1,711	1,882	1,728
6.	Depreciation	389	366	390	368
7.	Interest and Finance Charges	325	292	329	294
8.	Profit before tax	1,143	1,052	1,163	1,066
9.	Provision for taxes (including DTL)	400	345	406	350
10.	Profit after tax (after minority interest)	743	707	755	714
11.	Dividend for the year (including corporate dividend tax)	18	15	18	15
12.	Reserves (Excluding Revaluation reserves)	5,384	3,414	5,404	3,421
13.	EPS (Rs) on face value of Rs. 10/- each share	53.51	56.94	54.41	57.48
14.	Book value (Rs.) on face value of Rs. 10/- each share	375.98	281.29	377.33	281.91

### Operating Results and Business

Your Company has achieved Standalone Operational turnover of Rs. 13,621 Mn and Profit after Tax of Rs. 743 Mn during FY15-16 as against previous year operational turnover of Rs. 13,556 Mn and Profit after Tax of Rs. 707 Mn respectively.

Further your Company has achieved Consolidated Operational turnover of Rs. 13,838 Mn and Profit after Tax of Rs. 755 Mn during FY15-16 as against previous year operational turnover of Rs. 13,662 Mn and Profit after Tax of Rs. 714 Mn respectively.

### Dividend

During the year the Board of Directors of the Company have declared and paid an interim dividend to the share holders at the rate of Re.1/- i.e 10% of face value of share Rs. 10/- each for the FY15-16. Considering the fund requirements of the Company it is proposed to confirm the Interim Dividend itself as Final Dividend.

### Subsidiaries

As on 31<sup>st</sup> March, 2016 Company has two subsidiaries, i.e Hydro Magus Private Limited (HMPL) and Power Mech Industri Private Limited (PMIPL)

- Hydro Magus Private Limited: Your Company holds 75% equity in HMPL. HMPL is providing O&M and AMC services to hydro power plants. HMPL has some inherent advantages being a subsidiary of Power Mech Projects Limited (PMPL) in getting projects as well as in completion with support of PMPL.
- Power Mech Industri Private Limited: PMIPL which is 100% subsidiary of PMPL. The said Company is engaged in manufacturing, re-engineering and repairing of components. A state-of-art workshop in Noida is equipped with sophisticated, major and variety of machines with facilities to repair and re-blade turbine rotors of capacity up to 600 MW.

### Apart from the above, the Company has interest in the following Joint Venture

- Power Mech CPNED services (Hong Kong) Holding Co., Limited: In order to provide comprehensive O&M solutions, your Company has entered into joint venture agreement dated 1<sup>st</sup> December, 2014 with Chengdu Pengrun New Energy Development Company Limited ('CPNED'), a Company registered under PRC laws for distribution of equipment and spare parts, including boilers, turbines and generators, for O&M projects in India. Your Company holds 50% stake in M/s. Power Mech-CPNED services (Hongkong) Holding Co., Limited.

### Subsequent to the closure of FY15-16, the Company has Incorporated the following two Subsidiaries & a Joint Venture Company

- Mas Power Mech Arabia: In order to have a strong presence in Saudi Arabia and to capture the opportunities in the Middle East, the Company has incorporated a 51% subsidiary in the name & style 'Mas Power Mech Arabia'. The balance 49% is held by Local Partners.



- Power Mech Projects Limited LLC: In order to capture the local opportunities in Oman, the Company has Incorporated a Subsidiary with 70% Stake in Power Mech Projects Limited LLC. The balance 30% is held by local partners as required by the local laws.
- GTA Power Mech Nigeria Ltd, a joint venture of Power Mech Projects Limited and Skipper T&D, Dubai group Company of SkipperSeil, Delhi was incorporated to undertake opportunities in African region.

## Transfer to Reserves

The Board do not propose to transfer any profits to the reserves for the FY15-16.

## Consolidated Financial Statements

In pursuance to the general Circular 08/2014 No. 1/19/2013-CL-V of Ministry of Corporate Affairs Dated 04.04.2014 for Applicability with regard to relevant financial Year, the Company have complied with provisions, rules and regulations under the companies Act 1956.

In pursuance to the Sub Section(3) of Section 129 of the Companies Act, 2013, Company is required to prepare consolidated financial statements for the financial year ended 31<sup>st</sup> March, 2016

The Consolidated Financial Statement of your Company with that of its subsidiaries Hydro Magus Private Limited, Power Mech Industri Private Limited and Joint Venture Power Mech CPNED services (Hong Kong) Holding Co., Limited is provided in the 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 & Associates on its website [www.powermechprojects.com](http://www.powermechprojects.com) The annual accounts of the Subsidiary Companies and the related detailed information shall be made available to members seeking such information at any point of time. The annual accounts of the Hydro Magus Private Limited, Power Mech Industri Private Limited and Power Mech CPNED services (Hong Kong) Holding Co., Limited shall also be kept for inspection by any of the members at the registered office of the Company.

***The Statement containing the salient features of the subsidiaries & associates 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.***

## Statutory Auditors

M/s. Brahmayya & Co, Chartered Accountants, (ICAI Firm Registration No: 000513S), Vijayawada were appointed as the statutory auditors of the Company for a period of 5 years in 15<sup>th</sup> Annual General Meeting till the conclusion of 20<sup>th</sup> Annual General Meeting subject to ratification of the appointment by members of the Company at every AGM held after this AGM. As such their appointment as Auditors for FY16-17 is proposed for ratification of the shareholders in the AGM.

The Company has received letter from the Auditors under Section 139(1) of the Companies Act, 2013 and the Rules framed there under, to that effect, that their appointment, if made, would be within the prescribed limits under provisions of sections specified under the Act and that, they are not disqualified for such re appointment within the meaning of the section of the said Act.

The Auditor's Report for the FY15-16 does not contain any qualification, reservation, adverse remark or disclaimer.

## Internal Auditors

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

## Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s PS Rao & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure-3** to this report.

## Directors

In terms of Article 134 of the Articles of Association of the Company Shri S Kishore Babu, Director retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting Shri S Kishore Babu is also proposed to be re appointed as Managing Director w.e.f 01.04.2016 for a period of 5 Years, as per the terms and remuneration proposed in the Notice of AGM.

Further Shri Sutanu Behuria, Shri M Rajiv Kumar and Shri Vivek Paranjpe are proposed to be appointed as Directors of the Company. The relevant resolutions for their appointment are proposed in the Notice of AGM for the approval of the Members.

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (7) of Section 149 of the Act.

Profile and the experience of Shri S Kishore Babu, Shri Sutanu Behuria, Shri M Rajiv Kumar and Shri Vivek Paranjpe in specific functional areas and other directorships held by them as stipulated in Regulations of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 is provided in the Additional Information Section forming part of Notice and Corporate Governance Report forming part of the Annual Report.

**During the year the following directors resigned from the Board:**

- Rakesh Sony w.e.f 14<sup>th</sup> November, 2015
- Mukul Lal Sah w.e.f 13<sup>th</sup> February, 2016

The Board would like to express its heartfelt gratitude to Shri Rakesh Sony and Shri Mukul Lal Sah for their support and guidance extended to the Board and the Company during their tenure as Directors.

**Details of Directors or Key Managerial Personnel who were appointed or have resigned during the Year:**

During the year following changes were made in the Board of Directors.

1. Sutanu Behuria was appointed as an Additional Director on 14<sup>th</sup> November, 2015
2. M Rajiv Kumar was appointed as an Additional Director on 14<sup>th</sup> November, 2015
3. Rakesh Sony resigned on 14<sup>th</sup> November, 2015
4. Mukul Lal Shah resigned on 13<sup>th</sup> February, 2016

**Number of Meetings of the Board during the year**

The Board of Directors of the Company met 5 (five times). The details of Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

**Committees of Directors**

Currently, the Board has Four committees: the audit committee, nomination and remuneration committee, corporate social responsibility committee, stakeholders relationship committee. The composition of the committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the Committee	Composition of the Committee
Audit Committee*	Sutanu Behuria (Chairman) GDV Prasada Rao and T Sankaralingam
Nomination and Remuneration Committee	T Sankaralingam (Chairman) S Lakshmi and GDV Prasada Rao
Corporate Social Responsibility Committee	S Kishore Babu (Chairman) S Lakshmi and GDV Prasada Rao
Stakeholders Relationship Committee	M Rajiv Kumar (Chairman) S Lakshmi and GDV PrasadaRao

\*All recommendations made by the audit committee during the year were accepted by the Board.

**Particulars of Loans, Guarantees or Investments**

During the year, the Company has invested Rs. 43150 to acquire 50% stake in JV Company, Power Mech CPNED services (Hong Kong) Holding Co., Limited: The said Company will be engaged in distribution of equipment and spare parts, including boilers, turbines and generators, for O&M projects in India. There were no other Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 made during the FY15 -16

**Fixed Deposits**

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

**Change in Nature of Business**

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

**Material Changes and Commitments**

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

### Details in Respect of Adequacy of Internal Financial Controls with Reference to the Financial Statements

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired and used economically. The Board is seized of the fact that IFC are not static and are in fact a fluid set of tools which evolve over time as the business, technology and possibly even fraud environment changes in response to competition, industry practices, legislation, regulation and current economic conditions. There might therefore be gap in the IFC as Business evolves. The Company has a process in place to continuously identify such gaps and implement newer and/or improved controls wherever the effect of such gaps might have a material effect on the Company's operations.

### 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, 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 2015-16 and of the statement of profit 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 2015-16 have been prepared on a going concern basis.
- v. that the proper policies and procedures have been adopted for ensuring the orderly and efficient conduct of its business, including adherence to code of conduct and policies, the safeguarding of 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 and that such policies and procedures are adequate and were 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 Managing Director.

### Vigil Mechanism / Whistle Blower Policy

The Company has a Whistle Blower Policy framed to deal with instances of fraud and mismanagement, if any. The details of the whistle blower Policy are posted on the website of the Company <http://www.powermechprojects.com>.

### Risk Management

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

### Particulars of Contracts or Arrangements with Related Parties

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company <http://www.powermechprojects.com/images/Policy-on-Related-Party-Transactions.pdf>.

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 and Disclosure under Schedule V of SEBI (LODR) Regulations, 2015 is herewith annexed as **Annexure-4** to this report.

### Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure-5** to this report.

### Management Discussion & Analysis

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

### Changes in Share Capital

During the year, the Company has made an Initial Public Offer (IPO) of 4,269,000 equity shares of Rs.10/- each at a premium of Rs. 630/- per share. The issue comprised of fresh issue of 2,128,000 equity shares and offer for sale of 2,141,000 equity shares by selling share holders. Accordingly the Share Capital of the Company after the IPO stands at Rs. 147,107,640 dividend into 14,710,764 Equity shares of Rs. 10/- each.



## Particulars of Employees

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

## Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

## Corporate Governance

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

## Human Resources

Your Company considers its Human Resource as the key to achieve its objectives. Keeping this in view, your Company takes all the care to attract train and retain well qualified and deserving employees. The employees are sufficiently empowered and enabled to work in an environment that inspires them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind fulfilling the Company's vision. Your Company appreciates the contribution of its dedicated employees.

## Corporate Social Responsibility

During the year under review, according to the provisions of Section 135 of Companies Act, 2013, Corporate Social Responsibility activities are to be taken up by the Company. And as required by the provisions, the Company has constituted a Corporate Social Responsibility committee and also have adopted a Corporate Social Responsibility Policy. Further the details of the policy are also posted on the website of the Company [www.powermechprojects.com](http://www.powermechprojects.com)

A detailed annual report on Corporate Social Responsibility activities under taken by the Company during the year is attached as **Annexure-10**.

## 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 each Calendar year:

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

## Acknowledgments

Your Directors take this opportunity to express their sincere appreciation to the shareholders, customers, bankers, suppliers and other business associates for the excellent support and co-operation extended by them.

Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, SEBI, Stock Exchanges, Banks, Customers, suppliers and the Staff of the Company.

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

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

Place : Hyderabad  
Date : 31<sup>st</sup> August, 2016

## 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, 2016)

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

## Part 'A': Subsidiaries

(Information in respect of each subsidiary)

(Rs. in Mn)

Sl. No.	Particulars	Details	
1	Name of the subsidiary	Hydro Magus Pvt Ltd	Power Mech Industri Pvt Ltd
2	The date since when Subsidiary acquired	24.09.2012	17.10.2013
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	--	--
5	Share capital	24.85	0.19
6	Reserves & surplus	16.54	21.39
7	Total assets	195.49	213.43
8	Total Liabilities	195.49	213.43
9	Investments	0.00	0.00
10	Turnover	193.02	28.30
11	Profit before taxation	15.85	1.29
12	Provision for taxation	5.38	0.13
13	Profit after taxation	10.46	1.15
14	Proposed Dividend	Nil	Nil
15	Extent of shareholding %	75%	100%

- None of the subsidiaries have been liquidated or sold during the year.
- There are no subsidiaries which are yet to commence operations

## Part 'B': Associates and Joint Ventures

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

(Rs. in Mn)

Sl. No.	Name of Associates / Joint Ventures	Power Mech-CPNED services (Hong Kong) Holding Co., Limited.
1	Latest audited Balance Sheet Date	31.03.2016
2	Date on which the Associate or Joint Venture was associated or acquired	22.01.2015
3	Shares of Associate /Joint Ventures held by the Company on the year end	
(i)	No.	5000 Shares
(ii)	Amount of Investment in Associates / Joint Venture	0.04
(iii)	Extend of Holding %	50%
4	Description of how there is significant influence	The Company owns 50% of the Voting power of the Company.
5	Reason why the Associate / Joint venture is not consolidated	NA
6	Net worth attributable to shareholding as per latest audited Balance Sheet	2.90
7	Profit / Loss for the year	
(i)	Considered in Consolidation	2.90
(ii)	Not Considered in Consolidation	

- None of the Associate /Joint Ventures have been liquidated or sold during the year
- There are no Associate /Joint Ventures which are yet to commence operations

Note : Conversion Rate taken at USD = INR 66.33 as on 31.03.2016

## For and on behalf of the Board

## for BRAHMAYYA &amp; CO.

Firm's Registration Number: 000513S  
Chartered Accountants

**S Kishore Babu**  
Chairman and Managing Director  
DIN: 00971313

**M Rajendran**  
Director & COO  
DIN: 01879556

## (Karumanchi Rajaj)

Partner  
Membership Number: 202309

**J Satish**  
CFO

**Mohit Gurjar**  
Company Secretary

Place : Camp: Hyderabad  
Date : 30.05.2016

## 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 Personnel) Rules, 2014]

### SECRETARIAL AUDIT REPORT

for the Financial Year Ended 31<sup>st</sup> March, 2016

To,  
The Members,  
Power Mech Projects Limited  
Plot No:77, Jubilee Enclave  
Opp: Hitex road, Madhapur  
Hyderabad - 500081  
Telangana, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Power Mech Projects Limited, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Companies Act, 1956 (the Act) to the extent the provisions applicable;
- iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
- vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
- vii) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-
  - a. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- viii) Other major laws applicable to the Company as per the representations made by the Management.
  - a. The Contract Labour (Regulation and Abolition) Act, 1970
  - b. Building and Other Construction Workers (Regulation of Employment and conditions of service) Act, 1996;
  - c. Inter-state Migrant Workmen (Regulation of Employment and conditions of service) Act, 1979

We have also examined compliance with the following:

- a. Secretarial Standards SS-1 and SS-2 with respect to meetings of the board of directors and shareholders respectively issued and notified by The Institute of Company Secretaries of India which came into force w.e.f. 1<sup>st</sup> July, 2015 under the provisions of section 118(10) of the Act.
- b. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Effective from 01.12.2015) and The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India (since repealed).



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following Observation that:

- a. The Company has generally been filing the forms and returns with the Ministry of Corporate Affairs as required under the Act. However, there are various instances where there have been delays.

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

During the year under review

- a. Shri Sutanu Behuria and Shri M Rajiv Kumar have been appointed as Additional Directors w.e.f. 14<sup>th</sup> November, 2015.
- b. Shri Rakesh Sony has resigned from the directorship w.e.f. 14<sup>th</sup> November, 2015.
- c. Shri S Kishore Babu has been reappointed as Chairman and Managing Director for the period of 5 years w.e.f. 1<sup>st</sup> April, 2016.
- d. Shri MukulLal Shah has resigned from the directorship w.e.f. on 13<sup>th</sup> February, 2016.

Adequate notice is given to all 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.

Generally the decisions at meeting will be taken with unanimous consent. However, in case of difference of opinion majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

### **We further report that during the year under review**

- The Company has come with public issue of its equity shares and got listed on BSE Limited and National Stock Exchange of India Limited.
- Company has obtained the approval of shareholders through postal ballot to pay remuneration not exceeding 1 % of the net profits of the Company to all of the Non-Executive Directors.

**For PS Rao & Associates  
Company Secretaries**

**PS Rao**  
Company Secretary  
M. No: 3829  
CP No: 9769

Place : Hyderabad  
Date : 31<sup>st</sup> August, 2016

**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**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PS Rao & Associates**  
**Company Secretaries**

**PS Rao**  
Company Secretary  
M. No: 3829  
CP No: 9769

Place : Hyderabad  
Date : 31<sup>st</sup> August, 2016

**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.

S. No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board / Shareholders	Amount paid as advances, if any	Justification for entering into Contract
1	S Lakshmi, Director	Lease Rents Paid	01.04.2016 to 31.03.2017	Leasing of Property at Flat No: 202, Second Floor, Parijat Apartment, Vikas Nagar, Near Sai Mandir, Wardha Road, Nagpur, Maharashtra. Rent – 30,000/- pm Lease upto 31.03.2017	13.02.2016	NIL	The operations of the Company are spread across India. For effective management of the assets and movements from One site to other site, the Company has taken the said premises to be used as its Central office.
2	S Kishore Babu (HUF), S Kishore Babu, CMD is Karta and S Lakshmi, Director is Coparcener	Lease Rents Paid	01.11.2015 to 31.10.2018	Leasing of Property at Flat No.C 401, C-Block, Jayabheri Orange County, Gachibowli, Hyderabad. Rent – 70,000/- pm. Lease for 36 months upto 31.10.2018	07.07.2015	NIL	Many Officials from various Customers / vendors visit the Company at Hyderabad. The said Flat is used as guest house, for providing accommodation to all such visitors.
3	M/s Power Mech Infra Limited, a Company in which S Kishore Babu, CMD and S Lakshmi, Director are having substantial Interest	Lease Rents Paid	01.01.2016 to 31.12.2020	Leasing of 4 <sup>th</sup> & 5 <sup>th</sup> Floor & Terrace of Power Mech IT Park, Madhapur, Hyderabad. Rent – 8,65,000/- pm. Escalation of 5 % per annum over the last paid rent Lease for 5 years and extendable upto 31.12.2025 on mutually agreeable terms	01.04.2015	Interest Free Security Deposit of Rs 6,650,000 being 10 months Rent	The said office has been taken on lease and used as Corporate Office premises. It accommodates many departments of the Company, which are not able accommodate in the existing office.

S. No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board / Shareholders	Amount paid as advances, if any	Justification for entering into Contract
4	M/s Power Mech Infra Limited, a Company in which S Kishore Babu, CMD and S Lakshmi, Director are having substantial Interest	Lease Rents Paid	01.04.2015 to 31.12.2025	Lease of 2 <sup>nd</sup> Floor and guest house at building in Sector 63, H Block Noida Rent – 357,295/- pm including maintenance Escalation of 10% every 2 years over the last paid rent Lease upto 31.03.2025 subject to terms and conditions in the lease agreement	01.04.2015	Interest Free Security Deposit of Rs 1,647,750 being 5 months Rent	The management of the Company frequently travels to Delhi in connection with the operations of the Company. Accordingly the said premises is used as office and guest house.
5	M/s Power Mech Infra Limited, a Company in which S Kishore Babu, CMD and S Lakshmi, Director are having substantial Interest	Lease Rents Paid	01.09.2015 to 31.08.2025	Lease of 1 <sup>st</sup> Floor and Stilt Floor at building in Sector 63, H Block Noida Rent – 295,110/- pm including maintenance Escalation of 10% every 2 years over the last paid rent Lease upto 31.08.2025 subject to terms and conditions in the lease agreement	01.04.2015	Interest Free Security Deposit of Rs 1,311,600 being 5 months Rent	The management of the Company frequently travels to Delhi in connection with the operations of the Company. Accordingly the said premises is used as office and guest house.
6	S Rohit, Son of S Kishore Babu, CMD and S Lakshmi, Director	Increase in Remuneration not exceeding Rs.2.00 Lac PM	w.e.f 07.07.2015	S Rohit, is acting as VP - Global Operations and is responsible for execution and coordination of global operations.	07.07.2015	-	In view of the growing responsibilities and expansion of operations in the International Sector, the Nomination and Remuneration Committee in line with the Remuneration Policy of the Company and industry standards recommended increase in salary to Shri S Rohit
7	M/s Power Mech Infra Limited, a Company in which S Kishore Babu, CMD and S Lakshmi, Director are having substantial Interest	Purchase of Assets and Stores Materials	-	The assets worth Rs. 72,648,374 have been bought to be used for Civil jobs	14.11.2015	-	As the civil operation of the Company is growing, various assets are required for execution of the projects have been purchased at competitive price considering the industry norms and practice

3. The details of the other related party transactions and those entered in earlier years are disclosed in Note no 35 of the Financial Statements.
4. Related Party Disclosure as per Schedule V of SEBI (LODR) Regulations, 2015



(Rs. in Mn)

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 2015-16	Maximum amount of Loans / Advances/ Investments Outstanding during the year 2015-16
i	Hydro Magus Private Limited	Loan	2.70	4.80
ii	Power Mech Industri Private Limited	Loan	61.58	61.58
iii	Hydro Magus Private Limited	Investment	25.17	25.17
iv	Power Mech Industri Private Limited	Investment	43.09	43.09

2 Loans and advances in the nature of loans to Associates by name and amount				
S. No	Name of the Associate	Loans / Advances / Investments	Amounts at the year ended 2015-16	Maximum amount of Loans / Advances/ Investments Outstanding during the year 2015-16
i	Power Mech - CPNED Services (Hong Kong) Holding Co. Limited	Advance	0.58	0.82
ii	Power Mech - CPNED Services (Hong Kong) Holding Co. Limited	Investment	0.04	0.04

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 firms / companies	Loans / Advances / Investments	Amounts at the year ended 2015-16	Maximum amount of Loans / Advances/ Investments Outstanding during the year 2015-16
	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 Loanee	Loans / Advances / Investments	Amounts at the year ended 2015-16	Maximum amount of Loans / Advances/ Investments Outstanding during the year 2015-16
	NIL			

For and on behalf of the Board of Directors of

sd/-

**S Kishore Babu**Chairman & Managing Director  
DIN: 00971313Place : Hyderabad  
Date : 31<sup>st</sup> August, 2016

## FORM No. MGT 9

**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.

**I. Registration & Other Details**

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

**II. Principal Business Activities of the Company (All the Business Activities Contributing 10 % or More of the Total Turnover of the Company Shall Be Stated)**

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

**III. Particulars of Holding, Subsidiary and Associate Companies**

Sl. No.	Name and Description of main products / services	CIN	Holding / subsidiary / Associated	% of share holding as at 31st March 2016	Applicable section
1	Hydro Magus Private Limited	U40106TG2012PTC083246	Subsidiary	75 %	2(87)
2	Power Mech Industri Limited	U29230TG2006PTC099985	Subsidiary	100 %	2(87)
3	Power Mech CPNED services (Hong Kong) Holding Co., Limited	2135388	Associate	50 %	2(6)

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

## A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 <sup>st</sup> -April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	DEMAT	Physical	Total	% of Total Shares	DEMAT	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual / HUF	9525068		9525068	75.70	9525068		9525098	64.75	-10.95
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
<b>Total (A) (1)</b>	<b>9525068</b>	<b>0</b>	<b>9525068</b>	<b>75.70</b>	<b>9525068</b>		<b>9525068</b>	<b>64.75</b>	<b>-10.95</b>
<b>(2) Foreign</b>									

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 <sup>st</sup> -April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	DEMAT	Physical	Total	% of Total Shares	DEMAT	Physical	Total	% of Total Shares	
a) NRI Individuals									
b) other Individuals									
c) Bodies Corporate									
d) Banks / FI									
e) Any other									
<b>Total (A)(2)</b>									
<b>Total shareholding of Promoter (A)</b>	<b>9525068</b>	<b>0</b>	<b>9525068</b>	<b>75.70</b>	<b>9525068</b>		<b>9525068</b>	<b>64.75</b>	<b>-10.95</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds					2754803		2754803	18.73	18.73
b) Banks / FI					4052		4052	0.03	0.03
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	625691	0	625691	4.97	186991		186991	1.27	-3.70
f) Insurance Companies									
g) FIIs					385899		385899	2.62	2.62
h) Foreign Venture Capital Funds									
i) Others (specify)	1877073		1877073	14.92	187773		187773	1.28	-13.64
<b>Sub Total (B)(1)</b>	<b>2502764</b>	<b>0</b>	<b>2502764</b>	<b>19.89</b>	<b>3519518</b>	<b>0</b>	<b>3519518</b>	<b>23.93</b>	<b>4.04</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian					368555		368555	2.51	2.51
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh (Previous Year Rs. 1 lakh)	840	274981	275821	2.19	758164	220472	978636	6.65	4.46
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh (Previous Year Rs. 1 lakh)	24360	254751	279111	2.22	77186	151985	229171	1.56	-0.66
iii) NBFC Registered with RBI					74727		74727	0.51	0.51
c) Others (specify)									
Non Resident Indians					11826		11826	0.08	0.08
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members					3263		3263	0.02	0.02
Trusts									
Foreign Bodies - DR									
<b>Sub-total (B)(2):-</b>	<b>25200</b>	<b>529732</b>	<b>554932</b>	<b>4.41</b>	<b>1293721</b>	<b>372457</b>	<b>1666178</b>	<b>11.33</b>	<b>6.92</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2527964</b>	<b>529732</b>	<b>3057696</b>	<b>24.3</b>	<b>4813239</b>	<b>372457</b>	<b>5185696</b>	<b>35.26</b>	<b>10.96</b>
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	<b>12053032</b>	<b>529732</b>	<b>12582764</b>	<b>100</b>	<b>14338307</b>	<b>372457</b>	<b>14710764</b>	<b>100.00</b>	

## B) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year *
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	S Kishore Babu	3601080	28.62	-	3601080	24.48	-	4.14
2	Sireesha Gogineni	3360	0.03	-	3360	0.02	-	0.01
3	Lakshmi Sajja	2400552	19.08	-	2400552	16.32	-	2.76
4	Sivaramakrishna Prasad Sajja	4480	0.04	-	4480	0.03	-	0.01
5	Sekhar Gogineni	3360	0.03	-	3360	0.02	-	0.01
6	Gogineni Babu	24640	0.20	-	24640	0.17	-	0.03
7	S Kishore Babu (HUF)	1344000	10.68	-	1344000	9.14	-	1.54
8	Sajja Rohit	1570296	12.48	-	1570296	10.67	-	1.81
9	Subhashini Kanteti	2520	0.02	-	2520	0.02	-	0.00
10	Uma Devi Koyi	5600	0.04	-	5600	0.04	-	0.00
11	Sajja Vignatha	562800	4.47	-	562800	3.83	-	0.64
12	Sai Malleswara Rao Sajja	2380	0.02	-	2380	0.02	-	0.00
	Total	9525068	75.70	-	9525068	64.75	-	10.95

\*The percentage change in holding is due to the IPO allotment of 21,28,000 Equity shares on 21<sup>st</sup> August, 2015.

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	9525068	75.70	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	The percentage change in promoter holding is due to the IPO allotment of 21,28,000 Equity shares on 21 <sup>st</sup> August, 2015.			
	At the end of the year	9525068	64.75		



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

S. No.	Name of the Shareholder	Shareholding at the beginning of the Year 01.04.2015		Change in Shareholding		Shareholding at the end of the Year 31.03.2016	
		No of shares	% of total shares of the Company	Increase	Decrease	No of shares	% of total shares of the Company
1	IDFC Premier Equity Fund	-	-	450186	-	450186	3.06
2	SBI Small and Midcap Fund	-	-	370000	-	370000	2.52
3	Motilal Oswal Most Focused Midcap 30 Fund	-	-	338274	-	338274	2.30
4	DSP Blackrock India T.I.G.E.R. Fund	-	-	305092	-	305092	2.07
5	Banyantree Growth Capital II L.L.C	-	-	289100	-	289100	1.97
6	HDFC Small & Midcap Fund	-	-	220000	-	220000	1.50
7	HSBC Midcap Equity Fund	-	-	190000	-	190000	1.29
8	India Business Excellence Fund I	1877073	14.92	-	1689300	187773	1.28
9	IL&FS Trust Company Limited (Trustees of Business Excellence Trust India Business Excellence Fund)	625691	4.97	-	438700	186991	1.27
10	L&T Mutual Fund Trustee Limited-L&T Business Cycle's Fund	-	-	164189	-	164189	1.12

## E) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Change in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1	S Kishore Babu	3601080	28.62			3601080	24.47
2	Sajja Lakshmi	2400552	19.08			2400552	16.31
3	M Rajendran	3528	0.03	20		3548	0.02
4	GDV Prasada Rao	1120	0.01			1120	0.01
5	T Sankarlingam	0	0			0	0
6	Amitabha Guha	0	0			0	0
7	Sutanu Behuria	0	0			0	0
8	M Rajiv Kumar	0	0			0	0
9	J Satish	0	0	1000		1000	0.01
10	Mohit Gurjar	392	0.00	300		692	0.01

## V) INDEBTEDNESS – Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in Rs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,436,074,296	133,631,358	-	2,569,705,654
ii) Interest due but not paid	412,124		-	412,124
iii) Interest accrued but not due	397,762		-	397,762
<b>Total (i+ii+iii)</b>	<b>2,436,884,182</b>	<b>133,631,358</b>	-	<b>2,570,515,540</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	130,878,502	17,275,990	-	148,154,492
* Reduction	(368,093,159)			(368,093,159)
Net Change	(237,214,657)	17,275,990	-	(219,938,667)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,199,293,796	150,907,348	-	2,350,201,144
ii) Interest due but not paid	375,729		-	375,729
iii) Interest accrued but not due	-			-
<b>Total (i+ii+iii)</b>	<b>2,199,669,525</b>	<b>150,907,348</b>	-	<b>2,350,576,873</b>

## VI. Remuneration of Directors and Key Managerial Personnel

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

(Amount in Rs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
1	Gross Salary	Shri S Kishore Babu	Shri M Rajendran	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,683,146	2,281,000	9,964,146
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,800,000	-	1,800,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission	-	-	
	- as % of profit - others, specify	51,171,340 -	- -	51,171,340 -
5	Others, please specify	-	-	
	<b>Total (A)</b>	<b>60,654,486</b>	<b>2,281,000</b>	<b>62,935,486</b>
	<b>Ceiling as per the Act</b>			<b>121,308,971</b>

B) Remuneration to other directors

(Amount in Rs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total
		Smt. S Lakshmi	Shri T Shankarlingam	Shri Sutanu Behuria	Shri M Rajiv Kumar	Shri GDV Prasada Rao	Shri Mukul Lal Sah	Shri Amitabha Guha	
1	Independent Directors								
	Fee for attending board committee meetings	-	475,000	175,000	-	375,000	275,000	275,000	1,575,000
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	<b>475,000</b>	<b>175,000</b>	-	<b>375,000</b>	<b>275,000</b>	<b>275,000</b>	<b>1,575,000</b>
2	Other Non-Executive Directors								
	Fee for attending board committee meetings	-	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-	-
	Others, please specify Consultancy	-	-	-	760,000	-	-	-	760,000
	<b>Total (2)</b>	-	-	-	<b>760,000</b>	-	-	-	<b>760,000</b>
	<b>Total (B)=(1+2)</b>	-	<b>475,000</b>	<b>175,000</b>	<b>760,000</b>	<b>375,000</b>	<b>275,000</b>	<b>275,000</b>	<b>2,335,000</b>
	<b>Total Managerial Remuneration</b>								<b>2,335,000</b>
	<b>Ceiling as per the Act</b>								<b>12,130,897</b>

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	900,000	2,927,844	3,827,844
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>900,000</b>	<b>2,927,844</b>	<b>3,827,844</b>

## VII. Penalties / Punishment / Compounding of Offences: None

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

For and on behalf of the Board of Directors of

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

Place : Hyderabad  
 Date : 31<sup>st</sup> August, 2016



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview

Power Mech Projects Limited 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's three principal business lines are: (i) Erection Works, (ii) Operation & Maintenance (O&M) Services and (iii) Civil Works on which it stands firmly for well over a decade and a half. 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.

### Opportunities & Outlook

Notwithstanding the fact that the market scenario in ETC segment is still limping, the Company is strategically focusing on O&M, Civil works and overseas projects and also on alternate projects.

**O&M:** At present the Company is holding almost 50% of the Maintenance contract of private partners. As the public sector plants are also proposing to outsource the O&M works, we are expecting more opportunity in this segment alone. Moreover, many of the plants that were kept inoperative are being revived, increasing the volume available before us.

**FGD:** Flue Gas Desulfurization systems have to be introduced to existing power plants as part of the Paris protocol and in which case huge scope is on the anvil. This is one area that will dominate the power sector for the next few years to make the environment pollution-free.

**IO:** International Operation throws much bigger opportunity in countries including Middle East and Africa. We have taken some steps including Joint Ventures to undertake projects in these parts of the world and complete them hassle-free. Already we are taking projects in KSA, Bangladesh, and Bhutan etc getting strategic support from local partners.

**Hydro sector:** Our subsidiary M/S Hydro Magus is focusing on hydro projects with greater focus. India is blessed with huge potential for tapping energy through hydro projects in Indus Basin, Ganga Basin, Central Indian River system, Western & Eastern flowing rivers in South India, Brahmaputra region totaling 148,701 MW power. This is apart from other sources like Pumped storage projects for another one lakh MW power.

**Workshop:** Power Mech Industri has commissioned the state-of-art workshop in Noida with facilities for reengineering and manufacture of critical and non-critical parts, heavy fabrication of structures and vessels etc. With number of Annual Maintenance Contracts on our hold, we have greater opportunity in power sector and other areas as well.

**Infrastructure:** The Company has both engineering and construction experience over the years which are transferrable to other disciplines including Railways, Irrigation, Roads etc. These areas offer big opportunities which will be grabbed appropriately on selective basis with higher margin projects.

### Financial Performance & Operational Performance

The highlights of overall performance are as follows

(Rs. in Mn)

Particulars	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Revenue from operations	13,838	13,662	13,621	13,556
Other Income	55	58	56	59
Total Income	13,893	13,720	13,677	13,615
Total Expenses	12,730	12,654	12,534	12,563
Profit Before Tax	1,163	1,066	1,143	1,052
Profit After Tax	755	714	743	707
Earnings per Equity Share	54.41	57.48	53.51	56.94
Book value per Equity Share	377.33	281.91	375.98	281.29

Profitability Ratios:	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
EBITDA Margins	13.54%	12.59%	13.57%	12.57%
PBT Margins	8.37%	7.77%	8.36%	7.73%
PAT Margins	5.44%	5.20%	5.43%	5.19%
Return on Capital Employed	21.26%	25.49%	21.42%	25.55%
Return on Net Worth	16.60%	22.73%	16.38%	22.54%

## Risks & Concerns

All opportunities are naturally associated with risks and threats and Power Mech is well posted with the fact. Power Mech being a service provider envisages problems like any other Company at the receiving end and therefore is keeping itself prepared.

Some of the major challenges such as local labour issues, import of materials, and clearances from various agencies remain to be addressed vigorously and effectively. Availability of finance still has not improved and this is a great hurdle for the growth of power sector. This issue has to be addressed for growth and stability.

There is always shortage for skilled and semi-skilled labour and poses a major hurdle in general. As the demand for power generation keep increasing which is only expected and construction activities getting spurred up, the gap between the supply and demand for skilled and semi skilled labour may widen further. But again this is a matter of concern for not only the power sector industry but to entire industry as well. Other perceived risks and threats include:

- Competition from unorganized companies for critical works where price is allowed to play primary role.
- Delay and short supply of erection materials from manufacturers due to crunch in finance.

## Principle Business Segment

The Company has three major business segment Erection, Civil and Operations & Maintenance.

For FY15-16 the Company achieved a consolidated turnover of Rs. 7,990 Mn against Rs. 9,136 Mn in Erection segment for the previous FY. Similarly the Company achieved a turnover of Rs. 2,038 Mn against Rs. 1,749 Mn in Civil and Rs. 3,806 Mn against Rs. 2,765 Mn in O&M segment for FY15-16 and FY14-15 respectively.

The dip in Erection revenue compared with last year is mainly due to lower order additions in this segment. However in line with the management focus, the O&M segment which is a high margin segment compared with other two segments has grown significantly by almost 38% on y-o-y basis.

Going forward the share of O&M and Civil business shall continue to increase in the overall revenue portfolio, with erection business sustaining the existing turnover.

## Internal Control System

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired and used economically. The Board is seized of the fact that IFC are not static and are in fact a fluid set of tools which evolve over time as the business, technology and possibly even fraud environment changes in response to competition, industry practices, legislation, regulation and current economic conditions. There might therefore be gap in the IFC as Business evolves. With SAP system in place all transactions are made transparent and are to be duly appended by authorized persons with facility for multiple checking. The Company is following proper procedures for accounting and book keeping. It has in-house auditing department as well as external auditors and is meeting all statutory needs in accordance with rules and acts. Periodical and surprise visits to sites and branches are made by internal auditing team and detailed auditing are conducted regularly. Audit reports are periodically reviewed by the management and Directors. The Company has a process in place to continuously identify such gaps and implement newer and/or improved controls wherever the effect of such gaps might have a material effect on the Company's operations.

## Human Resources

Power Mech draws its strength from the work force apart from machines. At present the Company has manpower strength of 5544 direct employees as on 31<sup>st</sup> March, 2016 which includes qualified Engineers and highly skilled technicians. Each department at site is headed by qualified and experienced persons fulfilling the requirements at sites. Periodical meetings of Heads with senior officers, planned visits to sites and branch offices by Directors and other officials keep the monitoring system in tact and healthy.

## Health Safety and Environment

Power Mech Projects Management demonstrates its commitment by integrating Health, Safety and Environment into its strategic level decisions. The holistic theme of Safety Management is developed logically and systematically, the functional operation of the Company is examined in well-structured Safety Management attributes and elements. Risk quantification and control strategy formulation addressed competently. The human resource essentials for Safety Management are thoughtfully presented through Guiding Principles – **Commitment, Organization, Accountability, Management System and Standards, Risk Management, Legal and other Requirement Compliance, Training, Environmental Aspects, Continual Improvement, Monitor and Audit and Review.**

**Commitment:** Management at all levels of the Company will be actively committed to HSE excellence.

**Organization:** we maintain and enhance a Company-wide organization structure and culture that recognizes the full and active participation of all employees in the systematic management of health, safety and environmental issues.

**Accountability:** Achievement of Health, Safety and Environmental excellence depends heavily on the continuing participation and accountability of the management.

**Management System and Standards:** We develop, implement and continuously improve effective HSE management system and develop standards that effect best industry practices.

**Risk Management:** We ensure the potential health, safety and environmental risks associated with all our activities are attended easily to utilize and manage adverse effects and to identify opportunities for improvement.

**Legal and other Requirement Compliance:** We operate to standards that will comply with the requirements of appropriate legal and other requirement.

**Training:** Training is an essential element of HSE excellence. Management at all levels will ensure that appropriate training is conducted on a regular basis.

**Environmental Aspects:** We continuously evaluate the environmental aspects of our products and services to ensure sound environmental strategy.

**Continuous Improvement:** The Company believes that effective HSE management is good business and is committed to continuous improvement of HSE management practices.

**Monitor, Audit and Review:** Effective management requires ongoing assessment and review to define whether the HSE policy is being appropriately implemented.

## Cautionary Statement

Statements in this management discussion and analysis report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are identified in this report, by using words 'anticipates', 'believes', 'expects', 'intends', prospects and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied.

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

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

Place : Hyderabad  
Date : 31<sup>st</sup> August, 2016

## 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	Shri S Kishore Babu	Chairman and Managing Director	42:1
2	Shri M Rajendran	Director & COO	10:1
3	Smt S Lakshmi	Non Executive Director	-
4	Shri T Sankarlingam	Independent Director	-
5	Shri GDV Prasada Rao	Independent Director	-
6	Shri Sutanu Behuria	Independent Director	-
7	Shri M Rajiv Kumar	Non Executive Director	-
8	Shri Amitabha Guha	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 2015-16:

S. No.	Name of Director / KMP and Designation	Designation	% increase in Remuneration in the Financial year 2015-16
1	Shri S Kishore Babu	Chairman and Managing Director	-
2	Shri M Rajendran	Director & COO	27%
3	Shri J Satish	CFO	-
4	Shri Mohit Gurjar	CS	-

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

- iii. 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, 2016 was -5%. The decrease is due to addition of non permanent staff working in O&M segment to the rolls of the Company.

- iv. The number of permanent employees on the rolls of Company as at 31<sup>st</sup> March, 2016

There were 5544 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2016.

- v. 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 7.54% and there has been no increase in the managerial remuneration (excluding commission to CMD) during the last financial year.

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



## B) Top 10 Employees in terms of remuneration

Name	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years)	Nature of employment	Remuneration in (Rs) Per Month	Previous Employment	Relative of Director If any
Sanjay Sudhamay Bhattacharya	56 Y	M.E	Director (Operations)	15.07.2015	34	Full Time	5.61	Tata Power	
Sumit Ghosh	46 Y	M.Tech	Sr Vice President	01.12.2015	20	Full Time	4.76	Jindal	
Anil Kumar Shahi	56 Y	A.M.I.E	Associate VP	29.08.2015	33	Full Time	2.83	Jindal	
Shishir Kumar Kudasbehar	48 Y	M.Tech	Executive Director	17.12.2014	26	Full Time	2.56	BHEL	
Ajay Kumar Kantheti	42 Y	B.Tech	Sr Vice President	20.11.1999	21	Full Time	2.45	-	CMD
Satish Jami	41 Y	CA & MBA	Vice President	20.10.2014	16	Full Time	2.44	Indu Projects	
Surya Prakash Rao N	50 Y	B.Tech, BOE, MBA	Associate VP	31.03.2014	27	Full Time	2.08		
Gangadhara Rao Kudapa	48 Y	A.M.I.E, M.B.A	General Manager	20.05.2015	24	Full Time	1.75	Facor Power Ltd	
Vipin Kumar Chaudhari	47 Y	B.Tech	Associate VP	01.09.2013	22	Full Time	1.74		
Srinivasulu Gudipati	52 Y	M.E	Executive Director	22.07.1999	29	Full Time	1.53	Indwell Constructions Private Limited	

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

Name	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years) Remuneration	Nature of employment	*Remuneration in (Rs. In Lacs) per Annum	Previous Employment	Relative of Director If any
S Kishore Babu	53	B Tech (Mechanical)	CMD	22.07.1999	31	Full time	606.54	Jt MD, Indwell Constructions Private Limited-	Spouse of S Lakshmi, Director

\*Remuneration Includes Salary and Commission.

- D) There are no other employees drawing Rs. 8.50 Lacs per month or Rs. 102.00 Lacs per annum, whether employed throughout the year or part of the Financial year.
- E) There are no employees in the service of the Company covered under Rule 5 (2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of the Board of Directors of

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

Place : Hyderabad  
 Date : 31<sup>st</sup> August, 2016

## 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 here under:

### 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 equipments:** NA

### B) Technology Absorption

- (i) The efforts made towards technology absorption: NA
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: NA
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NA
- (a) The details of technology imported;
- (b) The year of import;
- (c) Whether the technology been fully absorbed;
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:
- (iv) The expenditure incurred on Research and Development: NA

### C) Foreign Exchange Earnings and Outgo

S. No.	Particulars	Rs. in Mn	
		2015-16	2014-15
1	Earnings	1721.87	838.44
2	Outgo	1156.82	778.97

For and on behalf of the Board of Directors of

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

Place : Hyderabad  
 Date : 31<sup>st</sup> August, 2016

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

At PMPL, Corporate Social Responsibility (CSR) is embedded in the long term business strategy of the Company. For us, business priorities co-exist with social commitments to drive holistic development of people and communities. The Company's CSR initiatives seeks to touch and transform people's lives by promoting healthcare, education and employment opportunities. PMPL aims to continue its efforts to build on its tradition of social responsibility to empower people and deepen its social engagements.

We set up the Power Mech Foundation ('the Foundation') in the year 2009 to focus on our CSR initiatives, much earlier than it was made mandatory through the Companies Act, 2013. Visit <http://powermechprojects.in/csr.html> for more details and the activities of the Foundation.

### CSR committee

We have a board committee (CSR committee) that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met. Our CSR committee comprises:

- (i) S Kishore Babu : Chairman
- (ii) S Lakshmi : Member
- (iii) GDV Prasada Rao : Member

### Our objectives

The main object of Foundation is to serve the cause of medical relief, educational relief, rehabilitation of the poor and suffering in times of distress due to vagaries of nature, those poor who sustain loss of property etc. on account of fire accidents or otherwise and to strive for economic development that positively impacts society with a minimal resource footprint.

### Focus Areas of Engagement

There are several opportunities to increase and deepen social impact significantly and generate value for all. PMPL seeks to strategically consolidate the Company's CSR initiatives to focus on discrete social problems and enable people to earn their livelihoods. To streamline its social initiatives, the Company, in its CSR policy, has identified five focus areas that aim to positively and holistically impact society.

PMPL's five focus areas comprise:

- Rural Transformation
- Healthcare
- Education
- Environment
- Disaster Response

PMPL has undertaken numerous initiatives aimed at developing the communities around which the Company conducts its operations. The overriding objective is to create value and ensure all-inclusive growth.

(Rs. in Mn)

Average net profit of the Company for last three financial years	: Rs. 938.54
Prescribed CSR Expenditure (2% of the above amount)	: Rs. 18.77
Details of CSR spent during the financial year	
• Total amount spent for the financial year	: Rs. 4.50
• Amount unspent, if any	: Rs. 14.27
• Manner in which the amount spent during the financial year is detailed below	: Annexure A of this report

In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount :

During the financial year 2015-16 your Company endeavored to meet the budgeted expenditure by contributing in various eligible CSR activities and has committed to incur expenditure for CSR initiatives in the coming years through structured events or programs and projects. Accordingly the CSR committee in order to provide employment enhancement skills, has proposed to set up an institute to provide training in Operations & Maintenance (O&M) of Power Plants to the educated and unemployed youth of the country.

The training institute is proposed to be constructed at 2<sup>nd</sup> & 3<sup>rd</sup> Floor at Plot A-8, Sector 80, Gautam Buddha Nagar, Noida - 201301, UP which is owned by Power Mech Industri Pvt Ltd and shall be taken on lease by Power Mech Foundation.

The total cost for constructing the Institute including equipment's and furniture for the 1<sup>st</sup> Phase shall be around Rs. 5.00 Mn.

## Our CSR responsibilities

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

### Annexure A

(Rs. in Mn)

S. No.	CSR Project / Activity / Beneficiary	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
1	Health Checkup of Poor people	Health	Vijayawada(AP)	3.38	3.38	3.38	Implementing Agency
2	Promoting primary and Secondary education in Rural and Socially/ Economically Backward communities	Education	Vijayawada Repalle, Chirala, Nandigama, Guntur, Nellore,	0.92	0.92	0.92	Implementing Agency
3	Health Checkup of Poor people	Health	Vijayawada(AP) and other sites	0.52	0.52	0.52	Implementing Agency
4	Water and Butter Milk Camp during summer	Social Service & Health	Vijayawada & adjoining areas	0.09	0.09	0.09	Implementing Agency

### Implementing Agency

Power Mech Foundation, is a trust formed on 13<sup>th</sup> May, 2009 under the (Indian) Trust Act, 1882. The main object of Power Mech Foundation is to serve the cause of medical relief, educational relief, rehabilitation of the poor and suffering in times of distress due to vagaries of nature, those poor who sustain loss of property etc. on account of fire accidents or otherwise. Power Mech Foundation is currently engaged in social activities covering providing education, drinking water and books to the poor, organizing blood donation camps, cataract surgery camps and running an ambulance in Vijayawada.

For and on behalf of the Board of Directors of

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

Place : Hyderabad  
Date : 31<sup>st</sup> August, 2016



## REPORT ON CORPORATE GOVERNANCE

### A. Company's Philosophy on Corporate Governance

The Company believes that the Corporate Governance is integral to all the functions and divisions of the organization for creating value for all the stakeholders. In this competitive business environment, both the management and employees vigorously uphold the values of integrity, transparency, responsibility and accountability.

The Company believes that Corporate Governance is about best practices of business to be imbibed in to the culture of the organization and complying with value systems, ethical business practices, laws and regulations to achieve the main objectives of the Company.

At Power Mech Projects Limited, the focus is on its core strengths, value systems, hard working and strategic moves to be in the leading edge of new technology. It also strives to be ahead of competition by taking all the risk assessments well in advance to mitigate the same.

The Company has strengthened its Corporate Governance practices and has set highest standards of Corporate Governance by implementing the code of Corporate Governance in accordance with regulations 34(3) and Regulation 53(f) read with Schedule V of the Securities Exchange board of India (Listing Obligations and Disclosure Regulations) 2015

### B. Board of Directors

- i. The Board of Directors of the Company consists of Eight (8) Directors as on 31<sup>st</sup> March, 2016. To ensure, transparent and professional conduct of Board Meeting procedures in all aspects related thereto, fifty percent (50%) i.e. 4 out of 8 directors are Independent Directors. The composition of the directors is in accordance with the Regulations of the Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015.
- ii. There are no pecuniary relationships or transactions with Independent Non-Executive Directors except for sitting fees paid for attending Board and other Committee Meetings.
- iii. Five (5) Board meetings were held during the Financial Year 2015-16 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	01.04.2015
02	07.07.2015
03	20.08.2015
04	14.11.2015
05	13.02.2016

- iv. None of the Directors on the board is a member in more than 10 committees or Chairman in more than 5 committees, across all the companies in which he is a director.
- v. None of the Directors serves as an independent Director in more than seven Listed Companies.
- vi. The names and categories of Directors on the Board, their attendance at the Board Meeting and at the Annual General Meeting, and also the number of Directorship and Committee Membership held by them in other companies are given below:

Name of the Director	Category	No. of Board Meeting attended	Attended AGM held on 20.08.2015	No. of Other Directorships Held	*Memberships / chairmanships held in Committees of other Companies		No. of shares held in the Company (%)
					Member	Chairman	
S Kishore Babu Chairman & Managing Director DIN 00971313	Executive Director (Promoter)	5	Yes	5	-	-	3601080
M Rajendran Whole Time Director DIN 01879556	Executive Director	5	Yes	-	-	-	3548
S Lakshmi (spouse to S Kishore Babu) Director DIN 00068991	Non-Executive Director (Promoter)	2	Yes	4	-	-	2400552
Thiagarajan Sankaralingam Director DIN 00015954	Independent Non-Executive Director	4	No	5	-	-	-

Name of the Director	Category	No. of Board Meeting attended	Attended AGM held on 20.08.2015	No. of Other Directorships Held	*Memberships / chairmanships held in Committees of other Companies		No. of shares held in the Company (%)
					Member	Chairman	
GDV Prasada Rao Director DIN 02754904	Independent Non-Executive Director	5	No	-	-	-	1120
Sutanu Behuria (Appointed w.e.f 14.11.2015) Director DIN 00051668	Independent Non-Executive Director	2	NA	3	2	-	-
M Rajiv Kumar (Appointed w.e.f 14.11.2015) Director DIN 07336483	Non-Executive Director	2	NA	-	-	-	-
Amitabha Guha (Resigned w.e.f 04.06.2016) Director DIN 02836707	Independent Non-Executive Director	4	No	5	3	0	-
Rakesh Sony (Resigned w.e.f 14.11.2015) Director DIN: 00363053	Non-Executive Director	1	No	-	-	-	-
Mukul Lal Sah (Resigned w.e.f 13.02.2016) Director DIN:03494357	Independent Non-Executive Director	3	No	-	-	-	500

\*In accordance with Clause 26 of the Listing Regulations :

- The membership of the Director in committees do not include the committees in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.
- The memberships/chairmanships of Audit Committees and Stakeholders Relationship Committees in all Public Limited companies has been considered.
- None of the Directors of the Company is serving on the Boards of more than seven Listed Companies and no Whole-time Director is serving as Independent Director in more than three Listed Companies

## Board Committees:

### C. Audit Committee

The Company has a qualified and independent Audit committee and consists of Independent Directors, who provides assistance to the Board of Directors in fulfilling its responsibilities.

The Audit Committee is constituted in accordance with the provisions of 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.

The Audit Committee is empowered with functions according to the powers, scope and role as defined and prescribed under the said clause 49 / 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 and directors if any given by the board from time to time.

During the year under review, Four (4) meetings of the committee were held on 01.04.2015, 07.07.2015, 14.11.2015 and 13.02.2016.

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 in Committee	Category of Directorship	No. of Meetings held	No. of Meetings Attended
Sutnanu Behuria (Chairman w.e.f 14.11.2015)	Chairman	Independent, Non-Executive	4	1
Amitabha Guha	Member	Independent, Non-Executive	4	4
GDV Prasada Rao (Chairman upto 14.11.2015)	Member	Independent, Non-Executive	4	4
Rakesh Sony (Resigned as Director w.e.f 14.11.2015)	Member	Non-Executive	4	1

As on 31<sup>st</sup> August, 2016 the following is the composition of the Committee:

Name	Designation in Committee	Category of Directorship
Sutnau Behuria	Chairman	Independent, Non-Executive
GDV Prasada Rao	Member	Independent, Non-Executive
T Sankaralingam	Member	Independent, Non-Executive

The composition of the committee is in accordance with the requirements of the Regulation under Securities Exchange Board of India (Listing Obligation and Disclosure Regulations) 2015 and also Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014.

In addition to the above, the committee meetings were also attended and supported by Shri J Satish, CFO as special invitee. The Company Secretary of the Company acts as the Secretary to the Committee.

The primary objective of the audit committee is to monitor and effectively supervise the Company's financial reporting in compliance with various policies, procedures and standard practices as in vogue in India.

### Terms of Reference

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement entered into with Stock Exchanges / SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013 and includes such other functions as may be assigned to it by the Board from time to time.

### Brief description of terms of reference

- Oversight of the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are true and accurate and provide sufficient information.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory & Internal auditors and the fixation of their audit fees.
- Reviewing and monitoring the auditor's Independence and performance, and effectiveness of audit process
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement, which forms part of the Board's report in terms of section 134 (5) of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements, as applicable to the Company
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Approve the appointment, re-appointment and removal of Chief Financial Officer of the Company.
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, availability and deployment of resources to complete their responsibilities and the performance of the out-sourced audit activity.
- Discussion with internal auditors with respect to the coverage and frequency of internal audits as per the audit plan, nature of significant findings and follow up thereof.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Obtaining an update on the Risks Management Framework and the manner in which risks are being addressed.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Review the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any.
- To review the functioning of the Vigil Mechanism Policy and the nature of complaints received by the Ombudsman.
- The un-audited / audited quarterly financial results of the Company are also specifically reviewed by the Audit Committee before these are submitted to the Board for approval. Minutes of each Audit Committee meeting are placed before the Board for noting.
- The Audit Committee is empowered, pursuant to its terms of reference, to Investigate any activity within its terms of reference and to seek any information it requires from any employee.

- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.
- Review on a regular basis the following:
  - Management discussion and analysis of financial condition and results of operations.
  - Management Certificates on Internal Controls and Compliance with laws & regulations, including any exceptions to these.
  - Management letters / letters of internal control weaknesses issued by the statutory auditors.
  - Internal audit reports relating to internal control weaknesses.
  - The financial statements, in particular the inter corporate loans & investments, if any
- Approval or subsequent modification of transactions of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Monitoring the end use of funds raised through public offers and related matters

The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.

#### D. Nomination and Remuneration Committee

The Nomination and Remuneration committee has been formed in compliance of Regulation under Securities Exchange Board of India (Listing Obligation and Disclosure Regulations) 2015 and pursuant to section 178 of the companies Act 2013 comprising of the 2 Independent Directors and 1 Non-Executive Director.

##### Terms of Reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
- To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions, etc.
- Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
- Payment / revision of remuneration payable to Managerial Personnel.
- While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
- The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
- Any other functions / powers / duties as may be entrusted by the Board from time to time.
- The Company has adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company as below :

##### 1. Introduction

1.1 Power Mech Projects Limited (PMPL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- 1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.
- 1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 1.1.3 Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

##### 2. Scope and Exclusion

2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

##### 3. Terms and References

In this Policy, the following terms shall have the following meanings:

- 3.1 **'Director'** means a director appointed to the Board of the Company.
- 3.2 **'Key Managerial Personnel'** means
- (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary;
  - (iii) the Whole-time Director;
  - (iv) the Chief Financial Officer; and
  - (v) such other officer as may be prescribed under the Companies Act, 2013
- 3.3 **'Nomination and Remuneration Committee'** means the committee constituted by PMPL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

#### 4. Selection of Directors and determining Directors' independence

##### 4.1 Qualifications and Criteria

- 4.1.1 The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.
- 4.1.2 In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:
- General understanding of the Company's business dynamics, business and social perspective;
  - Educational and professional background Standing in the profession or services ;
  - Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their roles and responsibilities effectively.
- 4.1.3 The proposed appointee shall also fulfill the following requirements:
- Shall possess a Director Identification Number;
  - Shall not be disqualified under the Companies Act, 2013;
  - Shall give his written consent to act as a Director;
  - Shall endeavour to attend all Board Meetings and wherever he is appointed as Committee Member, the Committee Meetings;
  - Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
  - Shall disclose his concern or interest in any Company or Companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every Financial Year and thereafter whenever there is a change in the disclosures already made;
  - Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015 and other relevant laws.
- 4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

##### 4.2 Criteria of Independence

- 4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
- 4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and Regulation 16 of SEBI (LODR) Regulations 2015 is as below:
- An Independent Director in relation to a Company, means a Director other than a Managing Director or a Whole-time Director or a Nominee Director —
- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
    - (ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate Company;
  - c. who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;



- e. who, neither himself nor any of his relatives —
  - i. holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
    - A. a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
    - B. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
  - iii. holds together with his relatives two per cent or more of the total voting power of the Company; or
  - iv. is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
  - v. is a material supplier, service provider or customer or a lessor or lessee of the Company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

#### 4.3 Other directorships / committee memberships

- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- 4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- 4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

#### 5. Remuneration to Executive Directors and Key Managerial Personnel Non-Executive Directors and other employees

- 5.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- 5.1.2 The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- 5.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:
  - i. Basic Pay
  - ii. Perquisites and Allowances
  - iv. Commission (Applicable in case of Executive Directors)
  - v. Retiral benefits
  - vi. Annual Performance Bonus
- 5.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

## 5.2 Remuneration to Non-Executive Directors

- 5.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.
- 5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

## 5.3 Remuneration to other employees

- 5.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs and their initiations in taking up challenges in their respective fields.

During the year under review, 3 meetings of the committee were held on 07.07.2015, 14.11.2015 and 13.02.2016.

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:

### Composition

Name	Category	Designation	No. of Meetings Attended
Shri Thiagarajan Sankaralingam	Non-Executive	Chairman	3
Rakesh Sony (Resigned as Director w.e.f 14.11.2015)	Independent, Non-Executive	Member	0
Shri Mukul Lal Sah (Resigned w.e.f 13.02.2016)	Independent, Non-Executive	Member	2
S Lakshmi (appointed w.e.f 01.10.2015)	Non-Executive	Member	1
GDV Prasada Rao (appointed w.e.f 13.02.2016)	Independent, Non-Executive	Member	NA

During the year, committee under the guidance of Board, also formulated the criteria and framework for the performance evaluation of every Director of the Board including independent Directors and identified the training and education programs to ensure that the independent Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

## E. 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, 2016 is as under:

(Rs. in Lacs)

Name of the Director	Sitting Fees
Shri GDV Prasada Rao	3.75
Shri Thiagarajan Sankaralingam	4.75
Shri Amitabha Guha	2.75
Shri Sutanu Behuria	1.75
Shri Mukul Lal Sah*	2.75
Shri Rakesh Sony*	-

\*Mukul Lal Sah resigned from the Board w.e.f 13.02.2016

\*Rakesh Sony resigned from the Board w.e.f 14.11.2015

Shri M Rajiv Kumar, Non-Executive Director is paid consultancy charges of Rs. 3.80 Lacs pm w.e.f 13.02.2016.

Shri Rajiv Kumar is a veteran in the Power Construction industry and his project management skills and rich experience in the power sector can be of immense help in the future growth and success of the Company. Accordingly on he has been appointed as Business Development Consultant

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

(Rs. in Lacs)

Name of the Director	Salary	Bonus	Benefits	Commission (Rs.)	Sitting Fees (Rs.)	Loans from the Company (Rs.)	Total (Rs)
Shri S Kishore Babu	94.83			511.71			606.54
Shri M Rajendran	22.81						22.81

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

- i. Details of fixed component and performance linked incentives, along with the performance criteria; NA
- ii. Service contracts, notice period, severance fees: NA
- iii. Company has not granted any Stock options during the year

## F. Stakeholders / Investors Grievance Redressal Committee

The Stakeholders / Investor Redressal committee has been formed in compliance of Regulations under Security Exchange Board of India (Listing Obligation and Disclosures Regulations) 2015 and pursuant to Section 178(5) of the Companies Act 2013. The Committee comprises of three Non Executive Directors and one out of three is Independent Director.

During the year under review, 4 meetings of the committee were held on 08.04.2015, 03.08.2015, 14.10.2015 and 13.02.2016.

### Composition

Name	Designation	Status	No of Meetings attended
Shri M Rajiv Kumar (Appointed w.e.f 13.02.2016)	Chairman	Non-Executive Director	0
Shri GDV Prasada Rao	Member	Non-Executive Independent Director	4
Smt S Lakshmi	Member	Non-Executive Director	4
Shri Mukul Lal Sah (Resigned w.e.f 13.02.2016)	Member	Non-Executive Independent Director	2

Shri Mohit Gurjar, Company Secretary of the Company act as Compliance officer of the Company

### Terms of reference

The Committee focuses on shareholders' grievances and strengthening of investor relations. The committee looks after the services of the Registrars and share transfer agents and recommends measures for providing efficient services to investors.

The Committee specifically looks into investor complaints like Transfer / transmission / transposition of shares, non receipt of Annual Report, non-receipt of dividend, and other related issues.

The Committee reviews the security transfers / transmissions, process of dematerializations and the investor grievances and the system dealing with these issues.

In accordance to Regulation under Securities Exchange Board of India (Listing Obligation and Disclosure Regulations) 2015 with the stock exchanges, the Board has authorized the Company Secretary, who is also a Compliance officer, to approve share transfers and/ transmissions and comply with other formalities in relation thereto. All the investors complaints, which cannot be settled at the level of the Compliance officer, will be placed before the committee for final settlement.

The committee while performing various functions relating to the interests of shareholders/investors of the Company as may be required under the provisions of the Companies Act, 2013, Listing Agreement with the Stock Exchanges and regulations/guidelines issued by the SEBI or any other regulatory authority, In order to expedite the process and for effective resolution of grievances / complaints, has delegated powers to the Share Transfer Agents i.e., M/s. Karvy Computershare Pvt. Ltd., to redress all complaints / grievances / enquiries of the shareholders/investors. It redresses the grievances/ complaints of shareholders/ investors under the supervision of Company Secretary & Compliance Officer of the Company.

The Committee, along with the Share Transfer Agents of the Company follows the policy of attending to the complaints, if any, within seven days from the date of its receipt.

As mandated by SEBI, the Quarterly Reconciliation of Share Capital Audit, highlighting the reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-à-vis the total issued and listed capital is being carried out by M/s PS Rao & Associates, Practicing Company Secretaries. This Audit confirms that the total issued and paid up capital is in agreement with the total number of shares held in physical and dematerialized form with NSDL and CDSL.

As on 31<sup>st</sup> March, 2016, 14,338,307 number of Equity Shares of Rs. 10/- each representing 97.47% of the total no. of shares are in dematerialized form.

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

Sl. No.	Description	No. of Complaints Received	No. of Complaints Resolved	Pending Complaints
1.	Non-Receipt of Dividend Warrant (Electronic Credit)	1	1	0
2.	Miscellaneous (Refund orders of IPO)	86	86	0
3.	Non Receipt of Annual Reports	1	1	0
	Total	88	88	0

There were no pending transfers as on 31<sup>st</sup> March, 2016

## G. Corporate Social Responsibility Committee

According to Sec.135 of The Companies Act 2013, our Company requires to constitute a Corporate Social Responsibility Committee and also a Corporate Social Responsibility Policy to be in place so as to ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, for the betterment of the society as a whole.

The Board has constituted Corporate Social Responsibility Committee, to carry out the actions of the Committee and oversee and monitor the spending of the CSR amount and implementation of the CSR activities undertaken.

### Terms of reference

The Committee shall take up CSR activities as per the policy.

The Committee shall oversee and monitor the spending of the CSR amount and implementation of the CSR activities undertaken.

The committee may report to the board, the status of each activity, utilization the ear marked funds, next course of action and also prepare a display / photographs of the works undertaken duly reporting the press clippings to spread the awareness in the regional media to get maximum beneficiaries to be impacted.

During the year under review, 2 meeting of the committee was held on 07.07.2015 & 14.11.2015

### Composition

Name	Designation	Status	No of Meetings Attended
Shri S Kishore Babu	Chairman	Chairman & Managing Director	2
Smt S Lakshmi	Member	Non-Executive Director	2
Shri GDV Prasada Rao	Member	Non-Executive Independent Director	2

## H. Meeting of Independent Directors

During the year under review, the Independent Directors met on 13.02.2016, 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.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted.

## I. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and regulations contained in the chapters of the Securities Exchange Board of India (Listing Obligation and Disclosure Regulations) 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgments, safeguarding the interest of the Company and its minority shareholders 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 who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

### Familiarization Programme

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted and inform the Board members about the new developments about the business and operations of the Company at Company and industry level.

## J. General Body Meeting

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

Year	AGM	Venue	Day & Date	Time
2014-15	16 <sup>th</sup> AGM	Plot No:77, Jubilee Enclave, Opp: Hitex, Madhapur, Hyderabad-500081	Thursday 20 <sup>th</sup> August 2015	11:00 A.M.
2013-14	15 <sup>th</sup> AGM	Plot No:77, Jubilee Enclave, Opp: Hitex, Madhapur, Hyderabad-500081	Tuesday, 30 <sup>th</sup> September, 2014	11:00 A.M.
2012-13	14 <sup>th</sup> AGM	Plot No:77, Jubilee Enclave, Opp: Hitex, Madhapur, Hyderabad-500081	Monday 30 <sup>th</sup> September 2013	11.30 A.M.

Special Resolutions passed in the previous 3 AGMs

Special Resolution (S) Passed at the 16 <sup>th</sup> AGM held on 20 <sup>th</sup> August 2015 – Nil
Special Resolution (S) Passed at the 15 <sup>th</sup> AGM held on 30 <sup>th</sup> September 2014 – Nil
Special Resolution (S) Passed at the 14 <sup>th</sup> AGM Held on 30 <sup>th</sup> September 2013 – Nil

No Special Resolution was passed during the last financial year through Postal ballot. There is no proposal to pass a special resolution through postal ballot in this AGM.

## K. 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.
- Details on non-compliance by the Company, penalties and strictures imposed on the Company by stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None
- 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
- Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the clause  
Pursuant to Regulation 34 read Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015 the Company confirms that it has complied with all mandatory requirements prescribed.
- Material subsidiary policy is hosted in our website [www.powermechprojects.com](http://www.powermechprojects.com)  
The following is the weblink: <http://www.powermechprojects.com/images/Policy-for-determining-material-subsiaries.pdf>
- Related party transaction policy is hosted in our website [www.powermechprojects.com](http://www.powermechprojects.com)  
The following is the weblink: <http://www.powermechprojects.com/images/Policy-on-Related-Party-Transactions.pdf>
- CEO / CFO Certification

Shri S Kishore Babu, Chairman & Managing Director and Shri 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 and as required under Regulations 33 (2) (a) of the Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015 and the said Certificate was considered by the Board at its meeting held on 30<sup>th</sup> May, 2016.

## L. Means of Communications

- The Quarterly results are published in Business Standard / Financial Express (in English) and Nava Telangana / Prajashakti (in regional language) dailies.
- Quarterly Financial 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)
- For FY15-16, 3 analyst calls & presentations were made for each quarter as follows:

FY 2015-16	Date
2 <sup>nd</sup> Quarter	24.11.2015
3 <sup>rd</sup> Quarter	15.02.2016
4 <sup>th</sup> Quarter	03.06.2016

The Analysts presentations are also displayed on the Company's website

- 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.



## M. General Shareholder Information

### i. 17<sup>th</sup> Annual General Meeting

Date and Time	30 <sup>th</sup> September, 2016 at 11:00 a.m.
Venue	Hotel Avasa, Madhapur, Hyderabad - 500081, Telangana, India

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

### iii. Date of Book Closure

26<sup>th</sup> - 30<sup>th</sup> September, 2016 (both days inclusive)

### iv. Dividend Payment Date

During the year the Board of directors of the Company has paid Interim dividend of Rs.1/- at the rate of 10% on face value of Rs. 10 each share. The same is proposed to be confirmed as final dividend for FY 15-16.

### v. Listing on Stock Exchange

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

The Company has paid the annual listing fees for the year 2016-2017 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, 2016, being the last trading day for the year 2015-16, was Rs. 559.10/- on NSE and Rs. 558.00/- on BSE.

The monthly movement of the equity share price during the year 2015-16 on BSE and NSE are summarized herein below.

\*The Shares of the Company are traded w.e.f 26.08.2016

#### National Stock Exchange of India Limited

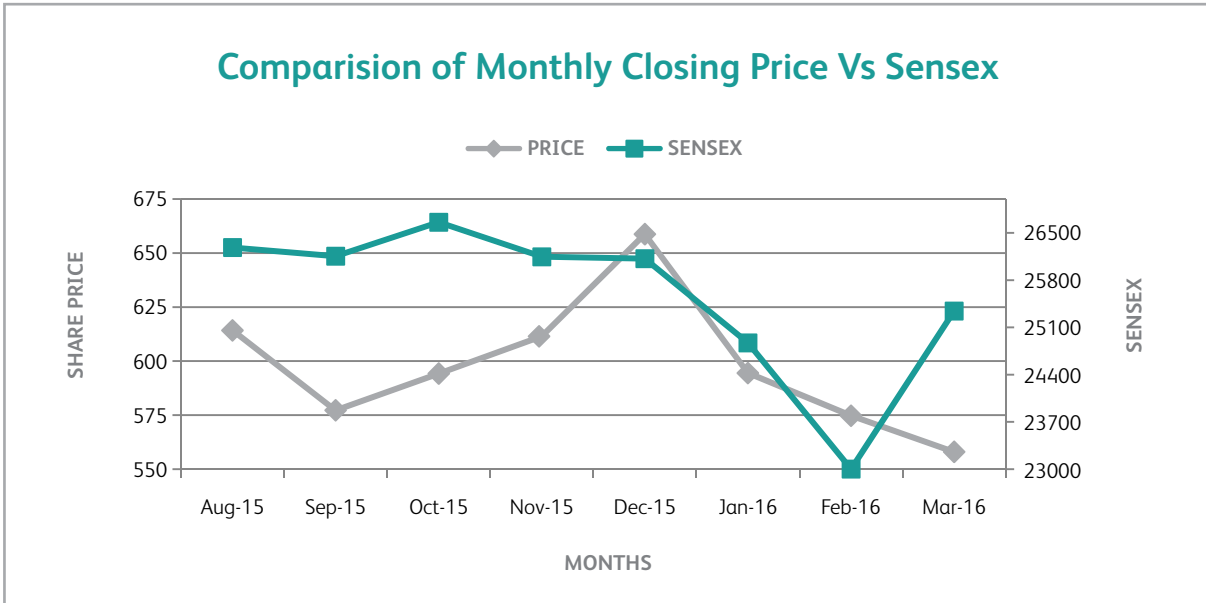
Month	Open Price	High Price	Low Price	Close Price
*Aug-15	600	663	580	614.7
Sep-15	606	619.8	560.3	577.15
Oct-15	580	631	574.7	591.35
Nov-15	588.75	645	581.3	611.35
Dec-15	613.25	668.4	595	659.95
Jan-16	655.6	702.2	560.15	590.9
Feb-16	600	639	543	575
Mar-16	569	590	547	559.1

#### BSE Limited

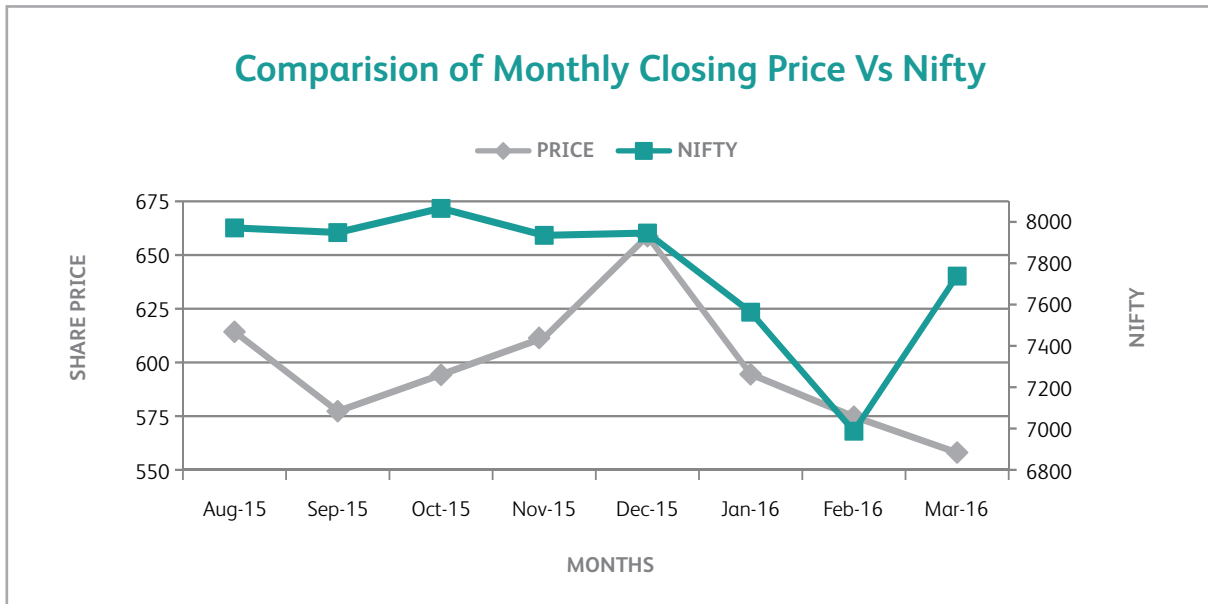
Month	Open Price	High Price	Low Price	Close Price
*Aug-15	600	663.1	580	614.25
Sep-15	608	620	565.25	577.25
Oct-15	576	630	575	594.25
Nov-15	588	646	582	611.5
Dec-15	615	667.5	596	658.75
Jan-16	655.75	701	571	594.5
Feb-16	603	626	537.75	574.75
Mar-16	575	582.75	546	558

**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 from Stock Exchanges during the year**

**ix. Registrar and Share Transfer Agents**

**Karvy Computershare Pvt. Limited**

Karvy Computershare Pvt Ltd  
 Karvy Selenium Tower B, 6<sup>th</sup> Floor Plot 31-32  
 Gachibowli, Financial District, Nanakramguda  
 Hyderabad - 500 032  
 Ph: +91 40 3321 1500

**x. Share Transfer System**

The R&T agents process the share transfers received in physical form and the share certificates are returned within 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

The Board has delegated the authority for approving transfer, transmission etc of the Company’s securities to the Stake holder Relationship committee.

**xi. Distribution of Shareholding as on 31<sup>st</sup> March, 2016**

POWER MECH PROJECTS LIMITED				
Distribution Details for the period 31 <sup>st</sup> March, 2016				
Nominal Value	Holders		Amount	
	Number	% To Total	In Rs	% To Total
Upto - 5000	19434	98.46	5596760	3.80
5001 - 10000	119	0.60	858630	0.58
10001 - 20000	56	0.28	776090	0.53
20001 - 30000	37	0.19	875030	0.59
30001 - 40000	12	0.06	434570	0.30
40001 - 50000	10	0.05	472910	0.32
50001 - 100000	20	0.10	1424270	0.97
100001 and above	49	0.25	136669380	92.90
Total	19737	100.00	147107640	100.00

**xii. Dematerialization**

97.47% of the Company's paid-up equity share capital has been dematerialized as on 31<sup>st</sup> March, 2016. The Equity shares of the Company are traded compulsory in dematerialized segment in all the stock exchanges and is under rolling settlement. The DEMAT security code (ISIN) of the equity shares is INE211R01019.

Category	Number of shares	%
NSDL	4797582	32.61
CDSL	9540725	64.86
PHYSICAL	372457	2.53
TOTAL	14710764	100.00

**Commodity price risk or foreign exchange risk and hedging activities:****xiii. Outstanding GDRs / ADRs / 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**

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

**xvii. Compliance Certificate from Auditors**

Certificate from Auditors of the Company M/s PS Rao & Associates, Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated Chapter IV of Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015 of the listing Agreement is annexed herewith

**xviii. 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.

**xix. Disclosures with respect to demat suspense account / unclaimed suspense account**

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

Particulars	No of Shareholders	No of Equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year – 20.08.2016	9	180
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	6	120
Number of shareholders to whom share were transferred from suspense account during the year	6	120
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	3	60
The voting rights on these shares shall remain frozen till rightful owners of such shares claim the shares		

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

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

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

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

Place : Hyderabad  
Date : 31<sup>st</sup> August, 2016

## CEO /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 2015-2016 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 2015-2016, 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 2015-2016.
  - (ii) significant changes in accounting policies during the year 2015-2016 and that the same have been disclosed in the notes to the financial statements.
  - (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**S Kishore Babu**  
Chairman & Managing Director  
DIN: 00971313

**J Satish**  
Chief Financial Officer

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2016

## 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 31<sup>st</sup> March, 2016 as envisaged in the Chapter IV of the Securities Exchange board of India (Listing Obligations and Disclosures Regulations ) 2015 and provisions of the listing agreement entered with stock exchange

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2016

**S Kishore Babu**  
Chairman & Managing Director  
DIN: 00971313



## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Shareholders  
Power Mech Projects Limited,  
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by Power Mech Projects Limited for the year ended 31<sup>st</sup> March, 2016 as stipulated in Chapter IV of Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015 pursuant to the Listing Agreements of the said Company with Stock Exchanges in India.

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

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

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

**For PS Rao & Associates  
Company Secretaries**

**PS Rao**  
Company Secretary  
M. No: 3829  
CP No: 9769

Place : Hyderabad  
Date : 31<sup>st</sup> August, 2016

# Standalone Financials 2015-16

## INDEPENDENT AUDITORS' REPORT

To the Members of  
**POWER MECH PROJECTS LIMITED**

### Report on the Standalone financial statements

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, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### 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 Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 prevention and detection of frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's board of directors, as well as evaluating the overall presentation of the financial statements.

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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016;
- b. In the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c. In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of the audit have been received from the overseas projects to the extent not visited by us;
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of sub-section (2) of section 164 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 and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the basis of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position except those which are disclosed in the notes to the financial statements and para no.7(b) in Annexure-A to our Audit report.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education Protection Fund by the Company.

**For Brahmayya & Co**  
Chartered Accountants  
Firm Registration No. 000513S

**(Karumanchi Rajaj)**  
Partner  
(Membership No: 202309)

Place : Hyderabad  
Date : 30.05.2016

## ANNEXURE–A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of POWER MECH PROJECTS LIMITED ('Company') for the year ended 31<sup>st</sup> March, 2016.

### We report that:

1. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. According to the information and explanations furnished to us, the Company has carried out physical verification of some of the fixed assets in some of the project sites and no discrepancies were noticed on such verification. The Company has adopted a phased programme of physical verification which provides for verification of all its fixed assets at reasonable intervals which in our opinion is reasonable having regard to the size of the Company and the nature of its assets.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. In respect of its inventories:
 

According to the information and explanations furnished to us, the Company has physically verified its inventories in some of the domestic project sites covered nearly 70% value of the stores and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification to the extent carried out during the year is reasonable. In respect of overseas projects, the Company has not carried out physical verification of its inventories.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, clauses (iii) (a), (b) and (c) of paragraph 3 of the Order are not applicable.
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 loans and investments made.
5. The Company has not accepted any deposits from the public and members and consequently, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable. According to the information furnished to us, no order has been passed on the Company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of sections 73 to 76 of the Act.
6. The central government has not prescribed the maintenance of cost records under section 148(1) of the Act read with Companies (Cost Records and Audit) Rules, 2014 and hence the reporting requirements in terms of clause 3(vi) of the Order does not apply.
7. a) According to the information furnished to us, the Company made delays in remittance of TDS ESI and Service tax but is regular in depositing the undisputed statutory dues including Provident Fund, Value added tax, Wealth tax, Customs duty, Excise duty, Cess and any other statutory dues applicable to it. There were no undisputed statutory dues in arrears as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.
 

b) According to the information and explanations furnished to us, the following amounts of Value added tax and Service tax have been disputed by the Company, and hence were not remitted to the authorities concerned at the date of the Balance Sheet under report.

Name of the Statute	Nature of Dues	Amount Rs. (net of amounts paid under protest)	Period to which it relates	Forum where dispute is pending
VAT Acts of various states	VAT	38,361,183	2011-12	West Bengal Commercial taxes appellate authority
		19,110,463	2012-13	Revision petition filed before Commissioner of Commercial taxes, Jharkhand
		25,192,852	2013-14	- Do -
		29,439,981	2012-13	Petition filed before High court of Calcutta against rejection of admission of appeal by Addl. Comm. of Commercial taxes, West Bengal
Service tax under Finance Act, 1994	Service tax	42,809,308	2007-08	CESTAT, Bengaluru



8. In our opinion and according to the information and explanations furnished to us by the Company, there were no defaults in repayment of dues to banks. However, the Company has not borrowed any loans from financial institutions, government or raised any funds by way of issue of debentures.
9. In our opinion and according to the information and explanations furnished to us by the Company, the moneys raised by the Company by way of initial public offer (IPO) and terms loans obtained were applied for the purpose for which those are raised.
10. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanation given to us and based on examination of the records of the Company, the Company has provided remuneration for managerial personnel in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.
12. The Company is not a nidhi Company. Accordingly reporting under provisions of para 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on examination of records of the Company, transactions with the related parties are in compliance with the provisions of section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures of the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Brahmayya & Co**  
Chartered Accountants  
Firm Registration No. 000513S

**(Karumanchi Rajaj)**  
Partner  
(Membership No: 202309)

Place : Hyderabad  
Date : 30.05.2016

## Annexure–B

### **Independent Auditors' Report on the Internal Financial Controls 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, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 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 financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, 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 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**(Karumanchi Rajaj)**  
Partner  
(Membership No: 202309)

Place : Hyderabad  
Date : 30.05.2016

Balance Sheet as at 31<sup>st</sup> March, 2016

(Amount in Rs.)

Particulars		Note No.	As at 31.03.2016	As at 31.03.2015
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholders' funds</b>			
	(a) Share capital	2	147,107,640	125,827,640
	(b) Reserves and surplus	3	5,383,799,995	3,413,558,187
			<b>5,530,907,635</b>	<b>3,539,385,827</b>
(2)	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	113,490,285	245,518,869
	(b) Deferred tax Liability (Net)	5	42,229,718	47,202,934
	(c) Other Long term liabilities	6	905,259,919	641,262,702
	(d) Long-term provisions	7	2,307,527	1,860,183
			<b>1,063,287,450</b>	<b>935,844,688</b>
(3)	<b>Current liabilities</b>			
	(a) Short-term borrowings	8	1,878,641,529	1,979,219,863
	(b) Trade payables	9		
	- Total outstanding dues of micro enterprises and small enterprises		40,997,827	56,466,499
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,618,753,901	2,151,456,751
	(c) Other current liabilities	10	155,43,29,426	1,588,325,709
	(d) Short-term provisions	7	102,498,024	71,558,288
			<b>6,195,220,708</b>	<b>5,847,027,109</b>
	<b>Total</b>		<b>12,789,415,793</b>	<b>10,322,257,624</b>
<b>II.</b>	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Fixed assets	11		
	(i) Tangible assets		1,909,464,867	1,773,169,625
	(ii) Intangible assets		8,269,449	11,046,553
	(iii) Capital work-in-progress		71,964,526	91,987,366
			<b>1,989,698,841</b>	<b>1,876,203,544</b>
	(b) Non-current investments	12	68,510,339	68,467,189
	(c) Long-term loans and advances	13	120,045,193	76,880,093
	(d) Other non-current assets	14	1,742,801,230	1,571,540,935
			<b>1,931,356,762</b>	<b>1,716,888,217</b>
(2)	<b>Current assets</b>			
	(a) Inventories	15	309,517,814	306,827,696
	(b) Trade receivables	16	2,707,157,441	1,941,689,969
	(c) Cash and cash equivalents	17	674,775,648	670,367,024
	(d) Short-term loans and advances	13	1,732,542,585	1,403,011,423
	(e) Other current assets	14	3,444,366,702	2,407,269,751
			<b>8,868,360,189</b>	<b>6,729,165,863</b>
	<b>Total</b>		<b>12,789,415,793</b>	<b>10,322,257,624</b>
	Significant accounting policies	1		
	Notes to accounts	27-41		

As per our report of even date

For and on behalf of the Board

for **BRAHMAYYA & CO.**

Firm's Registration Number: 000513S

Chartered Accountants

**S Kishore Babu**  
Chairman and Managing Director  
DIN: 00971313

**M Rajendran**  
Director & COO  
DIN: 01879556

**(Karumanchi Rajaj)**

Partner

Membership Number: 202309

**J Satish**  
CFO

**Mohit Gurjar**  
Company Secretary

Place : Camp: Hyderabad

Date : 30.05.2016

Statement of Profit and Loss for the Year Ended 31<sup>st</sup> March, 2016

(Amount in Rs.)

Particulars	Note No.	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>Continuing Operations:</b>			
<b>Revenue:</b>			
Revenue from Operations	18	13,621,223,396	13,556,077,465
Other Income	19	55,601,149	59,132,091
<b>Total Revenue</b>		<b>13,676,824,546</b>	<b>13,615,209,557</b>
<b>Expenses:</b>			
Cost of materials consumed	20	1,060,308,605	748,145,509
Changes in inventories of work-in-progress	21	4,602,754	7,579,327
Contract execution expenses	22	8,980,274,507	9,771,134,675
Employee benefits expenses	23	1,516,964,955	1,175,871,031
Finance costs	24	324,515,318	292,401,116
Depreciation and amortization expense	25	389,032,348	366,398,632
Other Expenses	26	258,291,936	201,279,281
<b>Total Expenses</b>		<b>12,533,990,423</b>	<b>12,562,809,571</b>
<b>Profit before tax</b>		<b>1,142,834,123</b>	<b>1,052,399,985</b>
Tax expense:			
Less: Current tax		405,000,000	376,520,095
Deferred tax liability / (Credit)		(4,973,216)	(31,164,839)
<b>Profit after tax</b>		<b>742,807,338</b>	<b>707,044,728</b>
<b>Earnings per equity share</b>			
Basic and Diluted		53.51	56.94
Significant accounting policies	1		
Notes to accounts	27-41		

As per our report of even date

**for BRAHMAYYA & CO.**

Firm's Registration Number: 000513S

Chartered Accountants

**(Karumanchi Rajaj)**

Partner

Membership Number: 202309

Place : Camp: Hyderabad

Date : 30.05.2016

**For and on behalf of the Board****S Kishore Babu**

Chairman and Managing Director

DIN: 00971313

**J Satish**

CFO

**M Rajendran**

Director &amp; COO

DIN: 01879556

**Mohit Gurjar**

Company Secretary

Cash Flow Statement for the Year Ended 31<sup>st</sup> March, 2016

(Amount in Rs.)

Particulars		2015-16	2014-15
<b>I.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax	<b>1,142,834,123</b>	<b>1,052,399,985</b>
	Add/Less: Adjustments for :		
	Depreciation	389,032,348	366,398,632
	Interest and Finance charges	324,515,318	292,401,116
	Loss on sale of assets	248,058	198,920
	Interest income	(54,337,691)	(55,654,555)
	Profit on sale of assets	(1,263,434)	(508,051)
	Provision for diminution in value of investments	-	(47,372)
	Operating profit before working capital changes	<b>1,801,028,720</b>	<b>1,655,188,676</b>
	Add/Less: Adjustments for working capital		
	Increase in Inventories	(2,690,118)	(63,968,889)
	Increase in Trade and other receivables	(2,346,606,771)	(1,469,904,040)
	Increase in Trade payables	660,316,246	355,664,605
	Cash generated from operations	112,048,077	476,980,352
	Less: Direct taxes paid	(355,157,748)	(374,950,287)
	<b>Net cash from / (used in) Operating activities (A)</b>	<b>(243,109,671)</b>	<b>102,030,065</b>
<b>II.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets / Capital works-under progress	(513,184,268)	(447,761,897)
	Proceeds from sale of fixed assets	11,672,000	3,583,935
	Investment in securities of Subsidiary Company	(43,150)	(14,664,610)
	Margin money deposits with banks	104,532,554	21,007,745
	Interest received	54,337,692	55,654,555
	Net cash used in Investing activities (B)	<b>(342,685,171)</b>	<b>(382,180,273)</b>
<b>III.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Share capital at a premium (Net of expenses)	1,266,420,000	-
	Proceeds from / (Repayment of) borrowings (Excluding redemption of Compulsorily Convertible Debentures)	(229,020,785)	475,446,352
	Issue of Equity on conversion of Debentures	-	112,500,000
	Interest and Finance charges paid	(314,999,042)	(285,839,360)
	Dividends and dividend tax paid	(27,664,153)	(17,897,274)
	Net cash from financing activities (C)	<b>694,736,020</b>	<b>284,209,718</b>
	<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>108,941,178</b>	<b>4,059,510</b>
	Cash and cash equivalents at the beginning of the period	113,016,066	108,956,556
	Cash and cash equivalents at the end of the period	221,957,244	113,016,066
	Net Increase in cash and cash equivalents	<b>108,941,178</b>	<b>4,059,510</b>

## Components of cash and cash equivalents

Particulars	2015-16	2014-15
Cash on hand	1,521,661	2,981,788
Earmarked balances with banks towards unclaimed dividends	5,185,696	169,810
In Current accounts	21,419,664	109,864,467
Deposits having maturity period for less than 3 months	193,830,223	-
<b>Total</b>	<b>221,957,244</b>	<b>113,016,066</b>

As per our report of even date

For and on behalf of the Board

for **BRAHMAYYA & CO.**

Firm's Registration Number: 000513S

Chartered Accountants

**S Kishore Babu**

Chairman and Managing Director

DIN: 00971313

**M Rajendran**

Director &amp; COO

DIN: 01879556

**(Karumanchi Rajaj)**

Partner

Membership Number: 202309

**J Satish**

CFO

**Mohit Gurjar**

Company Secretary

Place : Camp: Hyderabad

Date : 30.05.2016



## Note No.1: Statement on Accounting Policies

### 1. Corporate Information

Power Mech Projects Limited is incorporated in the year 1999 and is engaged in the business of providing ETC, Civil and O&M services for power projects. The Company is associated with all power majors in India and Overseas for Public and Private sector power utilities apart from multinational companies. Power Mech is now engaged in several power projects ranging from 135MW to 800MW, besides many projects in lower segment also. Thus, Power Mech is proud to be a vital part of India's Power generation capacity augmentation.

### 2. Significant Accounting Policies

#### a. Basis of Accounting and preparation

The financial statements have been prepared under historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India. The financial statements have been prepared to comply in all material respects with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of Companies (Accounts) Rules, 2014, the pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 2013 and Companies Act, 1956 to the extent applicable. The Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard or amendments to the provisions of any statute which requires a change in the accounting policy hitherto in use.

#### b. Use of Estimates

The preparation of financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities and commitments. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Examples of such estimates includes computation of physical proportion of work completed to the total quantum of contract work order, provisions required for doubtful debts and advances, future obligation under employee retirement benefit plans, bifurcation of assets and liabilities into current and non-current and useful lives of tangible and intangible fixed assets. The judgments, estimates and underlying assumptions are made with the management's best knowledge of the business environment and are reviewed on an ongoing basis. However, future results could differ from these estimates. Any revision to these accounting estimates is recognized prospectively in the current and future periods.

#### c. Tangible fixed assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties and taxes, the cost of installation/erection and other incidental expenses incurred to bring the asset to its present location and condition but exclusive of duties and taxes that are subsequently recoverable from taxing authorities. Capital Work-in-progress are stated at the amount expended up to the date of balance sheet.

#### d. Intangible assets

Intangible assets are recorded at the consideration paid for acquisition of such asset and stated at cost less accumulated amortization.

#### e. Depreciation and Amortization

The depreciation on tangible assets is provided under the Straight-line method over the useful lives of the assets estimated by the management. The management based on internal assessment and independent technical evaluation carried out by external valuers, believes that the useful lives adopted best represent the period over which the management expects to use these assets. Such estimation is made based on the past experience and working conditions in which assets are put to usage.

The management estimates the useful lives for the fixed assets as follows.

Name of the Asset	Estimated useful life (No. of years)
Office buildings	20
Plant and machinery	5
Furniture and fixtures	5
Computers	4
Office equipments	5
Vehicles	5
Cranes	12.5
Mobile Phones	1
Temporary sheds	1-3

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

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

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

Depreciation and amortization methods, useful lives and residual values are reviewed periodically at the end of each financial year.

**f. Impairment of Assets**

An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**g. 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.

**h. Investments**

Non-current investments are stated at cost and income thereon is accounted for on accrual. Provision towards decline in the value of long term investments is made only when such decline is other than temporary.

**i. Inventories**

a) Stores and consumables are valued at lower of cost or Net realizable value.

b) Work-in-progress:

Contract execution expenses incurred in respect of projects to be commenced are included under work-in-progress and are valued at cost.

c) Contracts awarded to the Company and not commenced as on date of balance sheet, the cost incurred in securing the contract, mobilization expenses of labour and material and other related expenses incurred are shown as asset as per the requirements of AS-7.

**j. Revenue Recognition**

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.

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. 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.

The contract receipts are exclusive of service tax.

Revenue from sale of products is recognized when the risks and rewards of ownership are transferred to the buyer under the terms of the contract usually on the dispatch of goods to the customer.

Interest on investments and deposits is booked on a time proportion basis taking into account the amounts invested and the rate of interest when no significant uncertainty as to measurability or collectability exists. Revenue from sale of assets are recognized upon delivery, which is when title passes to the customer.

Dividend income is accounted for in the year in which the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

**k. 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

Company's liability to Gratuity on retirement of its eligible employees is funded and is being administrated by the Life Insurance Corporation of India. Cost of providing these benefits is determined on the basis of actuarial valuation at the end of each year and the incremental expense thereon is recognised and charged to Profit and Loss Account in the year in which the employee has rendered service.

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.

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.

- Gains / Losses arrived at in the above actuarial valuations are charged to Profit and Loss Account.

**I. Foreign Currency Transactions**

- i) The reporting currency of the Company is Indian Rupees.
- ii) Transactions in foreign currency are initially recorded in the reporting currency at the exchange rate prevailing on the date of transaction, and charged or credited to revenue with the difference in rate of exchange arising on actual receipt / payment during the year.
- iii) At each Balance Sheet date
  - Foreign currency monetary items are reported using the rate of exchange on that date.
  - Foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized.

**m. Income-Taxes**

Income tax expense comprises current and deferred taxes.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized under the liability method, on timing differences, being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods, at the rate of tax enacted or substantively enacted by the balance sheet date.

**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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. 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 as proposed by the Directors, pending approval of share holders at the Annual General Meeting.

**p. Earnings per share**

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

**q. Leases**

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

**r. Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise of Cash on hand and balances with banks in Current accounts and fixed deposits with a maturity period of less than 3 months.

**s. 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.

## Note No.2

## SHARE CAPITAL

Particulars	As at 31.03.2016	As at 31.03.2015
Authorised: 26,000,000 Equity Shares of Rs.10/- each	260,000,000	260,000,000
Issued, subscribed and paid up: 14,710,764 (12,582,764) Equity Shares of Rs.10/- each fully paid-up	147,107,640	125,827,640
<b>Total</b>	<b>147,107,640</b>	<b>125,827,640</b>

- During the year, the Company has made an Initial Public Offer (IPO) of 4,269,000 equity shares of Rs.10/- each at a premium of Rs. 630/- per share. The issue comprises of fresh issue of 2,128,000 equity shares and offer for sale of 2,141,000 equity shares by selling share holders.

The fresh equity shares were allotted by the Company on 21<sup>st</sup> August, 2015 and were listed on BSE and NSE.

- Rights, Preferences and restrictions attached to Equity shares

The Company has only one class of Equity shares having a face value of Rs.10/- each. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting, except in the case of interim dividend. The Board of Directors by way of circular resolution passed on 18<sup>th</sup> March, 2016 declared an interim dividend of 10% (Re. 1 per equity share of Rs. 10 each). 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.

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

Name of the Share Holder	As at 31.03.2016		As at 31.03.2015	
	Number of Shares held	% out of total number of shares of the Company	Number of Shares held	% out of total number of shares of the Company
S Kishore Babu	3,601,080	24.48%	3,601,080	28.62%
S Kishore Babu (HUF)	1,344,000	9.14%	1,344,000	10.68%
S Lakshmi	2,400,552	16.32%	2,400,552	19.08%
S Rohit	1,570,296	10.67%	1,570,296	12.48%
India Business Excellence Fund - I	187,773	1.28%	1,877,073	14.92%
<b>Total</b>	<b>9,103,701</b>	<b>61.88%</b>	<b>10,793,001</b>	<b>85.78%</b>

- The Company is not a subsidiary Company to any of the Company. The Company had 2 Indian subsidiary companies Hydro Magus Pvt. Limited and Power Mech Industri Pvt. Ltd. None of the shares of the Company are held by its subsidiary companies. Further, the Company is in the process of setting another subsidiary Company in Saudi Arabia under the name of Mas Power Mech Arabia (MASPA) and incorporation is under progress. The Company agreed to subscribe for 51% share in the said Company.
- Reconciliation of number of Shares:

Particulars	As at 31.03.2016		As at 31.03.2015	
	Equity Shares		Equity Shares	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	12,582,764	125,827,640	10,940,264	109,402,640
Add: Bonus shares issued	-	-	1,080,000	10,800,000
Conversion of debentures into equity	-	-	562,500	5,625,000
Fresh issue of equity on IPO	2,128,000	21,280,000	-	-
	14,710,764	147,107,640	12,582,764	125,827,640
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>14,710,764</b>	<b>147,107,640</b>	<b>12,582,764</b>	<b>125,827,640</b>

- Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:  
During the Financial Year 2014-15, the Company had allotted 1,080,000 equity shares as fully paid up bonus shares by capitalising part of securities premium.
- No shares were issued pursuant to a contract without payment being received in cash.

## Note No.3

### RESERVES AND SURPLUS

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Securities Premium Reserve</b>		
Figures as at the end of the previous reporting period	364,173,360	268,098,360
i) Additions during the year-		
- Issue of 2,128,000 equity shares at a premium of Rs.630 per equity share	1,340,640,000	-
- Conversion of debentures into equity at premium	-	106,875,000
ii) Deductions during the year -		
- Utilised for issue of fully paid-up bonus shares	-	10,800,000
- Utilised for expenses pertaining to issue of fully paid-up Equity shares on IPO	95,500,000	-
Figures as at the end of current reporting period	<b>1,609,313,360</b>	<b>364,173,360</b>
<b>General Reserve</b>		
Figures as at the end of the previous reporting period	369,604,955	369,604,955
Additions -	-	-
	369,604,955	369,604,955
Deductions:-	-	-
Figures as at the end of current reporting period	<b>369,604,955</b>	<b>369,604,955</b>
<b>Surplus in Profit and Loss Account</b>		
Figures as at the end of the previous reporting period	2,679,779,872	1,987,879,462
Add: Profit for the year transferred from P&L a/c	742,807,338	707,044,728
<b>Amount available for appropriation</b>	<b>3,422,587,210</b>	<b>2,694,924,191</b>
Less: Appropriations:		
Interim dividend	14,710,764	-
Proposed final dividend	-	12,582,764
Tax on dividend	2,994,766	2,561,555
Transfer to General reserves	-	-
Figures as at the end of current reporting period	<b>3,404,881,680</b>	<b>2,679,779,872</b>
<b>Total of Reserves and Surplus</b>	<b>5,383,799,995</b>	<b>3,413,558,187</b>

## Note No.4

### LONG-TERM BORROWINGS

Particulars	Non-current Maturities		Current Maturities	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>A. Secured</b>				
i. Term loans				
a) From banks:				
i) Axis bank	47,373,889	108,584,428	73,469,080	70,550,112
ii) HDFC	12,079,328	10,816,640	12,412,512	12,914,565
iii) ICICI	5,802,013	66,551,649	60,749,637	53,843,726
iv) Standard Chartered Bank	5,412,158	-	3,424,248	153,281
v) Kotak Mahendra bank	3,768,358	3,639,217	4,675,679	2,151,291
vi) State Bank of India	4,077,000	20,361,000	16,284,000	16,284,000
vii) Standard Chartered Bank (Under Buyers Credit)	-	-	-	29,730,629
viii) National Bank of Abu Dhabi	-	1,401,561	1,399,818	1,562,721
b) From Financial institutions:				
i) SREI	-	-	-	6,817,439
ii) HDB Financial Services	11,800,108	27,730,087	15,953,127	14,031,532
iii) TATA Capital	23,177,432	6,434,286	18,793,881	3,296,269
<b>Total (a)</b>	<b>113,490,285</b>	<b>245,518,869</b>	<b>207,161,982</b>	<b>211,335,564</b>
<b>B. Unsecured</b>				
a) Deferred payment liabilities				
Due to suppliers on deferred credit basis	-	-	150,907,348	133,631,358
<b>Total (b)</b>	<b>-</b>	<b>-</b>	<b>150,907,348</b>	<b>133,631,358</b>
<b>Total (a+b)</b>	<b>113,490,285</b>	<b>245,518,869</b>	<b>358,069,329</b>	<b>344,966,922</b>



Note:

- The term loans from banks and companies are secured by way of hypothecation of assets funded under the said facility. Further, the loans are guaranteed by Managing Director and a Director in their personal capacities.
- The above loans carries interest varies from 7.5 % to 12.75 %
- The above loans are repayable in monthly/quarterly instalments.
- The non-current portion of above term loans are repayable in following manner.  
Banks: 2017-18 – Rs. 73,238,061 & 2018-19 – Rs. 5,274,682  
Companies: 2017-18 – Rs. 32,057,970 & 2018-19 – Rs. 2,919,569
- No defaults were made in repayment of above term loans.

## Note No.5

### DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31.03.2016	As at 31.03.2015
Opening Balance (Asset) / Liability	47,202,934	78,367,773
Add / Less : Liability provided / (Credit taken) during the year	(4,973,216)	(31,164,839)
<b>Closing Balance - Liability</b>	<b>42,229,718</b>	<b>47,202,934</b>

### COMPONENTS OF DEFERRED TAX LIABILITY/(ASSET)

Particulars	As at 31.03.2016	As at 31.03.2015
a) Liability: - On fixed assets towards depreciation	47,107,821	48,981,652
b) Assets: Disallowances under Income-tax Act	4,878,103	1,778,718
<b>Total</b>	<b>42,229,718</b>	<b>47,202,934</b>

## Note No.6

### OTHER LONG-TERM LIABILITIES

Particulars	Non-current Maturities		Current Maturities	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
a) Mobilisation advances received from customers	304,071,761	262,677,829	413,036,983	326,272,652
b) Retention Money & Security deposits recovered from Sub Contractors	601,188,158	378,584,873	62,649,381	268,758,061
<b>Total</b>	<b>905,259,919</b>	<b>641,262,702</b>	<b>475,686,365</b>	<b>595,030,713</b>

Note:

- Current maturities represents amounts to be settled within 12 months after the date of balance sheet.
- The segregation of above amounts are made based on the time schedule in execution of projects, estimated, Turnover, Profitability in completion of works, terms of release of amounts and estimates of the management.

## Note No.7

### PROVISIONS

Particulars	Long Term		Short Term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	-	-	-	933,861
- Leave Encashment (Unfunded)	2,307,527	1,860,183	2,331,507	5,070,054
b) Provision for Income-tax (net of advance tax of Rs. 1,551,393,481 (Prev year : 1,196,235,733))	-	-	100,166,517	50,410,054
c) Proposed Equity dividend	-	-	-	12,582,764
d) Provision for tax on equity dividend	-	-	-	2,561,555
<b>Total</b>	<b>2,307,527</b>	<b>1,860,183</b>	<b>102,498,024</b>	<b>71,558,288</b>

#### Disclosure pursuant to requirements of AS-15 'Employee Benefits'

##### (I) Defined contribution plans

###### Contributions recognised in the statement of profit or loss

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Employer's contribution to provident fund	44,364,703	32,555,096

##### (II) Defined benefit plans

Particulars	Gratuity		Leave Encashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>Defined Benefit Plan:</b>				
<b>Expenses recognised in Profit and Loss Account:</b>				
Current service cost	7,798,569	4,970,082	798,922	583,510
Interest cost	2,665,954	2,051,476	156,647	-
Expected return on plan assets	(3,077,517)	(2,452,483)	-	-
Net actuarial (gain)/loss	(3,879,487)	806,736	1,725,378	1,374,577
Net expense recognised in statement of P&L	3,507,519	5,375,811	2,680,947	1,958,087
<b>Reconciliation of Fair value of plan assets:</b>				
Assets at the beginning of the year	32,390,568	24,359,781	-	-
Contributions	6,705,923	5,725,615	-	-
Actual return on plan assets	3,077,517	2,452,483	-	-
Benefits paid	(1,104,873)	(147,311)	-	-
Assets at the end of the year	41,069,135	32,390,568	-	-
<b>Reconciliation of changes in present value of defined benefit obligations:</b>				
PV of obligation at the beginning of the year	33,324,429	25,643,446	1,958,087	-
Current service cost	7,798,569	4,970,082	798,922	583,510
Interest cost	2,665,954	2,051,476	156,647	-
Benefits paid	(1,104,873)	(147,311)	-	-
Actuarial (gain)/loss	(3,879,487)	806,736	1,725,378	1,374,577
PV of obligation at the end of the year	38,804,592	33,324,429	4,639,034	1,958,087
<b>Net liability recognized in the balance sheet:</b>				
PV of obligation at the end of the year	38,804,592	33,324,429	4,639,034	1,958,087
Assets at end of the year	41,069,135	32,390,568	-	-
Funded status	(2,264,543)	933,861	4,639,034	-
Net liability/(Fund) recognized in balance sheet	(2,264,543)	933,861	4,639,034	1,958,087
<b>Actuarial assumptions:</b>				
Discount rate	8.00	8.00	8.00	8.00
Salary escalation	6.00	7.00	6.00	5.00

## Note No.8

## SHORT-TERM BORROWINGS

Particulars	As at 31.03.2016	As at 31.03.2015
<b>A. Secured</b>		
Loans repayable on demand:		
a) Working capital loans from banks		
i) State Bank of Hyderabad	487,392,614	536,267,206
ii) Standard Chartered Bank	250,000,000	250,000,000
iii) ICICI Bank	2,052,583	50,464,024
iv) State Bank of India	808,381,576	769,027,298
v) Citi Bank bill discounting	-	46,823,691
vi) Ratnakar Bank	232,632,087	240,000,000
vii) Axis Bank	1,515,631	-
b) Over Draft from banks :		
i) State Bank of Hyderabad	96,667,039	86,637,644
<b>Total</b>	<b>1,878,641,529</b>	<b>1,979,219,863</b>

Note:

- Working capital loans from SBH, Standard Chartered bank, SBI, ICICI and Ratnakar bank are secured by way of first charge on entire current assets of the Company on pari passu basis. Further these loans are secured by way of first charge on fixed assets both present and future, excluding those assets against which charge was given to equipment financiers. The said loans are collaterally secured by way of equitable mortgage of immovable properties belonging to the Company, Managing Director, Director and a firm.
- Bill Discounting facilities with Citi Bank is secured by way of first charge on pari-passu basis on inventories and book debts of the Company.
- 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.

## Note No.9

### TRADE PAYABLES

Particulars	As at 31.03.2016	As at 31.03.2015
Dues to : Micro and small enterprises	40,997,827	56,466,499
: Other than Small and Micro Enterprises	2,618,753,901	2,151,456,751
<b>Total</b>	<b>2,659,751,728</b>	<b>2,207,923,250</b>

#### Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006.

Based on and to the extent of information obtained during the year 2015-16 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	31.03.2016 Rs.	31.03.2015 Rs.
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	35,193,095	23,833,803
(b) Interest due there on	2,693,644	1,805,410
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date		
Interest there on in terms of Sec 16 of the Act	-	-
(b) Interest paid along with such payments during the year	-	-
(c) Interest due and payable at the end of the year on such payments made during the year.	-	-
3. Amount of Interest for the year u/s 16 of the Act.		
Accrued and remaining un-paid at the end of the year	2,693,644	1,805,410
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	4,499,054	1,805,410

## Note No.10

### OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2016	As at 31.03.2015
a) Current maturities of long-term debt (Refer note no.4)	207,161,982	211,335,564
b) Current maturities of deferred credit payment to suppliers (Refer note no.4)	150,907,348	133,631,358
c) Current maturities of Mobilisation advances from customers (Refer note no.6)	413,036,983	326,272,652
d) Current maturities of retention money and security deposits due to sub-contractors (Refer note no.6)	62,649,381	268,758,061
e) Creditors for capital goods	10,687,299	9,596,680
f) Advances received from customers against supplies/works	125,783,626	300,376,088
g) Interest accrued and due on borrowings	375,729	412,124
h) Interest accrued but not due on borrowings	-	397,762
i) Unclaimed Dividend*	5,185,696	178,560
j) Share application money refundable	1,395,200	-
k) Others:		
i) Employee related payments	247,050,067	103,072,960
ii) Statutory liabilities	169,609,451	78,974,240
iii) Other liabilities	160,486,664	155,319,659
<b>Total</b>	<b>1,554,329,426</b>	<b>1,588,325,709</b>

\*Represents Interim dividend for the financial year 2015-16

## Note No.11

## DEPRECIATION STATEMENT AS ON 31.03.2016

S. No.	Name of the Asset	Gross Block			Depreciation			Net Block			
		As on 01.04.2015	Additions	Deletions	As on 31.03.2016	Up To 01.04.2015	Depreciation for the year	Deletions	Depr Upto 31.03.2016	As on 31.03.2016	As on 31.03.2015
<b>(A)</b>	<b>Tangible Assets:</b>										
1	Land	30,738,773 (25,277,084)	- (5,461,689)	-	30,738,773 (30,738,773)	-	-	-	-	30,738,773 (30,738,773)	30,738,773 (25,277,084)
2	Office Buildings	136,595,393 (133,186,404)	25,381,375 (3,408,989)	-	161,976,768 (136,595,393)	-	7,246,266 (6,488,281)	-	24,551,922 (17,305,656)	137,424,846 (119,289,737)	119,289,737 (122,369,029)
3	Plant and Machinery	498,167,410 (423,048,158)	146,435,225 (75,144,752)	250,000 (25,500)	644,352,635 (498,167,410)	-	84,877,074 (67,120,182)	131,685 (5,575)	380,855,958 (296,110,569)	263,496,677 (202,056,841)	202,056,841 (194,052,196)
4	Furniture and Fixture	37,839,862 (26,910,628)	6,661,545 (10,929,233)	-	44,501,407 (37,839,862)	-	9,113,476 (7,735,512)	-	35,300,426 (26,186,950)	9,200,980 (11,652,912)	11,652,912 (8,459,190)
5	Computers	42,008,265 (30,239,169)	5,356,367 (11,769,096)	-	47,364,632 (42,008,265)	-	6,658,511 (6,505,340)	-	31,022,166 (24,363,655)	16,342,466 (17,644,610)	17,644,610 (12,380,854)
6	Office Equipment	78,540,021 (59,977,422)	31,019,031 (18,562,599)	-	109,559,052 (78,540,021)	-	16,636,149 (14,437,835)	-	60,034,582 (43,398,433)	49,524,470 (35,141,588)	35,141,588 (31,016,824)
7	Mobiles	3,210,087 (2,541,460)	525,224 (668,627)	-	3,735,311 (3,210,087)	-	587,919 (528,670)	-	3,340,429 (2,752,510)	394,882 (457,577)	457,577 (317,620)
8	Cars & Jeeps	159,396,934 (129,228,135)	23,031,284 (37,363,105)	8,844,045 (7,194,306)	173,584,173 (159,396,934)	-	27,378,309 (24,891,512)	6,742,010 (4,110,928)	101,967,811 (81,331,512)	71,616,361 (78,065,421)	78,065,421 (68,677,207)
9	Vehicles	215,569,710 (160,352,017)	82,191,707 (58,423,466)	1,165,480 (3,205,773)	296,595,937 (215,569,710)	-	38,005,538 (26,570,260)	1,107,206 (3,033,772)	162,414,493 (125,516,161)	134,181,443 (90,053,549)	90,053,549 (58,372,343)
10	Cranes	1,697,389,920 (1,571,933,016)	65,676,582 (125,456,904)	8,378,000	1,754,688,502 (1,697,389,920)	-	131,686,834 (122,643,251)	-	699,161,441 (567,474,607)	1,055,527,060 (1,129,915,313)	1,129,915,313 (1,127,101,656)
11	Temporary Sheds	468,783,250 (395,647,423)	146,028,768 (73,135,827)	-	614,812,018 (468,783,250)	-	63,165,166 (86,020,456)	-	473,795,109 (410,629,943)	141,016,908 (58,153,307)	58,153,307 (71,037,936)
	<b>Total</b>	<b>3,368,239,624 (2,958,340,916)</b>	<b>532,307,108 (420,324,287)</b>	<b>18,637,525 (10,425,579)</b>	<b>3,881,909,207 (3,368,239,624)</b>	<b>7,980,901 (7,150,275)</b>	<b>385,355,243 (362,941,299)</b>	<b>7,980,901 (7,150,275)</b>	<b>1,972,444,338 (1,595,069,997)</b>	<b>1,909,464,867 (1,773,169,627)</b>	<b>1,773,169,627 (1,719,061,939)</b>
<b>(B)</b>	<b>Intangible Assets:</b>										
1	Power Mech Brand	24,000 (24,000)	-	-	24,000 (24,000)	-	4,331 (4,560)	-	21,686 (17,355)	2,314 (6,645)	6,645 (11,205)
2	Computer Software	18,823,831 (17,371,083)	900,000 (1,452,748)	-	19,723,831 (18,823,831)	-	3,672,774 (3,452,773)	-	11,456,697 (7,783,923)	8,267,135 (11,039,908)	11,039,908 (13,039,933)
	<b>Total</b>	<b>18,847,831 (17,395,083)</b>	<b>900,000 (1,452,748)</b>	<b>-</b>	<b>19,747,831 (18,847,831)</b>	<b>-</b>	<b>3,677,105 (3,457,333)</b>	<b>-</b>	<b>11,478,383 (7,801,278)</b>	<b>8,269,449 (11,046,553)</b>	<b>11,046,553 (13,051,138)</b>
	<b>Previous Year</b>	<b>3,387,087,455 (2,975,735,999)</b>	<b>533,207,108 (421,777,035)</b>	<b>18,637,525 (10,425,579)</b>	<b>3,901,657,038 (3,387,087,455)</b>	<b>7,980,901 (7,150,275)</b>	<b>389,032,348 (366,398,632)</b>	<b>7,980,901 (7,150,275)</b>	<b>1,983,922,721 (1,602,871,274)</b>	<b>1,917,734,316 (1,784,216,181)</b>	<b>1,784,216,181 (1,732,113,077)</b>



## Note No.12

### NON-CURRENT INVESTMENTS

Particulars	As at 31.03.2016	As at 31.03.2015
<b>(a) (i) Trade – Quoted</b>		
Investments in Equity Instruments		
a) 24 Equity shares of Rs.10/ each in Reliance Power Limited	6,750	6,750
<b>Total (a)(i)</b>	<b>6,750</b>	<b>6,750</b>
<b>(ii) Non-trade – Quoted</b>		
a) Investments in Equity Instruments		
200 Equity shares of Rs.10/ each in Assam Company Limited	11,301	11,301
b) Investments in mutual funds		
20000 units of SBI Infra structure fund - I - Growth Rs.10/ each	200,000	200,000
<b>Total (a)(ii)</b>	<b>211,301</b>	<b>211,301</b>
<b>Total Quoted (a) (i+ii)</b>	<b>218,051</b>	<b>218,051</b>
Less: Provision for diminution in value of investments	15,885	15,885
	<b>202,166</b>	<b>202,166</b>
<b>(b) (i) Trade – Unquoted</b>		
<b>Investments in Subsidiary Company</b>		
a) 75000 Equity shares of Rs.10 each in Hydro Magus Pvt Ltd	1,326,000	1,326,000
b) 18937 Equity shares of Rs.10 each in Power Mech Industri Pvt Ltd.	43,090,413	43,090,413
c) 100000010% Redeemable, Cumulative, Non Participating, Non Convertible Preference share of Rs.10 each in HydroMagus Pvt Ltd - Redeemable at the end of 5 years at one time	10,000,000	10,000,000
d) 138486110% Redeemable, Cumulative, Non Participating, Non Convertible Preference share of Rs.10 each in HydroMagus Pvt Ltd- Redeemable on or before completion of 10 years from the date of allotment with an option to redeem on or after completion of 5 Years.	13,848,610	13,848,610
<b>Investments in Joint Venture</b>		
a) Investment in Power Mech CPNED - a jointly controlled entity	43,150	-
<b>Total (b)</b>	<b>68,308,173</b>	<b>68,265,023</b>
<b>Total (a+b)</b>	<b>68,510,339</b>	<b>68,467,189</b>
<b>Aggregate amount of : Quoted investments -</b>		
<b>At cost</b>	218,051	218,051
<b>- Market value</b>	214,620	237,720
<b>Aggregate amount of unquoted investments</b>	68,308,173	68,265,023
<b>Aggregate provision for diminution in value of investments</b>	15,885	15,885

## Note No.13

### LOANS AND ADVANCES

Particulars	Long-Term		Short-Term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Unsecured, Considered Good</b>				
a) Advances for Capital goods	24,434,345	25,149,405	-	-
b) Security deposits with Govt. authorities and others	75,246,702	36,611,797	-	-
c) EMD with customers	20,364,147	15,118,891	-	-
d) Advances to creditors against supplies and services	-	-	67,164,016	187,909,479
e) Advances to sub-contractors against works	-	-	1,457,051,601	1,088,772,401
f) Prepaid expenses	-	-	95,133,566	21,627,927
g) Employee related advances	-	-	14,711,739	11,973,726
h) Balances with Statutory Authorities:				
CENVAT credit receivable	-	-	24,918,405	29,522,130
Works contract tax (TDS)	-	-	57,635,514	53,776,924
Sales Tax Refund Receivable	-	-	9,558,322	5,451,728
i) Other advances	-	-	6,369,421	3,977,107
<b>Total</b>	<b>120,045,193</b>	<b>76,880,093</b>	<b>1,732,542,585</b>	<b>1,403,011,423</b>

Note: Works Contract Tax (TDS) represent works contract tax deducted by the customers under local sales tax laws and management is opinion that there is no sales tax liability in respect of works carried out and hence claimed as refund due from sales tax department.

## Note No.14

### OTHER ASSETS

Particulars	Non Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Unsecured, Considered Good</b>				
a) Long term trade receivables				
- Retention Money and Security Deposit with customers	1,742,801,230	1,571,540,935	813,654,880	692,789,994
b) Uncertified Revenue	-	-	2,546,068,609	1,646,069,202
c) Mobilisation advances to Sub -Contractors	-	-	13,158,254	31,487,107
d) Due from Subsidiary Company				
- Hydro Magus Pvt Ltd	-	-	2,701,352	4,804,229
- Power Mech Industri Pvt Ltd	-	-	61,587,427	-
e) Advance to MAS Power Mech Arabia towards expenses (Subsidiary Company to be incorporated)	-	-	4,354,957	4,285,949
f) Advance to Power Mech CPNED for expenses (A Joint Venture Company)	-	-	576,680	821,013
g) Contract expenses in respect of projects to be executed	-	-	-	10,036,641
h) IPO expenses to be written off	-	-	-	16,975,616
i) Balance in Gratuity fund (net of obligation)	-	-	2,264,543	-
<b>Total</b>	<b>1,742,801,230</b>	<b>1,571,540,935</b>	<b>3,444,366,702</b>	<b>2,407,269,751</b>

Note: The bifurcation of RM / SD with customers between current and non current is made based on the terms of contract, time schedule in the execution of work orders, fulfilment of conditions for release of RM /SD and based on estimates and certified by the management.

## Note No.15

### INVENTORIES

Particulars	As at 31.03.2016	As at 31.03.2015
a) Stores and Spares	308,791,369	301,498,496
b) Work-in-progress	726,445	5,329,199
<b>Total</b>	<b>309,517,814</b>	<b>306,827,696</b>

## Note No.16

### TRADE RECEIVABLES

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Unsecured, Considered Good</b>		
Outstanding for a period exceeding six months	473,074,549	341,249,276
Others	2,234,082,892	1,600,440,693
<b>Total</b>	<b>2,707,157,441</b>	<b>1,941,689,969</b>

## Note No.17

### CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2016	As at 31.03.2015
1. Cash on hand	1,521,661	2,981,788
2. Cash Equivalents		
i. Balances with banks		
a. Earmarked balances with banks held as margin money against LC and guarantees (refer note below)	646,648,628	557,350,959
b. Earmarked balances with banks towards unclaimed dividends	5,185,696	169,810
c. In Current accounts	21,419,664	109,864,466
<b>Total</b>	<b>674,775,648</b>	<b>670,367,024</b>

Note:

- 1) Of the above, fixed deposits of Rs. 399,415,521/- falls due for maturity within 12 months from the date of balance sheet.
- 2) Of the above, fixed deposits of Rs.193,830,223/- falls due for maturity within 3 months from the date of balance sheet.

## Note No.18

### REVENUE FROM OPERATIONS

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>Contract receipts: (Net of Service tax)</b>		
Erection works	7,620,945,348	9,102,040,670
Civil works	2,037,723,496	1,749,264,964
Maintenance	3,668,951,481	2,692,494,692
<b>Supply of material</b>	289,285,345	-
<b>Other operating revenue:</b>		
Crane hire charges received	4,317,726	12,277,139
<b>Total</b>	<b>13,621,223,396</b>	<b>13,556,077,465</b>

## Note No.19

### OTHER INCOME

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Interest from banks and others	54,337,691	55,654,555
Profit on sale of assets	1,263,434	508,051
Dividend received	24	-
Difference in foreign exchange fluctuations	-	2,922,114
Provision for diminution in value of investment withdrawn	-	47,372
<b>Total</b>	<b>55,601,149</b>	<b>59,132,091</b>

## Note No.20

### COST OF MATERIALS CONSUMED

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Opening Stock	301,498,496	229,950,281
Add: Purchases of electrodes, gases and other consumables	1,067,601,477	819,693,725
	1,369,099,973	1,049,644,006
Less: Closing Stock	308,791,369	301,498,496
<b>Total</b>	<b>1,060,308,605</b>	<b>748,145,509</b>



## Note No.24

### FINANCE COSTS

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Interest paid to banks and others	296,267,233	269,019,536
Loan Processing charges	12,986,708	11,847,566
Interest on Income-tax	5,745,102	3,985,114
Exchange fluctuations on deferred credit payment	9,516,275	6,561,756
Interest on debentures	-	987,145
<b>Total</b>	<b>324,515,318</b>	<b>292,401,116</b>

## Note No.25

### DEPRECIATION AND AMORTISATION

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Depreciation	385,355,243	362,941,299
Amortisation	3,677,105	3,457,333
<b>Total</b>	<b>389,032,348</b>	<b>366,398,632</b>

## Note No.26

### OTHER EXPENSES

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Rents - Office	21,633,375	11,220,749
Directors Sitting Fee	1,575,000	1,140,000
Donations	69,230	246,561
Payments to auditors		
Towards Statutory audit	1,200,000	1,000,000
Towards tax audit and taxation matters	100,000	100,000
Rates and taxes	81,515,719	63,660,224
Miscellaneous expenses	122,884,475	118,012,828
CSR expenses	4,500,000	5,700,000
Loss on sale of assets	248,058	198,920
Exchange fluctuations	24,566,080	-
<b>Total</b>	<b>258,291,936</b>	<b>201,279,281</b>



## Notes to Accounts for the year 2015-16

(Amount in Rupees)

Note	Details	31.03.2016	31.03.2015
<b>27</b>	<b>Contingent Liabilities and Commitments</b>		
<b>A.</b>	<b>Contingent Liabilities</b>		
	<b>a) Claims against the Company not acknowledged as debts</b>		
	Sales Tax	112,104,479	63,728,894
	Service Tax	42,809,308	42,809,308
	<b>b) Other contingent liabilities</b>		
	(i) Co-applicant in respect of loans sanctioned to Subsidiary Company		
	- Hydro Magus Private Limited	226,935	1,410,296
	(ii) Corporate guarantee given to bank in respect of limits sanctioned to subsidiary companies to the extent of balance outstanding		
	- Hydro Magus Private Limited	72,805,955	37,399,490
	- Power Mech Industri Private Limited	120,000,000	120,000,000
<b>B.</b>	<b>Commitments</b>		
	Estimated amount of contracts remaining to be Executed on capital account and not provided for	16,642,000	29,474,870
<b>28.</b>	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.	5,966,040,630	5,468,595,190
<b>29.</b>	CIF value of Imports made by the Company during the year		
	a) Consumables & Spare parts	593,839	200,854
	b) Capital goods	45,987,159	114,854,950
<b>30.</b>	The amount remitted during the year in foreign currencies on account of:		
	a) Interest	530,409	5,986,961
<b>31.</b>	Earnings in foreign currency		
	a) Contract receipts (Projects executed outside India)		
	Yemen	-	708,619,805
	Abu Dhabi	122,580,163	129,820,675
	Bheramara	162,550,946	-
	Shuqaiq	1,307,739,707	-
	Libia	128,999,600	-
<b>32.</b>	Expenditure in foreign currency		
	a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
	Yemen	2,589,201	654,062,365
	Abu Dhabi	149,674,904	124,413,844
	Bheramara	112,108,420	159,834
	Shuqaiq	836,237,524	-
	Libia	54,761,515	-
	b) Foreign travel	1,445,398	337,389

### 33. Unhedged Foreign Currency Exposure

Sl. No	Amount Payable in foreign currency on account of the following:	Currency	As at 31.03.2016		As at 31.03.2015	
			Foreign Currency	INR	Foreign Currency	INR
			Amount	Amount	Amount	Amount
1	Sundry Creditors	USD	4,798,097	320,339,531	5,693,031	356,331,365
		AED	788,078	14,222,090	1,332,702	22,608,774
		LYD	53,544	2,591,976	-	-
		BDT	33,785,379	28,903,437	651,706	521,720
		SAR	10,080,465	177,196,962	-	-
2	Advances from Customers	USD	299,699	19,877,849	299,699	18,758,413
		AED	160,894	2,903,585	-	-
		BDT	77,391,645	62,673,726	26,708,654	21,381,462
		SAR	8,712,103	140,658,909	-	-
3	Outstanding Expenses	USD	31,676	2,100,942	28,800	1,802,615
		LYD	18,347	888,141	-	-
		BDT	389,396	314,617	62,637	50,143
		SAR	14,324	253,241	-	-
4	Sundry Debtors	USD	2,677,249	177,571,192	2,658,766	166,414,267
		AED	2,649,275	47,810,303	2,998,237	50,863,930
		LYD	915,562	44,320,462	-	-
		BDT	34,446,464	29,440,705	-	-
		SAR	8,739,431	154,695,354	-	-
5	Advances given	USD	74,626	4,949,619	187,812	11,755,290
		BDT	3,055,086	2,698,915	-	-
		SAR	434,128	7,771,474	356,083	5,917,303
6	SDRM to Subcontractors	USD	1,427,183	94,659,336	1,575,863	98,634,505
		BDT	671,381	577,299	-	-
7	SDRM from Customers	USD	2,227,336	147,730,280	2,227,336	139,410,735
		AED	92,054	1,661,256	233,995	3,957,992
		BDT	7,755,973	6,632,303	-	-
		SAR	2,902,073	51,567,843	-	-
8	Foreign Letter of Credit	USD	2,275,000	150,907,348	2,610,000	163,361,988
9	Cash & Bank Balances	USD	1,381	91,590	1,381	86,432
		AED	99,994	1,804,556	215,627	3,598,334
		LYD	203,482	9,850,126	-	-
		BDT	4,061,834	2,048,253	28,176,901	22,555,691

### 34. Expenditure on Corporate Social Responsibility

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
a) Gross amount required to be spent by the Company during the year	18,770,724	15,803,486
b) Amount spent during the year (Contribution paid to Power Mech Foundation and HEAL)	4,500,000	5,700,000

## 35. Particulars disclosed pursuant to AS-18 '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)
	iii) Companies controlled by KMP / Relatives of KMP	- Power Mech Infra Limited - Bombay Avenue Developers Private Limited - True Rrav Marketing Private Limited - Power Mech Foundation - Lakshmi Agro Farms
	iv) Subsidiary Companies	Hydro Magus Private Limited Power Mech Industri Private Limited
	v) Joint Venture	Power Mech - CPNED Services (Hong Kong) Holding Co. Limited

## B) Transactions with related parties

Sl. No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP / Relatives of KMP	Subsidiary Company	Joint Venture
<b>i) Rent Paid</b>						
a)	S Kishore Babu	2,880,000 (2,880,000)				
b)	S Lakshmi		960,000 (900,000)			
c)	S Kishore Babu (HUF)		350,000 (620,000)			
d)	S Rohit		990,000 (990,000)			
<b>ii) Remuneration Paid</b>						
a)	S Kishore Babu	60,654,485 (55,774,827)				
b)	S Rohit		2,283,146 (648,667)			
<b>iii) Sub-Contract Expenses Paid</b>						
a)	Power Mech Infra Limited			508,283,651 (532,296,361)		
<b>iv) Assets &amp; Stores Material Purchase From</b>						
a)	Power Mech Infra Limited			72,648,374 (-)		
<b>v) Contract receipts from</b>						
a)	Hydro Magus Private Limited				31,449,500 (24,645,014)	
<b>vi) Interest Received</b>						
a)	Hydro Magus Private Limited				1,117,800 (1,787,103)	
<b>vii) Rent Received</b>						
a)	Hydro Magus Private Limited				98,000 (168,000)	
<b>viii) Hire charges Received</b>						
a)	Power Mech Industri Private Limited				665,000 (642,857)	
<b>ix) Donations paid</b>						
a)	Power Mech foundation			3,000,000 (5,700,000)		

**C) Balances outstanding as on 31.03.2016**

i)	Investment in Hydro Magus Private Limited				25,174,610 (25,174,610)	
ii)	Investment in Power Mech Industri Private Limited				43,090,413 (43,090,413)	
iii)	Investment in Power Mech CPNED a Jointly controlled entity					43,150 (-)
iv)	Due to Power Mech Infra Limited			81,842,648 (27,902,797)		
v)	Remuneration Payable	22,861,628 (4,232,409)				
vi)	Rent Payable					
	S Kishore Babu	216,000 (216,000)				
	S Lakshmi		72,000 (67,500)			
	S Kishore Babu (HUF)		63,000 (54,000)			
	S Rohit		74,250 (74,250)			
vii)	Due to Power Mech Industri Private Limited (Advance received against supply)				- (30,288,743)	
viii)	Due from Power Mech Industri Private Limited				61,587,426 (-)	
ix)	Due from Hydro Magus Private Limited				2,701,352 (4,804,229)	
x)	Trade Receivable - Hydro Magus Private Limited				34,493,817 (21,154,614)	
xi)	Trade Receivable - Power Mech Industri Private Limited				1,451,122 (-)	
xii)	Advance to Power Mech CPNED					576,680 (821,013)

**36.** 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.

**37.** The Company has claimed an amount of Rs. 57,635,514 (As on 31.03.2015 Rs. 53,776,924/-) being the Works contract tax deducted by the customers and outstanding as on 31.03.16 in respect of works carried out in some of the states. The Company's management is of opinion that there is no sales tax liability in respect of the said works carried out and hence claimed as refund due and grouped under loans and advances. Sales tax liability, if any has arisen, on completion of assessments will be charged to Profit and Loss account.

**38. Segment reporting**

**Business Segment :**The Company predominantly operates only in construction and maintenance activities. This in the context of Accounting standard-17 'Segment Reporting' is considered to constitute only one business segment.

**Geographical Segment:** The Company has operations within India and outside India and the Segment information is presented in consolidated financial statements as mentioned in para 4 of AS -17.

**39. Calculation of Earnings per Share**

Sl. No.	Particulars	2015-16	2014-15
1)	<b>Basic and Diluted Earning per share</b>		
	No. of shares at the beginning of the year	12,582,764	10,940,264
	Issue of shares on conversion (weighted avg no. of shares)	-	397,603
	Increase on account of Bonus Issue	-	1,080,000
	Fresh Issue on Equity on IPO (weighted avg no. of shares)	1,300,121	-
	Total Weighted average number of shares	13,882,885	12,417,867
	Profit after tax	742,807,338	707,044,728
	Basic Earning per share	53.51	56.94

**40. Disclosure requirement under AS 7 'Construction Contracts'**

	Particulars	31.03.2016	31.03.2015
a)	Contract revenue recognized during the year	13,616,905,670	13,543,800,326
b)	Method used to recognise the revenue	% of Completion Method	% of Completion Method
c)	Method used to determine stage of completion	Physical proportion of work completion	Physical proportion of work completion
d)	Dues from customers	2,707,157,441	1,941,689,969
e)	Retention & SD amounts due from customers	2,556,456,110	2,264,330,929
f)	Due to Sub Contractors	2,158,087,940	1,772,210,397
g)	Retention & SD amount due to Sub Contractors	663,837,539	647,342,934
h)	Mobilisation advance from Customers	717,108,745	588,950,481
i)	Mobilisation advance to Sub Contractors	13,158,254	31,487,107

**41.** Previous year figures have been regrouped wherever necessary to confirm to current year classification.

As per our report of even date

**for BRAHMAYYA & CO.**

Firm's Registration Number: 000513S  
Chartered Accountants

**(Karumanchi Rajaj)**

Partner  
Membership Number: 202309

Place : Camp: Hyderabad  
Date : 30.05.2016

**For and on behalf of the Board**

**S Kishore Babu**  
Chairman and Managing Director  
DIN: 00971313

**J Satish**  
CFO

**M Rajendran**  
Director & COO  
DIN: 01879556

**Mohit Gurjar**  
Company Secretary

# Consolidated Financials 2015-16



## INDEPENDENT AUDITORS' REPORT

To the Members of  
**POWER MECH PROJECTS LIMITED**

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **POWER MECH PROJECTS LIMITED** ('the holding company'), its subsidiaries (the holding Company and its subsidiaries collectively referred to as 'the Group') and its Jointly controlled entity which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as 'the Consolidated Financial Statements'.)

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the Consolidated Financial Statements in terms of requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity and for prevention and detection of frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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 which have been used for the purpose of preparation of the Consolidated Financial Statements by the directors of the holding company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holdings Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the Consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2016, of the profit of the Group and its jointly controlled entity for the year ended on that date and the Cash flows of the Group and its jointly controlled entity for the year ended on that date.

### Other matter

We did not audit the financial statements of Joint venture which is a Jointly controlled entity to the Holding Company named as Power Mech-CPNED Services (Hong Kong) Holding Co., Limited for the year ended 31<sup>st</sup> March, 2016 which was done by Akin CPA Limited, Certified Public Accountants whose financial statements reflects total assets of USD 87,380 as on 31<sup>st</sup> March, 2016 and Profit of USD 86,090. The share capital of the said entity was USD 1,290 of which Power Mech Projects Limited holds 50% of share capital amounts to USD 645. These Consolidated Financial Statements includes share of assets, liabilities, income and expenses in the said jointly controlled entity. The financial statements and related auditors report of the said entity has been furnished to us by the management and our opinion on the Consolidated Financial Statements in so far as relates to the amounts and disclosures related to the said entity is based solely on the reports of the other auditor.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 Consolidated Financial Statements;
  - b. In our opinion, proper books of account as required by law relating to the preparation of the Consolidated Financial Statements have been kept by the Group and its jointly controlled entity so far as appears from our examination of those books and the reports of the other auditor;
  - c. The Consolidated Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of the preparation of the Consolidated Financial Statements;
  - d. In our opinion, the Consolidated Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors of each of the respective entity as on 31<sup>st</sup> March, 2016 and taken on record by the respective Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls refer to our separate report in Annexure-A which is based on the Auditors' report of the Company, its subsidiaries and jointly controlled entity. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary companies incorporated in India.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Group and its jointly controlled entity does not have any pending litigations which would impact its financial position except those which are disclosed in the notes to the financial statements of respective entities.
    - ii) The Group and its jointly controlled entity did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investor Education Protection Fund by the Group.

**For Brahmayya & Co**  
Chartered Accountants  
Firm Registration No. 000513S

**(Karumanchi Rajaj)**  
Partner  
(Membership No: 202309)

Place : Hyderabad  
Date : 30.05.2016

Consolidated Balance Sheet as on 31<sup>st</sup> March, 2016

(Amount in Rs.)

Particulars		Note No.	As at 31.03.2016	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' funds</b>				
(a) Share capital	2	147,107,640	125,827,640	
(b) Reserves and surplus	3	5,403,654,967	3,421,324,484	
		<b>5,550,762,607</b>	<b>3,547,152,124</b>	
<b>(2) Minority Interest</b>	3	<b>4,385,137</b>	<b>2,486,738</b>	
<b>(3) Non-current liabilities</b>				
(a) Long-term borrowings	4	213,540,285	365,745,804	
(b) Deferred tax Liability (Net)	5	42,221,814	47,214,956	
(c) Other Long term liabilities	6	907,221,513	641,262,669	
(d) Long term provisions	7	2,354,571	1,923,024	
		<b>1,165,338,184</b>	<b>1,056,146,453</b>	
<b>(4) Current liabilities</b>				
(a) Short-term borrowings	8	1,918,500,645	1,997,414,637	
(b) Trade payables	9			
- Total outstanding dues of micro enterprises and small enterprises		40,997,827	56,466,499	
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,669,877,893	2,164,990,518	
(c) Other current liabilities	10	1,606,581,171	1,579,928,269	
(d) Short-term provisions	7	104,464,401	74,754,207	
		<b>6,340,421,938</b>	<b>5,873,554,129</b>	
<b>Total</b>		<b>13,060,907,866</b>	<b>10,479,339,444</b>	
<b>II. ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Fixed assets	11			
(i) Tangible assets		1,945,276,904	1,798,365,300	
(ii) Intangible assets		32,561,883	33,770,630	
(iii) Capital work-in-progress		188,651,048	162,993,203	
(iv) Unallocated Capital expenditure		31,311,710	7,332,413	
		<b>2,197,801,545</b>	<b>2,002,461,545</b>	
(b) Non-current investments	12	202,166	202,166	
(c) Long-term loans and advances	13	141,506,468	77,128,468	
(d) Other non-current assets	14	1,750,308,621	1,566,099,205	
		<b>1,892,017,255</b>	<b>1,643,429,839</b>	
<b>(2) Current assets</b>				
(a) Inventories	15	312,862,416	320,912,260	
(b) Trade receivables	16	2,727,234,622	1,953,654,588	
(c) Cash and cash equivalents	17	685,686,392	678,290,184	
(d) Short-term loans and advances	13	1,758,727,187	1,415,476,255	
(e) Other current assets	14	3,486,578,448	2,465,114,773	
		<b>8,971,089,066</b>	<b>6,833,448,059</b>	
<b>Total</b>		<b>13,060,907,866</b>	<b>10,479,339,444</b>	
Significant accounting policies	1			
Notes to accounts	27-43			

As per our report of even date

For and on behalf of the Board

for **BRAHMAYYA & CO.**

Firm's Registration Number: 000513S

Chartered Accountants

**S Kishore Babu**  
Chairman and Managing Director  
DIN: 00971313

**M Rajendran**  
Director & COO  
DIN: 01879556

**(Karumanchi Rajaj)**

Partner

Membership Number: 202309

**J Satish**  
CFO

**Mohit Gurjar**  
Company Secretary

Place : Camp: Hyderabad

Date : 30.05.2016

Consolidated Statement of Profit and Loss for the Year Ended 31<sup>st</sup> March, 2016

(Amount in Rs.)

Particulars	Note No.	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>Continuing Operations</b>			
<b>Revenue</b>			
Revenue from Operations	18	13,837,599,120	13,662,229,712
Other income	19	55,027,321	57,608,943
<b>Total Revenue</b>		<b>13,892,626,441</b>	<b>13,719,838,655</b>
<b>Expenses</b>			
Cost of materials consumed	20	1,196,772,632	770,041,828
Changes in inventories of work-in-progress	21	4,602,754	7,579,327
Contract execution expenses	22	8,988,657,539	9,800,149,320
Employee benefits expenses	23	1,545,403,404	1,201,761,344
Finance costs	24	328,955,396	294,301,501
Depreciation and amortization expense	25	390,026,963	367,776,446
Other expenses	26	275,465,806	212,692,146
<b>Total Expenses</b>		<b>12,729,884,495</b>	<b>12,654,301,913</b>
<b>Profit before tax</b>		<b>1,162,741,946</b>	<b>1,065,536,743</b>
Tax expense:			
Less: Current tax		410,776,775	380,948,624
Deferred tax liability /(Credit)		(4,993,141)	(31,155,585)
Add: MAT Credit entitlement		(239,857)	-
<b>Profit after Tax but before adjusting for Minority Interest</b>		<b>757,198,169</b>	<b>715,743,703</b>
Less: Share of profit transferred to minority interest		1,898,400	1,704,799
<b>Profit after tax and after adjusting for Minority Interest</b>		<b>755,299,769</b>	<b>714,038,904</b>
<b>Earnings per equity share</b>			
Basic and Diluted		54.41	57.48
Significant accounting policies	1		
Notes to Accounts	27-43		

As per our report of even date

For and on behalf of the Board

**for BRAHMAYYA & CO.**

Firm's Registration Number: 000513S

Chartered Accountants

**(Karumanchi Rajaj)**

Partner

Membership Number: 202309

Place : Camp: Hyderabad

Date : 30.05.2016

**S Kishore Babu**

Chairman and Managing Director

DIN: 00971313

**J Satish**

CFO

**M Rajendran**

Director &amp; COO

DIN: 01879556

**Mohit Gurjar**

Company Secretary

Consolidated Cash Flow Statement for the Year Ended 31<sup>st</sup> March, 2016

(Amount in Rs.)

Particulars	2015-16	2014-15
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	<b>1,162,741,946</b>	<b>1,065,536,743</b>
Add/Less: Adjustments for:		
Depreciation	390,026,963	367,776,446
Interest and Finance charges	328,955,396	294,293,717
Loss on sale of assets	248,745	198,920
Interest income	(53,763,863)	(54,131,406)
Profit on sale of assets	(1,263,434)	(508,051)
Provision for diminution in value of investments	-	(47,372)
Operating profit before working capital changes	<b>1,826,945,752</b>	<b>1,673,118,997</b>
Add/Less: Adjustments for working capital		
Decrease in Inventories	8,049,844	(77,921,317)
Increase in Trade and other receivables	(2,386,711,891)	(1,520,046,204)
Increase in Trade payables	744,377,452	340,039,839
Cash generated from operations	<b>192,661,157</b>	<b>415,191,315</b>
Less: Direct taxes paid	(362,269,863)	(376,623,769)
<b>Net cash from Operating activities</b>	<b>(A) (169,608,706)</b>	<b>38,567,546</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets/Capital works-under progress	(597,349,285)	(524,975,548)
Proceeds from sale of fixed assets	12,997,000	3,584,435
Investment in securities of Subsidiary Company	-	(816,000)
Margin money deposits with banks	100,256,885	15,631,544
Interest received	53,763,863	54,131,406
<b>Net cash used in Investing activities</b>	<b>(B) (430,331,537)</b>	<b>(452,444,163)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share capital at a premium (Net of expenses)	1,266,420,000	-
Proceeds from/(Repayment of) borrowings	(208,539,804)	612,511,507
Issue of Equity on conversion of Debentures	-	112,500,000
Interest and Finance charges paid	(319,439,121)	(287,731,961)
Dividends and dividend tax paid	(30,847,741)	(17,897,274)
<b>Net cash from financing activities</b>	<b>(C) 707,593,335</b>	<b>419,382,272</b>
<b>Net Increase in cash and cash equivalents</b>	<b>(A+B+C) 107,653,093</b>	<b>5,505,655</b>
Cash and cash equivalents at the beginning of the period	115,563,024	110,057,369
Cash and cash equivalents at the end of the period	223,216,117	115,563,024
Net Increase in cash and cash equivalents	<b>107,653,093</b>	<b>5,505,655</b>

## Components of cash and cash equivalents

Particulars	2015-16	2014-15
Cash on hand	2,014,234	3,060,854
Earmarked balances with banks towards unclaimed dividends	5,185,696	169,810
In Current Accounts	22,185,964	112,332,360
Deposits having maturity period for less than 3 months	193,830,223	-
<b>Total</b>	<b>223,216,117</b>	<b>115,563,024</b>

As per our report of even date

For and on behalf of the Board

for **BRAHMAYYA & CO.**

Firm's Registration Number: 000513S

Chartered Accountants

**S Kishore Babu**  
Chairman and Managing Director  
DIN: 00971313

**M Rajendran**  
Director & COO  
DIN: 01879556

**(Karumanchi Rajaj)**

Partner

Membership Number: 202309

**J Satish**  
CFO

**Mohit Gurjar**  
Company Secretary

Place : Camp: Hyderabad

Date : 30.05.2016

## Note No.1 Significant Accounting Policies and Notes on Consolidated Accounts

### Corporate Information

Power Mech Projects Limited was incorporated in the year 1999 and is engaged in the business of providing ETC, Civil and O&M Services for Power Projects. The Company has associated with various power majors in India and overseas for public and private sector power utilities apart from multinational companies. Power Mech is now engaged in several power projects ranging from 135MW to 800MW, besides many projects in lower segments also.

The Subsidiary Company, Hydro Magus Private Limited is incorporated in the year 2012. The Company is setup with a vision to support the Hydro utility owners in a professional manner to enhance the generation output and viability factor of their power plants by implementing Reliability-centric-Maintenance programs on their Hydro generating units in a cost effective way. The Company also envisages achieving this vision of generation enhancement by undertaking renovation, modernization and uprating of old generating sets based upon the recommendations of life extension and uprating studies.

Power Mech Industri Private Limited was incorporated in the year 2006 and became subsidiary Company to Power Mech Projects Limited in the year 2013-14. On acquisition by Power Mech Projects Limited, the Company is involved in the manufacture of all types of machinery parts, equipments, development and construction of industrial sheds and overhaul and Maintenance pertaining to all industrial units.

During the year, Power Mech Projects Limited along with Chengdu Pengrun New Energy Development Company Limited established a Jointly controlled entity under the name Power Mech CPNED Services (Hong Kong) Holding Company Limited in which Power Mech Projects Limited holds 50% interest. The said entity was incorporated in Hong Kong. In the Consolidated Financial Statements, the Company reported interest in Joint venture under Proportionate consolidated method whereby the Company's share in assets and liabilities, income and expenses are included in respective heads. The financial statements of the jointly controlled entity are drawn up to 31<sup>st</sup> March, 2016.

### Basis of Accounting

The Financial Statements of the Company, its subsidiary companies are prepared under the historical cost convention on accrual basis of accounting and in accordance with the generally accepted accounting principles in India. The financial statements are prepared to comply in all material aspects with the applicable Accounting Standards and the relevant provisions thereof. The financial statements of the Company and its subsidiary companies are drawn up to the same reporting date i.e of 31<sup>st</sup> March.

In case of Joint Venture Company, the financial statements are prepared in accordance with the applicable Hong Kong Financial Reporting Standards for Private Entities (HKFRS for PE) accounting principles generally accepted in Hong Kong and their requirements of Hong Kong Companies Ordinance. They have been prepared under historical cost convention. The financial statements have been drawn upto 31<sup>st</sup> March.

### Principles of Consolidation

The Consolidated Financial Statements relate to Power Mech Projects Limited ('the Company'), its Subsidiary Companies Hydro Magus Private Limited and Power Mech Industri Private Limited and its Joint venture Power Mech CPNED Services (Hong Kong) Holding Company Limited. The Consolidated Financial Statements have been prepared on the following basis:-

The Consolidated Financial Statements have been prepared using uniform accounting policies, for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements. However, in case of Joint Venture entity, the financial statements are prepared using HKFRS for PE which vary with the accounting policies adopted by the other companies in the group. However, no significant transactions have been carried out by the Joint Venture entity during the year and hence adoption of such accounting policies does not have any material impact on Consolidated Financial Statements.

The Financial Statements of the Company, its Subsidiary Companies and Joint Venture (collectively referred to as 'Group') have been Consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and resulting unrealized profits or losses in accordance with Accounting Standard (AS-21) 'Consolidated Financial Statements' as notified by the Central Government under Companies (Accounting Standards) Rules, 2006.

The investments in equity shares of subsidiary companies have been fully eliminated from the share capital of subsidiary companies and investments in parent company.

The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies at the date on which investment was made is recognized as 'Goodwill' being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in subsidiary companies as on date of investment is in excess of cost of investment, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the Consolidated Financial Statements.

Minority interest, if any, in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and share in Reserves and Surplus.



Minority interests' share of net profit of the consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the Company.

Minority interests' share of net assets of the consolidated subsidiaries as on date of balance sheet is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

For the purpose of preparation of Consolidated Financial Statements, interests in Joint Venture have been accounted using Proportionate consolidated method as per Accounting Standard – 27 'Financial reporting of Interests in Joint Ventures'.

The Companies considered in the Consolidated Financial Statements are:

Name of the Company	Relationship	Country of Incorporation	% Share holding held as on 31.03.2016
Hydro Magus Private Limited	Subsidiary	India	75 %
Power Mech Industri Private Limited	Subsidiary	India	100 %
Power Mech CPNED Services (Hong Kong) Holding Company Limited	Joint Venture	Hong Kong	50 %

The reporting date of Financial Statements of all subsidiary companies and Joint Venture was March, 31.

The Parent Company Power Mech Projects Limited invested in 51000 Equity Shares of Rs. 10/- each during the financial year 2012-13 and 24000 Equity Shares of Rs.10/- each during the financial year 2014-15 in Hydro Magus Private Limited aggregating to Rs. 13.26 lakhs being 75 % of holding in the said Company.

The parent Company Power Mech Projects Limited invested in 18,937 Equity Shares of Rs.10/- each in Power Mech Industri Private Limited at a premium of Rs. 2,265/- each aggregating to Rs. 4.31 crores during the financial year 2013-14 being 100 % of holding in the said Company.

The parent Company Power Mech Projects Limited invested in 1000000 10 % Redeemable preference shares of Rs.10/- each in Hydro Magus Private Limited aggregating to Rs.1crore during the financial year 2013-14 and invested in 1384861 10 % Redeemable preference shares of Rs.10/- each in Hydro Magus Private Limited aggregating to Rs.1.38 crores during the financial year 2014-15.

## Significant Accounting Policies

### a. Basis of preparation of financial statements

The Company and its subsidiaries have prepared the financial statements under historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles in India.

However, in case of Joint Venture entity, the financial statements have been prepared using HKFRS for PE which vary with the accounting policies adopted by the other companies in the group. However, no significant transactions have been carried out by the Joint Venture entity during the year and hence adoption of such accounting policies does not have any material impact on Consolidated Financial Statements.

The Significant accounting policies are adopted and applied consistently in dealing with items that are considered material in relation to these financial statements

In case of Parent Company and other Indian Subsidiary Companies, the Financial Statements are prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

### b. Other Significant accounting policies

These are set out under 'Significant Accounting policies' as given in each Company's separate financial statements.

### c. Segment reporting

**Business Segment:** The Group predominantly operates only in construction and maintenance activities. This in the context of Accounting standard-17 'Segment Reporting' 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 separately in the Consolidated Financial Statements as per AS-17.

## Note No.2

### SHARE CAPITAL

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Authorised:</b>		
26,000,000 Equity Shares of Rs. 10/- each	260,000,000	260,000,000
<b>Issued, subscribed and paid up:</b>		
14,710,764 (12,582,764) Equity Shares of Rs. 10/- each fully paid-up	147,107,640	<b>125,827,640</b>
<b>Total</b>	<b>147,107,640</b>	<b>125,827,640</b>

- During the year, the parent Company has made an Initial Public Offer (IPO) of 4,269,000 equity shares of Rs.10/- each at a premium of Rs. 630/- per share. The issue comprises of fresh issue of 2,128,000 equity shares and offer for sale of 2,141,000 equity shares by selling share holders.

The fresh equity shares were allotted by the Company on 21<sup>st</sup> August, 2015 and were listed on BSE and NSE.

- Rights, Preferences and restrictions attached to Equity shares

The Parent Company has only one class of Equity shares having a face value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting, except in the case of interim dividend. The Board of Directors by way of circular resolution passed on 18<sup>th</sup> March, 2016 declared an interim dividend of 10% (Re. 1 per equity share of Rs. 10 each). 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.

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

Name of the Share Holder	As at 31.03.2016		As at 31.03.2015	
	Number of Shares held	% out of total number of shares of the Company	Number of Shares held	% out of total number of shares of the Company
S Kishore Babu	3,601,080	24.48%	3,601,080	28.62%
S Kishore Babu (HUF)	1,344,000	9.14%	1,344,000	10.68%
S Lakshmi	2,400,552	16.32%	2,400,552	19.08%
S Rohit	1,570,296	10.67%	1,570,296	12.48%
India Business Excellence Fund - I	187,773	1.28%	1,877,073	14.92%
<b>Total</b>	<b>9,103,701</b>	<b>61.88%</b>	<b>10,793,001</b>	<b>85.78%</b>

- Reconciliation of number of Shares:

Particulars	As at 31.03.2016		As at 31.03.2015	
	Equity Shares	Amount	Equity Shares	Amount
Shares outstanding at the beginning of the year	12,582,764	125,827,640	10,940,264	109,402,640
Add: Bonus shares issued	-	-	1,080,000	10,800,000
Conversion of debentures into equity	-	-	562,500	5,625,000
Fresh issue of equity on IPO	2,128,000	21,280,000	-	-
	<b>14,710,764</b>	<b>147,107,640</b>	<b>12,582,764</b>	<b>125,827,640</b>
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>14,710,764</b>	<b>147,107,640</b>	<b>12,582,764</b>	<b>125,827,640</b>

- Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:  
During the Financial Year 2014-15, the parent Company had allotted 1,080,000 equity shares as fully paid up bonus shares by capitalising part of securities premium.
- No shares were issued pursuant to a contract without payment being received in cash.

## Note No.3

## RESERVES AND SURPLUS

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Securities Premium Reserve</b>		
Figures as at the end of the previous reporting period	364,173,360	268,098,360
i) Additions during the year-		
- Issue of 2,128,000 equity shares at a premium of Rs. 630 per equity share	1,340,640,000	-
- Conversion of debentures into equity at premium	-	106,875,000
ii) Deductions during the year -		
- Utilised for issue of fully paid-up bonus shares	-	10,800,000
- Utilised for expenses pertaining to issue of fully paid-up Equity shares on IPO	95,500,000	-
Figures as at the end of current reporting period	<b>1,609,313,360</b>	<b>364,173,360</b>
<b>General Reserve</b>		
Figures as at the end of the previous reporting period	369,989,584	369,989,584
Additions -	-	-
	369,989,584	369,989,584
Deductions:-	-	-
Figures as at the end of current reporting period	<b>369,989,584</b>	<b>369,989,584</b>
<b>Foreign Currency Translation Reserve Account</b>	<b>81,754</b>	-
<b>Surplus in Profit and Loss Account</b>		
Figures as at the end of the previous reporting period	2,687,161,540	1,988,580,172
Add: Profit for the year transferred from P&L a/c	755,299,769	714,038,904
<b>Amount available for appropriation</b>	<b>3,442,461,309</b>	<b>2,702,619,076</b>
Less: Appropriations :		
: Interim dividend	14,710,764	-
: Proposed final dividend	-	12,582,764
: Tax on dividend	3,480,276	2,561,555
: Tax on Preference dividend for current year	-	313,217
Figures as at the end of current reporting period	<b>3,424,270,269</b>	<b>2,687,161,540</b>
<b>Total of Reserves and Surplus</b>	<b>5,403,654,967</b>	<b>3,421,324,484</b>

## MINORITY INTEREST

Particulars	As at 31.03.2016	As at 31.03.2015
Figures as at the end of the previous reporting period	2,486,738	250,000
Share in Reserves and Surplus	1,898,400	2,236,738
<b>Total</b>	<b>4,385,137</b>	<b>2,486,738</b>

## Note No.4

### LONG-TERM BORROWINGS

Particulars	Non-current Portion		Current Maturities	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>A. Secured</b>				
i. Term loans				
a) From banks:				
i) Axis bank	47,373,889	108,811,363	73,696,015	71,733,473
ii) HDFC	12,079,328	10,816,640	12,412,512	12,914,565
iii) ICICI	5,802,013	66,551,649	60,749,637	53,843,726
iv) Standard Chartered Bank	5,412,158	-	3,424,248	153,281
v) Kotak Mahendra Bank	3,768,358	3,639,217	4,675,679	2,151,291
vi) State Bank of India	4,077,000	20,361,000	16,284,000	16,284,000
vii) Standard Chartered Bank (Under Buyers credit)	-	-	-	29,730,629
viii) National Bank of Abudhabi	-	1,401,561	1,399,818	1,562,721
ix) Ratnakar Bank	100,050,000	120,000,000	19,950,000	-
b) From Financial institutions :				
i) SREI	-	-	-	6,817,439
ii) HDB Financial Services	11,800,108	27,730,087	15,953,127	14,031,532
iii) TATA Capital	23,177,432	6,434,286	18,793,881	3,296,269
<b>Total (a)</b>	<b>213,540,285</b>	<b>365,745,804</b>	<b>227,338,917</b>	<b>212,518,925</b>
<b>B. Unsecured</b>				
a) Deferred payment liabilities				
Due to suppliers on deferred credit basis	-	-	150,907,348	133,631,358
<b>Total (b)</b>	<b>-</b>	<b>-</b>	<b>150,907,348</b>	<b>133,631,358</b>
<b>Total (a+b)</b>	<b>213,540,285</b>	<b>365,745,804</b>	<b>378,246,264</b>	<b>346,150,283</b>

## Note No.5

### DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31.03.2016	As at 31.03.2015
Opening balance (Asset)/Liability	47,214,956	78,370,541
Add/less : Liability provided/(Credit taken) during the year	(4,993,142)	(31,155,585)
<b>Closing balance - Liability</b>	<b>42,221,814</b>	<b>47,214,956</b>

### COMPONENTS OF DEFERRED TAX LIABILITY/(ASSET)

Particulars	As at 31.03.2016	As at 31.03.2015
a) Liability:		
- On fixed assets towards depreciation	47,099,917	49,015,542
b) Assets:		
Disallowances under Income-tax Act	4,878,103	1,800,586
<b>Total</b>	<b>42,221,814</b>	<b>47,214,956</b>

## Note No.6

### OTHER LONG-TERM LIABILITIES

Particulars	Non-current Maturities		Current Maturities	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
a) Mobilisation advances received from customers	304,071,761	262,677,829	416,879,280	327,467,371
b) Retention Money & Security deposits recovered from Sub Contractors	603,149,752	378,584,840	64,774,675	268,758,061
<b>Total</b>	<b>907,221,513</b>	<b>641,262,669</b>	<b>481,653,955</b>	<b>596,225,432</b>

Note:

- (i) Current maturities represents amounts to be settled within 12 months after the date of balance sheet.
- (ii) The segregation of above amounts are made based on the time schedule in execution of projects, estimated turnover, probability in completion of works, terms of release of amounts and estimates of the management.

## Note No.7

### PROVISIONS

Particulars	Long term		Short term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	-	-	-	933,861
- Leave Encashment (Unfunded)	2,354,571	1,923,024	2,333,983	5,073,361
b) Provision for Income-tax (net of advance tax of Rs. 1,561,423,713 { Prev year : 1,199,088,186})	-	-	101,644,908	53,289,449
c) Proposed Equity dividend	-	-	-	12,582,764
d) Provision for tax on equity dividend	-	-	-	2,561,555
e) Provision for tax on preference dividend	-	-	485,510	313,217
<b>Total</b>	<b>2,354,571</b>	<b>1,923,024</b>	<b>104,464,401</b>	<b>74,754,207</b>

#### Disclosure pursuant to requirements of AS-15 'Employee Benefits'

##### (I) Defined contribution plans

Contributions recognised in the statement of profit or loss

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Employer's contribution to provident fund	44,988,464	32,555,096

**(II) Defined benefit plans**

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Defined Benefit Plan:</b>				
<b>Expenses recognised in Profit and Loss Account:</b>				
Current service cost	7,798,569	4,970,082	803,877	603,222
Interest cost	2,665,954	2,051,476	161,939	-
Expected return on plan assets	(3,077,517)	(2,452,483)	-	-
Net actuarial (gain) / loss	(3,879,487)	806,736	1,698,503	1,421,013
Net expense recognised in statement of P&L	3,507,519	5,375,811	2,664,319	2,024,235
<b>Reconciliation of Fair value of plan assets:</b>				
Assets at the beginning of the year	32,390,568	24,359,781	-	-
Contributions	6,705,923	5,725,615	-	-
Actual return on plan assets	3,077,517	2,452,483	-	-
Benefits paid	(1,104,873)	(147,311)	-	-
Assets at the end of the year	41,069,135	32,390,568	-	-
<b>Reconciliation of changes in present value of defined benefit obligations:</b>				
PV of obligation at the beginning of the year	33,324,429	25,643,446	2,024,235	
Current service cost	7,798,569	4,970,082	803,877	603,222
Interest cost	2,665,954	2,051,476	161,939	
Benefits paid	(1,104,873)	(147,311)	-	
Actuarial (gain) / loss	(3,879,487)	806,736	1,698,503	1,421,013
PV of obligation at the end of the year	38,804,592	33,324,429	4,688,554	2,024,235
<b>Net liability recognized in the balance sheet:</b>				
PV of obligation at the end of the year	38,804,592	33,324,429	4,688,554	2,024,235
Assets at end of the year	41,069,135	32,390,568	-	
Funded status	(2,264,543)	933,861	4,688,554	
Net liability / (Fund) recognized in balance sheet	(2,264,543)	933,861	4,688,554	2,024,235
<b>Actuarial assumptions:</b>				
Discount rate	8.00	8.00	8.00	8.00
Salary escalation	6.00	7.00	6.00	5.00

**Note No.8****SHORT-TERM BORROWINGS**

Particulars	As at 31.03.2016	As at 31.03.2015
<b>A. Secured</b>		
Loans repayable on demand :		
a) Working capital loans from banks		
i) State Bank of Hyderabad	527,251,730	554,461,981
ii) Standard Chartered Bank	250,000,000	250,000,000
iii) ICICI Bank	2,052,583	50,464,024
iv) State Bank of India	808,381,576	769,027,298
v) Citi Bank bill discounting	-	46,823,691
vi) Ratnakar Bank	232,632,087	240,000,000
vii) Axis Bank	1,515,631	-
b) Over Draft from Banks :		
i) State Bank of Hyderabad	96,667,039	86,637,644
<b>Total</b>	<b>1,918,500,645</b>	<b>1,997,414,637</b>



## Note No.9

### TRADE PAYABLES

Particulars	As at 31.03.2016	As at 31.03.2015
Dues to : Micro and Small Enterprises	40,997,827	56,466,499
: Other than Small and Micro Enterprises	2,669,877,893	2,164,990,518
<b>Total</b>	<b>2,710,875,720</b>	<b>2,221,457,017</b>

#### Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006.

Based on and to the extent of information obtained during the year 2015-16 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 31.03.2016	As at 31.03.2015
	Rs.	Rs.
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	35,193,095	23,833,803
(b) Interest due there on	2,693,644	1,805,410
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date	-	-
Interest there on in terms of Sec 16 of the Act		
(b) Interest paid along with such payments during the year	-	-
(c) Interest due and payable at the end of the year on such payments made during the year	-	-
3. Amount of Interest for the year u/s 16 of the Act	-	-
Accrued and remaining un-paid at the end of the year	2,693,644	1,805,410
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	4,499,054	1,805,410

## Note No.10

### OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2016	As at 31.03.2015
a) Current maturities of long-term debt (Refer note no.4)	227,338,917	212,518,925
b) Current maturities of deferred credit payment to suppliers (Refer note no.4)	150,907,348	133,631,358
c) Current maturities of Mobilisation advances from customers (Refer note no.6)	416,879,280	327,467,371
d) Current maturities of retention money and security deposits due to sub-contractors (Refer note no.6)	64,774,675	268,758,061
e) Creditors for capital goods	16,336,876	15,763,832
f) Advances received from customers against supplies/works	126,080,626	270,087,345
g) Interest accrued and due on borrowings	375,728	412,124
h) Interest accrued but not due on borrowings	-	397,762
i) Unclaimed Dividend*	6,752,241	178,560
j) Share application money refundable	1,395,200	-
k) Staff security deposits & Others	-	386,334
l) Others:		
i) Employee related payments	255,966,932	106,515,064
ii) Statutory liabilities	173,496,280	80,033,142
iii) Other liabilities	166,277,068	163,778,390
<b>Total</b>	<b>1,606,581,171</b>	<b>1,579,928,269</b>

\* Represents Interim dividend for the Financial Year 2015-16

## Note No.11

## STATEMENT OF FIXED ASSETS

Name of the Asset	Gross Block			Depreciation			Net Block			
	As on 01.04.2015	Additions	Deletions	As on 31.03.2016	Up to 01.04.2015	For the year	Deletions	Up to 31.03.2016	As on 31.03.2016	As on 31.03.2015
Land	30,738,773 (25,277,084)	- (5,461,689)	-	30,738,773 (30,738,773)	-	-	-	-	30,738,773 (30,738,773)	30,738,773 (25,277,084)
Lease hold Land	20,356,419 (20,356,419)	-	-	20,356,419 (20,356,419)	248,249	248,249 (248,249)	-	496,498 (248,249)	19,859,921 (20,108,170)	20,108,170 (20,356,419)
Office Buildings	136,595,393 (133,186,404)	25,381,375 (3,408,989)	-	161,976,768 (136,595,393)	17,305,656 (10,817,375)	7,246,266 (6,488,281)	-	24,551,922 (17,305,656)	137,424,846 (119,289,737)	119,289,737 (122,369,029)
Plant and Machinery	498,356,541 (423,237,289)	152,404,113 (75,144,752)	250,000 (25,500)	650,510,653 (498,356,541)	296,168,694 (229,018,152)	85,007,035 (67,156,117)	131,685 (5,575)	381,044,044 (296,168,694)	269,466,609 (202,187,847)	202,187,847 (194,219,137)
Furniture and Fixture	38,495,564 (27,542,428)	6,661,545 (10,953,135)	-	45,157,109 (38,495,564)	26,477,459 (18,614,626)	9,226,129 (7,862,833)	-	35,703,588 (26,477,459)	9,453,520 (12,018,105)	12,018,105 (8,927,802)
Computers	43,273,345 (30,964,705)	5,425,378 (12,308,640)	-	48,698,723 (43,273,345)	24,753,126 (17,995,107)	6,960,962 (6,758,019)	-	31,714,088 (24,753,126)	16,984,635 (18,520,219)	18,520,219 (12,969,598)
Office Equipment	79,445,219 (60,481,082)	31,029,531 (18,964,137)	-	110,474,750 (79,445,219)	43,576,189 (29,027,515)	16,828,158 (14,548,674)	-	60,404,347 (43,576,189)	50,070,403 (35,869,030)	35,869,030 (31,453,567)
Mobiles	3,290,544 (2,578,998)	525,224 (711,546)	-	3,815,768 (3,290,544)	2,823,350 (2,261,367)	597,506 (561,983)	-	3,420,856 (2,823,350)	394,912 (467,194)	467,194 (317,631)
Cars & Jeeps	163,921,753 (133,752,954)	23,031,284 (37,363,105)	11,056,554 (7,194,306)	175,896,483 (163,921,753)	82,877,695 (61,237,395)	27,817,648 (25,751,228)	7,628,832 (4,110,928)	103,066,511 (82,877,695)	72,829,970 (81,044,057)	81,044,057 (72,515,559)
Vehicles	215,569,710 (160,352,017)	82,191,707 (58,423,466)	1,165,480 (3,205,773)	296,595,937 (215,569,710)	125,516,161 (101,979,674)	38,005,538 (26,570,260)	1,107,206 (3,033,772)	162,414,493 (125,516,161)	134,181,444 (90,053,549)	90,053,549 (58,372,343)
Cranes	1,697,389,920 (1,571,933,016)	73,204,572 (125,456,904)	8,378,000	1,762,216,492 (1,697,389,920)	567,474,607 (444,831,356)	131,886,922 (122,643,251)	-	699,361,529 (567,474,607)	1,062,854,963 (1,129,915,313)	1,129,915,313 (1,127,101,660)
Temporary Sheds	468,783,250 (395,647,423)	146,028,768 (73,135,827)	-	614,812,018 (468,783,250)	410,629,943 (324,609,487)	63,165,166 (86,020,456)	-	473,795,109 (410,629,943)	141,016,908 (58,153,307)	58,153,307 (71,037,936)
<b>Total (A)</b>	<b>3,396,216,430</b> <b>(2,985,309,819)</b>	<b>545,883,497</b> <b>(421,332,190)</b>	<b>20,850,034</b> <b>(10,425,579)</b>	<b>3,921,249,893</b> <b>(3,396,216,430)</b>	<b>1,597,851,130</b> <b>(1,240,392,054)</b>	<b>386,989,580</b> <b>(364,609,351)</b>	<b>8,867,723</b> <b>(7,150,275)</b>	<b>1,975,972,987</b> <b>(1,597,851,130)</b>	<b>1,945,276,904</b> <b>(1,798,365,300)</b>	<b>1,798,365,300</b> <b>(1,744,917,765)</b>
Power Mech Brand	24,000 (24,000)	-	-	24,000 (24,000)	17,355 (12,795)	4,331 (4,560)	-	21,686 (17,355)	2,314 (6,645)	6,645 (11,205)
Computer Software	18,823,831 (17,371,083)	900,000 (1,452,748)	-	19,723,831 (18,823,831)	7,783,923 (4,331,150)	3,672,774 (3,452,773)	-	11,456,697 (7,783,923)	8,267,134 (11,039,908)	11,039,908 (13,039,933)
Good Will	22,724,077 (22,658,738)	1,568,358 (65,339)	-	24,292,435 (22,724,077)	-	-	-	24,292,435 (22,724,077)	24,292,435 (22,658,738)	22,724,077 (22,658,738)
<b>Total (B)</b>	<b>41,571,908</b> <b>(40,053,821)</b>	<b>2,468,358</b> <b>(1,518,087)</b>	-	<b>44,040,265</b> <b>(41,571,908)</b>	<b>7,801,278</b> <b>(4,343,945)</b>	<b>3,677,105</b> <b>(3,457,333)</b>	-	<b>11,478,383</b> <b>(7,801,278)</b>	<b>32,561,883</b> <b>(33,770,630)</b>	<b>33,770,630</b> <b>(35,709,876)</b>
<b>Total (A+B)</b>	<b>3,437,788,338</b> <b>(3,025,363,640)</b>	<b>548,351,854</b> <b>(422,850,277)</b>	<b>20,850,034</b> <b>(10,425,579)</b>	<b>3,965,290,158</b> <b>(3,437,788,338)</b>	<b>1,605,652,408</b> <b>(1,244,735,999)</b>	<b>390,666,685</b> <b>(368,066,684)</b>	<b>8,867,723</b> <b>(7,150,275)</b>	<b>1,987,451,370</b> <b>(1,605,652,408)</b>	<b>1,977,838,786</b> <b>(1,832,135,931)</b>	<b>1,832,135,931</b> <b>(1,780,627,641)</b>

Note: Depreciation for the year includes an amount of Rs. 639,722 (Previous Year : Rs. 290,238) capitalised during the year

## Note No.12

## NON-CURRENT INVESTMENTS

Particulars	As at 31.03.2016	As at 31.03.2015
<b>(a) (i) Trade - Quoted</b>		
Investments in Equity Instruments		
a) 24 Equity shares of Rs.10/- each in Reliance Power Limited	6,750	6,750
<b>Total (a)(i)</b>	<b>6,750</b>	<b>6,750</b>
<b>(ii) Non-trade - Quoted</b>		
a) Investments in Equity Instruments		
200 Equity shares of Rs.10/ each in Assam Company Limited	11,301	11,301
b) Investments in mutual funds		
20000 units of SBI Infra structure fund - I - Growth Rs. 10/- each	200,000	200,000
<b>Total (a)(ii)</b>	<b>211,301</b>	<b>211,301</b>
<b>Total Quoted (a) (i+ii)</b>	<b>218,051</b>	<b>218,051</b>
Less: Provision for diminution in value of investments	15,885	15,885
<b>Total</b>	<b>202,166</b>	<b>202,166</b>
<b>Aggregate amount of : Quoted investments -</b>		
<b>At cost</b>	<b>218,051</b>	<b>218,051</b>
<b>Market value</b>	<b>214,620</b>	<b>237,720</b>
<b>Aggregate provision for diminution in value of investments</b>	<b>15,885</b>	<b>15,885</b>

## Note No.13

## LOANS AND ADVANCES

Particulars	Long-term		Short-term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Unsecured, Considered Good</b>				
a) Advances for Capital goods	42,254,345	25,154,405	1,504,800	-
b) Security deposits with Govt. authorities and others	75,426,477	36,759,172	-	-
c) EMD with customers	23,014,147	15,214,891	1,289,197	2,375,400
d) Advances to creditors against supplies and services	-	-	75,209,318	194,250,523
e) Advances to sub-contractors against works	-	-	1,457,437,059	1,088,772,401
f) Prepaid expenses	-	-	95,758,826	22,021,696
g) Employee related advances	-	-	16,939,753	12,693,518
h) Balances with Statutory Authorities:				
CENVAT credit receivable	-	-	28,960,902	29,522,130
Works contract tax (TDS)	-	-	64,750,380	55,154,023
Sales Tax Refund Receivable	-	-	10,136,147	6,302,076
i) Other advances	811,500	-	6,740,805	4,384,487
<b>Total</b>	<b>141,506,468</b>	<b>77,128,468</b>	<b>1,758,727,187</b>	<b>1,415,476,255</b>

Note: Works Contract Tax (TDS) represent works contract tax deducted by the customers under local sales tax laws and management is of the opinion that there is no sales tax liability in respect of works carried out and hence claimed as refund due from sales tax department.

## Note No.14

### OTHER ASSETS

Particulars	Non Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Unsecured, Considered Good</b>				
a) Long term trade receivables				
- Retention Money and Security Deposit with customers	1,750,308,621	1,566,079,431	814,344,173	702,634,492
b) Uncertified Revenue	-	-	2,649,119,295	1,697,839,178
c) Mobilisation advances to Sub-Contractors	-	-	13,403,969	33,342,897
d) Advance to MAS Power Mech Arabia towards expenses (Subsidiary Company to be incorporated)	-	-	4,354,957	4,285,949
e) Due from Chengdu Pengrun New Energy Development Company Limited (A Joint venture Company)	-	-	3,091,511	-
f) Contract expenses in respect of projects to be executed	-	-	-	10,036,641
g) IPO expenses to be written off	-	-	-	16,975,616
h) Balance in Gratuity fund (net of obligation)	-	-	2,264,543	-
i) Preliminary expenses	-	19,774	-	-
	<b>1,750,308,621</b>	<b>1,566,099,205</b>	<b>3,486,578,448</b>	<b>2,465,114,773</b>

Note: The bifurcation of RM / SD with customers between current and non current is made based on the terms of contract, time schedule in the execution of work orders, fulfilment of conditions for release of RM / SD and based on estimates by the management.

## Note No.15

### INVENTORIES

Particulars	As at 31.03.2016	As at 31.03.2015
a) Stores and spares	309,732,957	301,541,336
b) Capital Stores – Construction Material	2,403,014	14,041,724
c) Construction Work-in-progress	726,445	5,329,199
<b>Total</b>	<b>312,862,416</b>	<b>320,912,260</b>

## Note No.16

### TRADE RECEIVABLES

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Unsecured, Considered Good</b>		
Outstanding for a period exceeding six months	490,095,314	341,249,276
Others	2,237,139,308	1,612,405,312
<b>Total</b>	<b>2,727,234,622</b>	<b>1,953,654,588</b>

## Note No.17

### CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2016	As at 31.03.2015
1. Cash on hand	2,014,234	3,060,854
2. Cash Equivalents		
i. Balances with banks		
a. Earmarked balances with banks held as margin money against LC and guarantees (refer note below)	656,300,498	562,727,160
b. Earmarked balances with banks towards unclaimed dividends	5,185,696	169,810
c. In Current accounts	22,185,964	112,332,360
<b>Total</b>	<b>685,686,392</b>	<b>678,290,184</b>

Note:

- 1) Of the above, fixed deposits of Rs. 402,505,095/- falls due for maturity within 12 months from the date of balance sheet.
- 2) Of the above, fixed deposits of Rs.193,830,223/- falls due for maturity within 3 months from the date of balance sheet.

## Note No.18

### REVENUE FROM OPERATIONS

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>Contract receipts: (Net of Service tax)</b>		
Erection works	7,620,945,348	9,102,040,670
Civil works	2,037,723,496	1,749,264,964
Maintenance	3,754,619,202	2,764,751,515
Supply of material	420,658,348	33,895,424
<b>Other operating revenue:</b>		
Crane hire charges received	3,652,726	12,277,139
<b>Total</b>	<b>13,837,599,120</b>	<b>13,662,229,712</b>

## Note No.19

### OTHER INCOME

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Interest from banks and others	53,763,863	54,131,406
Profit on sale of assets	1,263,434	508,051
Dividend received	24	-
Difference in foreign exchange fluctuations	-	2,922,114
Provision for diminution in value of investment withdrawn	-	47,372
<b>Total</b>	<b>55,027,321</b>	<b>57,608,943</b>

## Note No.20

### COST OF MATERIALS CONSUMED

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Opening Stock	301,541,336	230,082,418
Add: Purchases of electrodes, gases and other consumables	1,204,964,254	841,500,747
	<b>1,506,505,590</b>	<b>1,071,583,165</b>
Less : Closing Stock	309,732,958	301,541,336
<b>Total</b>	<b>1,196,772,632</b>	<b>770,041,828</b>

## Note No.21

### CHANGES IN INVENTORIES OF WORK -IN- PROGRESS

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Opening work-in-progress	5,329,199	12,908,526
	<b>5,329,199</b>	<b>12,908,526</b>
Closing work-in-progress	726,445	5,329,199
	<b>726,445</b>	<b>5,329,199</b>
<b>Increase / (Decrease) in inventories</b>	<b>(4,602,754)</b>	<b>(7,579,327)</b>

## Note No.22

### CONTRACT EXECUTION EXPENSES

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Sub-contract expenses	7,903,278,125	8,923,607,838
Radiography charges	127,373,874	103,244,400
Hire charges	198,137,671	194,034,570
Rent at Project sites	144,436,819	80,577,426
Power and fuel	40,783,754	48,630,316
Insurance	13,078,266	16,226,933
Vehicles movement and other freight expenses	130,144,204	103,888,697
Repairs and maintenance : Plant and machinery	65,216,911	60,019,584
: Other assets	20,926,718	23,091,852
Fuel and vehicle maintenance	209,108,489	201,182,019
Travelling expenses at projects	136,172,709	45,645,685
<b>Total</b>	<b>8,988,657,539</b>	<b>9,800,149,320</b>

## Note No.23

### EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Salaries and Wages	1,112,911,654	836,129,129
Remuneration to managerial personnel	69,535,485	64,368,828
Contribution to provident and other funds	49,028,524	35,524,540
Staff welfare expenses	307,836,911	260,363,035
Contribution towards group gratuity	6,090,830	5,375,811
<b>Total</b>	<b>1,545,403,404</b>	<b>1,201,761,344</b>



## Note No.24

### FINANCE COSTS

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Interest paid to banks and others	300,146,141	270,349,406
Loan Processing charges	13,401,708	12,082,666
Interest on Income-tax	5,891,272	4,320,529
Exchange fluctuations on deferred credit payment	9,516,275	6,561,756
Interest on debentures	-	987,145
<b>Total</b>	<b>328,955,396</b>	<b>294,301,501</b>

## Note No.25

### DEPRECIATION AND AMORTISATION

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Depreciation	386,349,858	364,319,113
Amortisation	3,677,105	3,457,333
<b>Total</b>	<b>390,026,963</b>	<b>367,776,446</b>

## Note No.26

### OTHER EXPENSES

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Rents - Office	27,845,521	12,374,552
Directors Sitting Fee	1,575,000	1,140,000
Donations	69,230	260,812
Payments to auditors		
Towards Statutory audit	1,325,000	1,075,000
Towards tax audit and taxation matters	100,000	100,000
Rates and taxes	82,187,769	63,868,140
Miscellaneous expenses	132,398,148	125,350,037
CSR expenses	4,500,000	5,700,000
Loss on sale of assets	248,745	198,920
Exchange fluctuations	24,566,080	-
Pre-operative expenses written-off	-	1,417,955
Business promotion expenses	650,314	1,206,731
<b>Total</b>	<b>275,465,806</b>	<b>212,692,146</b>

## Consolidated notes to Accounts for the year 2015-16

(Amount in Rs.)

Note	Details	31.03.2016	31.03.2015
<b>27</b>	<b>Contingent Liabilities and Commitments</b>		
	<b>A. Contingent Liabilities</b>		
	<b>a) Claims against the Company not acknowledged as debts</b>		
	- Sales Tax	112,104,479	63,728,894
	- Service Tax	42,809,308	42,809,308
	<b>B. Commitments</b>		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	27,942,492	80,488,348
<b>28.</b>	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.	5,998,987,469	5,487,799,906
29.	CIF value of Imports made by the Company during the year		
	a) Consumables & Spare parts	593,839	200,854
	b) Capital goods	45,987,159	114,854,950
30	The amount remitted during the year in foreign currencies on account of:		
	a) Interest	530,409	5,986,961
31	Earnings in foreign exchange currency		
	a) Contract receipts (Projects executed outside India)		
	Yemen	-	708,619,805
	Abu Dhabi	122,580,163	129,820,675
	Bheramara	135,297,816	-
	Shuqaiq	1,307,739,707	-
	Libya	128,999,600	-
	Power Mech CPNED (JV) (PMPL - 50% Share)	55,469,164	-
32	Expenditure in foreign currency		
	a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
	Yemen	2,589,201	654,062,365
	Abu Dhabi	149,674,904	124,413,844
	Bheramara	112,108,420	159,834
	Shuqaiq	836,237,524	-
	Libya	54,761,515	-
	Power Mech CPNED (JV) (PMPL - 50% Share)	52,694,404	-
	Rent for Canada office	-	66,100
	b) Foreign Travel	1,445,398	337,389

## 33. Unhedged Foreign Currency Exposure

Sl. No	Amount Payable in foreign currency on account of the following:	Currency	As at 31.03.2016		As at 31.03.2015	
			Foreign Currency	INR	Foreign Currency	INR
			Amount	Amount	Amount	Amount
1	<b>Sundry Creditors</b>	USD	4,798,097	320,339,531	5,693,031	356,331,365
		AED	788,078	14,222,090	1,332,702	22,608,774
		LYD	53,544	2,591,976	-	-
		BDT	33,785,379	28,903,437	651,706	521,720
		SAR	10,080,465	177,196,962	-	-
2	<b>Advances from Customers</b>	USD	299,699	19,877,849	299,699	18,758,413
		AED	160,894	2,903,585	-	-
		BDT	77,391,645	62,673,726	26,708,654	21,381,462
		SAR	8,712,103	140,658,909	-	-
3	<b>Outstanding Expenses</b>	USD	31,676	2,100,942	28,800	1,802,615
		LYD	18,347	888,141	-	-
		BDT	389,396	314,617	62,637	50,143
		SAR	14,324	253,241	-	-
4	<b>Sundry Debtors</b>	USD	2,677,249	177,571,192	2,658,766	166,414,267
		AED	2,649,275	47,810,303	2,998,237	50,863,930
		LYD	915,562	44,320,462	-	-
		BDT	34,446,464	29,440,705	-	-
		SAR	8,739,431	154,695,354	-	-
5	<b>Advances given</b>	USD	74,626	4,949,619	187,812	11,755,290
		BDT	3,055,086	2,698,915	-	-
		SAR	434,128	7,771,474	356,083	5,917,303
6	<b>SDRM to Subcontractors</b>	USD	1,427,183	94,659,336	1,575,863	98,634,505
		BDT	671,381	577,299	-	-
7	<b>SDRM from Customers</b>	USD	2,227,336	147,730,280	2,227,336	139,410,735
		AED	92,054	1,661,256	233,995	3,957,992
		BDT	7,755,973	6,632,303	-	-
		SAR	2,902,073	51,567,843	-	-
8	<b>Foreign Letter of Credit</b>	USD	2,275,000	150,907,348	2,610,000	163,361,988
9	<b>Cash &amp; Bank Balances</b>	USD	1,381	91,590	1,381	86,432
		AED	99,994	1,804,556	215,627	3,598,334
		LYD	203,482	9,850,126	-	-
		BDT	4,061,834	2,048,253	28,176,901	22,555,691

**34. Expenditure on Corporate Social Responsibility**

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
a) Gross amount required to be spent during the year	18,770,724	15,803,486
b) Amount spent during the year (Contribution paid to Power Mech Foundation and HEAL)	4,500,000	5,700,000

**35. Significant Enterprises consolidated as Subsidiaries / Joint Ventures in accordance with Accounting Standard - 21 : Consolidated Financial Statements**

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest	Relationship
Hydro Magus Private Limited	INDIA	75%	Subsidiary
Power Mech Industri Private Limited	INDIA	100%	Subsidiary
Power Mech CPNED Services (Hong Kong) Holding Co. Limited	HONG KONG	50%	Joint Venture

**36. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary and Joint Venture**

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	99.56%	5,530,907,635	98.10%	742,807,338
<b>Subsidiaries &amp; Joint Venture</b>				
Hydro Magus Private Limited	0.29%	15,846,357	1.13%	8,565,570
Power Mech Industri Private Limited	0.02%	1,152,068	0.15%	1,152,068
Power Mech CPNED	0.05%	2,856,547	0.37%	2,774,793
Share of Minority	0.08%	4,385,137	0.25%	1,898,400
<b>Total</b>	<b>100%</b>	<b>5,555,147,744</b>	<b>100%</b>	<b>757,198,169</b>

**Annexure-A****Salient Features of Financial Statements of Subsidiary and Joint Venture as per Companies Act, 2013**

Sr. No.	Name of Subsidiary Company / Joint Venture	Reporting Currency	Share Capital	Reserves & Surplus	Other Liabilities	Total Assets	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	% of Shareholding
1	Hydro Magus Private Limited	INR	24,848,610	16,540,548	154,104,225	195,493,383	193,021,060	15,846,906	5,382,936	10,463,970	75%
2	Power Mech Industri Private Limited	INR	189,370	21,394,373	191,850,143	213,433,886	28,298,898	1,286,125	134,056	1,152,069	100%
3	Power Mech CPNED Services (Hong Kong) Holding Co. Limited	USD	1,290	86,090	196,415	283,795	1,720,992	87,422	-	87,422	50%

### Names of Subsidiaries which are yet to Commence Operations

Sr. No.	Name of Subsidiary Company
1	MAS Power Mech Arabia (MASPA)

### 37. Particulars disclosed pursuant to AS-18 'Related party transactions'

A)	i) Key Managerial personnel	- S Kishore Babu, Chairman and Managing Director of Power Mech Projects Limited - Jitendra Kumar Managing director of Hydro Magus Private Limited - Arbind Kumar Koul, Director and CEO of Hydro Magus Private Limited - K Shishir Kumar, Managing Director of Power Mech Industri Private Limited (up to 20.03.2016) - K Ajay Kumar, Managing Director of Power Mech Industri Private Limited (from 21.03.2016)
	ii) Relatives of Key Managerial personnel	S Lakshmi – Director W/o S Kishore Babu S Rohit S/o S Kishore Babu S Kishore Babu (HUF)
	iii) Companies controlled by KMP /Relatives of KMP	- Power Mech Infra Limited - Bombay Avenue Developers Private Limited - True Rrav Marketing Private Limited - Power Mech Foundation - Lakshmi Agro Farms

#### B) Transactions with related parties

Sl. No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP / Relatives of KMP
<b>i) Rent &amp; Electricity Charges Paid</b>				
a)	S Kishore Babu	2,880,000 (2,880,000)		
b)	S Lakshmi		960,000 (900,000)	
c)	S Kishore Babu (HUF)		350,000 (620,000)	
d)	S Rohit		990,000 (990,000)	
e)	Power Mech Infra Limited (Rent)			5,241,960 (-)
f)	Power Mech Infra Limited (Electricity Charges)			404,570 (-)
<b>ii) Remuneration Paid</b>				
a)	S Kishore Babu	60,654,485 (55,774,827)		
b)	S Rohit		2,283,146 (648,667)	
c)	Jitendra kumar	3,300,000 (3,175,000)		
d)	Arbind kumar koul	3,300,000 (3,175,000)		
e)	Shishir Kumar(Salary)	947,268 (275,013)		
<b>iii) Sub-Contract Expenses Paid</b>				
a)	Power Mech Infra Limited			508,283,651 (542,500,445)
<b>iv) Assets &amp; Stores Material Purchase From</b>				
a)	Power Mech Infra Limited			72,648,374 (-)
<b>v) Hire charges Paid</b>				
a)	Power Mech Infra Limited			- (346,000)
<b>vi) Donations paid</b>				
a)	Power Mech Foundation			3,000,000 (5,700,000)



## C) Balances outstanding as on 31.03.2016

i)	Due to Power Mech Infra Limited			83,479,115 (28,248,063)
ii)	Remuneration Payable			
	S Kishore Babu	22,861,628 (4,232,409)		
	Jitendra Kumar	1,006,244 (1,765,360)		
	Arbind Kumar Koul	891,974 (1,676,260)		
	Shishir Kumar	1,019,891 (78,939)		
iii)	Rent Payable			
	S Kishore Babu	216,000 (216,000)		
	S Lakshmi		72,000 (67,500)	
	S Kishore Babu (HUF)		63,000 (54,000)	
	S Rohit		74,250 (74,250)	

38. 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.

39. The Company has claimed an amount of Rs. 64,750,380 (As on 31.03.2015 Rs. 55,154,023/-) being the Works contract tax deducted by the customers and outstanding as on 31.03.16 in respect of works carried out in some of the states. The Company's management is of opinion that there is no sales tax liability in respect of the said works carried out and hence claimed as refund due and grouped under loans and advances. Sales tax liability, if any has arisen, on completion of assessments will be charged to Profit and Loss account.

## 40. Segment reporting

**Business Segment:** The Company predominantly operates only in construction and maintenance activities. This in the context of Accounting standard-17 'Segment Reporting' is considered to constitute only one business segment.

**Geographical Segment:** The Company has operations within India and outside India and the Segment information is presented in consolidated financial statements as mentioned in para 4 of AS-17.

Geographical Segment	Revenue for the year 2015-16	Segment Assets as on 31.03.2016	Capital Expenditure for the year 2015-16
With in India (Previous year)	12,060,259,539 (12,823,789,232)	11,497,818,549 (9,761,836,305)	310,861,705 (418,639,625)
Outside India (Previous year)	1,777,339,581 (838,440,480)	1,563,089,317 (717,503,139)	235,921,792 (4,145,313)

## 41. Calculation of Earnings per Share

Sl. No	Particulars	2015-16	2014-15
1)	<b>Basic Earning per share</b>		
	No. of shares at the beginning of the year	12,582,764	10,940,264
	Issue of shares on conversion (weighted avg no. of shares)	-	397,603
	Increase on account of Bonus Issue	-	1,080,000
	Fresh Issue on Equity on IPO (weighted avg no. of shares)	1,300,121	-
	Weighted average number of shares	13,882,885	12,417,867
	Profit after tax	755,299,769	714,038,904
	Less :Tax on preference dividend	-	313,217
	Profit after tax attributable to equity share holders and after minority interest	755,299,769	713,725,687
	Basic Earning per share	54.41	57.48

**42. Disclosure requirement under AS 7 'Construction Contracts'**

	Particulars	31.03.2016	31.03.2015
a)	Contract revenue recognized during the year	13,837,599,120	13,662,229,712
b)	Method used to recognise the revenue	% of Completion Method	% of Completion Method
c)	Method used to determine stage of completion	Physical proportion of work completion	Physical proportion of work completion
d)	Dues from customers	2,727,234,622	1,953,654,588
e)	Retention & SD amounts due from customers	2,564,652,794	2,268,713,923
f)	Due to Sub Contractors	2,212,225,069	1,785,744,164
g)	Retention & SD amount due to Sub Contractors	667,924,427	647,342,934
h)	Mobilisation advances from Customers	720,951,042	590,145,200
i)	Mobilisation advances to Sub Contractors	13,403,969	33,342,897

**43.** Previous year figures have been regrouped wherever necessary to confirm to current year classification.

As per our report of even date

**for BRAHMAYYA & CO.**

Firm's Registration Number: 000513S

Chartered Accountants

**(Karumanchi Rajaj)**

Partner

Membership Number: 202309

Place : Camp: Hyderabad

Date : 30.05.2016

**For and on behalf of the Board**

**S Kishore Babu**

Chairman and Managing Director

DIN: 00971313

**J Satish**

CFO

**M Rajendran**

Director & COO

DIN: 01879556

**Mohit Gurjar**

Company Secretary

## FORM FOR ECS MANDATE / BANK MANDATE

To  
 Karvy Computershare Pvt Ltd  
 Karvy Selenium Tower B,  
 6<sup>TH</sup> Floor, Plot No. 31-32,  
 Gachibowli, Financial District,  
 Nanakramguda,  
 Hyderabad - 500 032

Dear Sir,

I / We..... do hereby authorize Power Mech Projects Limited to

- Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Services (ECS) - ECS Mandate.\*
- Print the details of my Bank account as furnished below, on my dividend warrant which will be mailed to me- Bank Mandate\*

(\* Strike out whichever is not applicable)

Folio No ..... DP ID .....  
 (For Shares held in physical form) Client ID

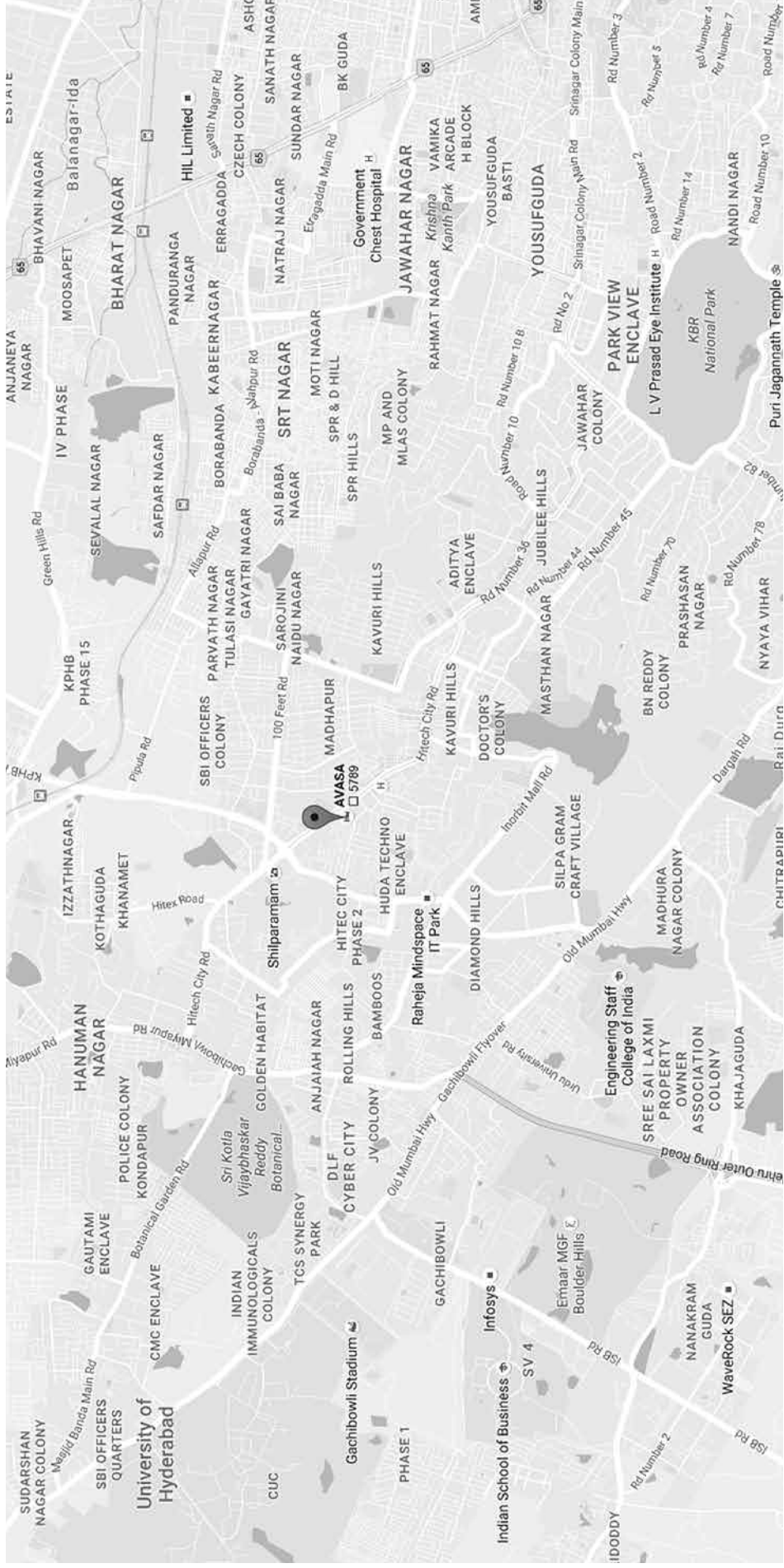
- A. Name of First holder
  - B. Bank Name
  - C. Branch Name
  - D. Branch Address (for ECS Mandate only)
  - E. Bank Account Number
  - F. Account Type (Saving / Current)
  - G. 9 Digit Code Number of the bank & branch
- Appearing on the MICR cheque  
 (for ECS Mandate only)

I hereby declare that particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Power Mech Projects Limited will not be held responsible.

**Signature of first named shareholder**  
 (as per specimen lodged with the Company)

Note: Please attach a blank cancelled cheque or a photocopy of a cheque issued by your Bank relating to your above account.

# Route Map to AGM Venue



**POWER MECH PROJECTS LIMITED**

CIN : L74140TG1999PLC032156

Registered Office: Plot No. 77, Jubilee Enclave, Madhapur, Hyderabad - 500081, Telangana  
Tel: +91 40 30444444 Fax: +91 40 30444400 E-mail: info@powermech.net www.powermechprojects.com

**Form No. MGT-11  
PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s): \_\_\_\_\_  
Registered Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Folio No./Client Id: \_\_\_\_\_ DP ID: \_\_\_\_\_

I/We, being the holder (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

- 1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her
- 2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her
- 3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her

As my /our proxy to attend and vote (on poll ) for me /us and on my / our behalf at the 17<sup>th</sup> Annual General Meeting of the Company, to be held on the 30<sup>th</sup> day September, 2016 at 11.00 A.M at Hotel Avasa, Madhapur Hyderabad - 500081, Telangana, India and at any adjournment thereof in respect of such resolutions as are indicated

Agenda Item	Vote *	Agenda Item	Vote *
No. 1		No. 2	
No. 3		No. 4	
No. 5		No. 6	
No. 7		No. 8	

Signed this .....day of ..... 2016

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Re. 1/-  
Revenue  
Stamp

Note: This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of Attorney, if any under which the Proxy Form is signed, not less than 48 hours before the time for holding the meeting and at any adjournment there of.



**POWER MECH PROJECTS LIMITED**

CIN : L74140TG1999PLC032156

Registered Office: Plot No. 77, Jubilee Enclave, Madhapur, Hyderabad - 500081, Telangana  
Tel: +91 40 30444444 Fax: +91 40 30444400 E-mail: info@powermech.net www.powermechprojects.com

**ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING**  
(to be surrendered at the venue of the meeting)

I certify that I am a registered shareholder / proxy / representative for the registered shareholder(s) of Power Mech Projects Limited.

Folio No:

DP ID\*:

No. of shares:

Client ID\*:

Full Name & Address of Shareholders/Proxy (in block letter):

Address: \_\_\_\_\_

I hereby record my presence at the 17<sup>th</sup>Annual General Meeting of the shareholders of Power Mech Projects Limited on 30<sup>th</sup> September, 2016 at the Hotel Avasa, Madhapur Hyderabad - 500081, Telangana, India.

Signature of Shareholder / Proxy / Representative (Please Specify):

Note: \* Applicable if shares are held in electronic form





## REGIONAL OFFICES – INDIA

### Eastern Region

Unit No. 3-6A, 6<sup>th</sup> Floor  
P S Magnum, VIP Road  
Opp Haldiram, Kaikhali  
Kolkata, West Bengal - 700052  
Tel: +91 8420768819  
E-mail: kolkatta@powermech.net

### Western Region

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

### Central Region

202, Parijath Apartments  
Vikas Nagar, Wardha Road  
Nagpur, Maharashtra - 440015  
Tel: +91 7103663000  
Fax: +91 7103663030  
E-mail: nagpur@powermech.net

### Northern Region

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

## SUBSIDIARY COMPANIES AND JOINT VENTURES

### Hydro Magus Pvt. Ltd.

H-113, Sector-63, 3<sup>rd</sup> Floor  
Gautam Budh Nagar  
Noida  
Uttar Pradesh - 201301  
Tel: +91-120-4622555  
E-mail: info@hydromagus.com

### Power Mech Industri Private Limited

Plot # A-8, Sector 80  
Noida  
Uttar Pradesh - 201301  
Tel: +91 8800993328, +91 9533583241  
E-mail: info@pmidustri.com

### Mas Power Mech Arabia

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

### GTA Powermech Nigeria Ltd

Abel-Abu Point, Ebute-Igbogbo Road  
Ikorodu, Lagos-104101  
Nigeria  
Tel: +234 0815 6161217  
+234 09071003872  
E-mail: p.subramanian@gta.uk.com

### Power Mech Projects Limited LLC

Office No: 103, 1<sup>st</sup> Floor  
Al Abri Centre, Al Hail North  
Oman  
Tel: +96824420528  
E-mail: bala@powermech.net

## INTERNATIONAL OFFICES

### UAE

#### Dubai - Regional Headquarters

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

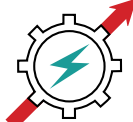
#### Abu Dhabi

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

#### Kuwait

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

**POWER MECH**



**Growth Unlimited**

## **POWER MECH PROJECTS LIMITED**

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