POWER MECH
Growth Unlimited

Date: 26.09.2020

To	To
The Department of Corporate Services,	National Stock Exchange of India Limited,
BSE Limited, P.J.Towers,	Exchange Plaza, BandraKurla Complex,
Dalal Street, **MUMBAI- 400001**	Bandra (E), **MUMBAI- 400051**

Dear Sir/Madam,

Sub: Compliance under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: BSE Scrip Code: 539302   NSE Symbol: POWERMECH

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith, the annual report of our Company along with the notice of the annual general meeting for the financial year ended 31.03.2020.

This is for your information and necessary records.

For Power Mech Projects Limited

POWER MECH PROJECTS LTD. Hyderabad

Mohith Kumar Khandelwal
Company Secretary

Encl:A/a

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POWER MECH

Growth Unlimited

POWER MECH PROJECTS LIMITED

Transformation
for sustained growth

ANNUAL REPORT 2019-20

CONTENTS

Transformation
for sustained growth

In today's rapidly moving world, 'change' is perhaps the only thing that can be called 'constant'. We live in a business environment that evolves constantly, with market conditions changing the face of traditional business models. The ability to adapt to change is therefore crucial for businesses to ensure growth and competitive advantage.

'Business transformation' is the ability of an enterprise to anticipate the winds of change well in advance, and be agile and flexible enough to not only cope with it, but take proactive and visionary steps to stay ahead of the competition.

Transformation revolves around the need to generate new value – spotting opportunities at the inflection points, and taking purposeful actions to deliver new efficiencies and growth.

At Power Mech, our well-executed growth strategies have enabled us to stay always ahead of the curve and competition and keep growing at a rapid pace. We take pride in our agility in responding to evolving opportunities of value creation. To that end, we are anchoring various initiatives with our strategic business priorities and are confident of making rapid strides amidst the evolving market dynamics.

Mission

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

Vision

To provide services with:

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

VALUES THAT SET US APART

01 PASSION

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

02 DILIGENCE

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

03 EXCELLENCE

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

04 CONTINUOUS LEARNING

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

05 SAFETY

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

06 QUALITY

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

Chairman's Message

Dear shareholders,

It is my pleasure and privilege to present your Company's 21st Annual Report. In this unprecedented era of COVID-19, presenting this report gives me a sense of satisfaction at what we could accomplish despite the huge headwinds we had to face. Perhaps for the first time in our history of over two decades, I am more constrained to talk about the adversities we face.

2020 is clearly destined to go down as an exceptional year in human history. COVID-19 has already delivered a severe blow to every business – infrastructure, construction, transport, hospitality industry, corporate, administration, services, governance, sports, and even religion. Nothing has been spared! It is in this scenario that your Company is emerging, almost unscathed - to our expectation, delight and desire - but, of course, not to our surprise.

The impact of the Corona virus started casting its shadows during the last quarter of FY 2019-20 and started intensifying and spilling over to the next. However, your Company understood the fact that our thinking and strategy had to be different and our reflexes had to be faster for emerging stronger on the other side!

We did everything possible under the sun and regrouped ourselves to face the situation. Being manpower oriented, there was no escape from the physical presence of manpower and machines at places of execution. It was truly a huge task demanding a lot of planning, skill, and manoeuvring. The migration of workers back to their native places made things doubly difficult, right from remobilization to resuming work. In this situation, our employees have shown exemplary courage and were smart in their delivery pattern and got things moving.

'Early birds get their worms'. In our case we seldom slept!

It was a disappointing year for the business world! Your Company also had to swim against a stream of challenges and adversities. With restricted movement of men and material, we were struggling in keeping the projects moving. However, we were experimenting with all possibilities and mobilised all resources at our command. It was the O&M segment that kept our flag high and flying. All the power plants under our contractual care were in operation and feeding the grids without interruption. The entire SBU truly deserves our compliments and appreciation for their contribution in maintaining the continuity of one of our core services.

For the first time in the history of Power Mech, we are facing what can be described as a 'slip'. The recent few months of FY 19-20 & FY 20-21 regrettably showed underperformance. I accept this with all humility. It is unprecedented in the history of Power Mech that two consecutive quarters have shown an underperformance. Even in our wildest dreams we would have never imagined that the lock-down would be extended for a period this long. There is still uncertainty prevailing and we are yet to see the light at the end of the tunnel. However, much we were prepared in other areas, including execution, we were certainly proved to be vulnerable to the deadly virus. Since most of our projects are manpower-oriented demanding close proximity with one another, we could not do much during the critical days. Your Company requested the employees to work from home, which is unusual for a construction Company. Moreover, the migrant workers started fleeing to their home-towns once the lock-down was relaxed. However, things are slowly but steadily improving and the migrant workers have started returning to the sites. There is still fear among the workers, which we are attending to sympathetically to make them overcome their apprehensions.

The flip side of COVID-19 is that we have strengthened our infrastructure to handle 'Work From Home'. The Company has been showing extreme resilience and our employees have been putting in their best efforts in these unprecedented circumstances. The productivity is slowly getting back on track. I am confident that this is only a passing phase and better future is ahead because of the steps that we have already started implementing.

Even with the adverse environment, we managed to narrow down the differences of various fiscal parameters between FY 2019-20 and 2018-19, as being reported here. The total income, EBITDA and PAT are reported at ₹2,174 cr, ₹280 cr, and ₹131 Cr respectively for the FY 19-20 whereas those for FY 2018-19 stood at ₹2,275 cr, ₹305 cr, and ₹122 Cr respectively. There is a slip, for sure, but not a fall! It is manageable and will be overcome in the coming years!

It has been a phenomenon for your Company to convert Q4 more active in terms of generation of revenue, complimenting the other quarters of the year. But unfortunately, the lock-down due to COVID-19 impacted our operations adversely. FY 2019-20 also saw the cancellation of some orders causing a dip in turnover for this Financial Year. The EBITDA margin suffered a setback due to additional subcontracting cost, manpower cost and lower productivity during the lock-down.

In spite of all these headwinds, the overall profitability for the year was able to touch an all-time high of ₹131 Cr as against ₹122 Cr during the preceding financial year.

It is mainly due to a decrease in depreciation cost and benefits on account of exercising the option to adopt lower corporate income tax rates under Section 115BAA of the Income Tax Act, 1961.

It is interesting to analyse the revenue mix segment-wise! While the O&M segment revenue pie has gone up from 25% last year to 30% this year, Erection, Testing and Commissioning (ETC) shot up from 33% to 34%, Electrical business from 5% to 7%, and Civil and others including Railways dipped from 37% to 29% of the total contract revenue.

Our order book value gives us hope, encouragement, and confidence for a bright future, pushing the Company to convert the order book into revenue.

The achievement in securing quality new orders gives me great satisfaction. Despite adverse conditions and many challenges, Power Mech has secured orders worth ₹2,836 Cr during FY 2020-21 till date, whereas we could secure only ₹1,952 Cr during the entire FY 2019-20. This is bound to provide a comfortable order base for ensuring sustained growth for the next three years.

As I am presenting the report, your Company is holding a robust order backlog of ₹7,137 Cr favorably distributing among segments ETC at ₹2,551 cr, O&M at ₹1,136 cr, Electrical at ₹277 cr, and Civil & Others at ₹3,173 cr. Encouragingly, the international order backlog stands at ₹1,212 Cr out of the total order back log of ₹7,137 Cr as on date. The opening executable order backlog as on 1st April 2020 was comfortable at ₹4,575 Cr (ETC ₹2,054 cr, O&M ₹996 cr, Electrical ₹298 cr, and Civil & Others ₹1,227 cr) and set the tone for the year 2020-21. If we consider the ratio between the execution and backlog during the past few years there is strong visibility for Power Mech to grow steadily in the next three years with the present orders backlog. The constituents of the order book are naturally looking different from those of previous years as the Company keeps diversifying and expanding to new areas, thereby giving new orientation.

As your Company marches into the third decade, we need to look back at our achievements and look forward to drive the Company ahead with a vision and direction during the current decade 2020-30. As we have discussed, the business environment has undergone sweeping changes, and business profiles and many sectors of business had varied contribution with the changing market dynamics.

We had way back diversified our fields of operation and ventured into new businesses and expanded geographically too. FY 2019-20 can be seen as a continuity to the previous financial years where we had discussed about opportunities in certain new avenues. Some of the potential fields included Petrochemical, Railways, Civil, O&M, Erection, Testing and Commissioning (ETC), Electrical installations, Material handling, Water treatment, Irrigation, Steel, Cross Country Pipeline, etc. The new initiatives are showing good dividends. I am happy to note that there are visible results arising out of our strategic planning for long term investments. There is an impressive progress in the Steel, Petrochemical, Irrigation, etc. sectors and I am hopeful that there will be a healthy competition between these segments for superior showing in revenue shares of the Company. The day is not far off when these segments shall become independent entities for compulsive and competitive survival. Like the branches of a Banyan tree reaching the ground and holding the tree together, these new ventures will be shouldering the Company and progressing at the same time.

The Company's growth and profitability have to be aligned with the changing market environment, which is why we are focusing our business on sectors other than the power sector.

The non-power sector is the key for charting the Company's growth in view of huge investments planned as part of National Infrastructure Pipeline (NIP) worth ₹111 lac Cr in the next 5 to 6 years by the Government of India. The Company has already been in the fray in many segments where investments are taking place as per the NIP document. The Company is also synergizing the resources and expertise to dwell across the new segments of business without additional investments in manpower and capital. The Company will aim and transform the business to the new areas being made available as per the NIP plan document. Transforming the Company into an engineering and manufacturing base with backward integration will be our priority to bring in value addition, higher sales, and profitability.

Further expansion to business related to Railways, Roads, Steel Plant works, Material Handling works, Oil and Gas sector, Cross Country Pipe lines, Urban Infrastructure projects is on the anvil. O&M will continue to be our key driver, doubling in the next 4 to 5 years. Apart from O&M, increased penetration into the domestic sector of IPP base, Utilities of Central and State, Captive Thermal power base, integrating the spares business through in-house manufacturing and to make concerted efforts for more penetration into the non-power sector is strategically planned.

The Company has strongly established its presence in the Middle East and Africa, undertaking ETC projects. In the last 2 years, the Company has also established its presence in the O&M space in the Middle East and North Africa.

The beginning was made in the previous year in view of the huge installed base of about 300 GW. The initial opportunities were related to manpower supply for some of the shutdown jobs followed by overhauls, repair, capital overhauls, etc. The focus is to expand with country wise profile in the Middle East as the first stage for similar works, and then look for major opportunities for long term contracts.

A good amount of experience has been gained in civil works for power projects and also for some of the infra projects in the last 8 years and your Company has established an SBU with an experienced organization structure for the implementation of civil works. The advent into the non-power and infra sectors has boosted the civil share of the business and currently it stands at 29% of the total revenue in a hugely diversified service profile encompassing Power, Irrigation, Technology Parks, Railways and Industry including other non-power business. A similar approach also will be adopted in the case of other non-power sectors related to Refineries, Steel Plants, Fertilizer Plants, Roads, Cross Country Pipe Line Works, Material Handling Contracts, etc.

The Government of India has plans to make massive investments in the modernization of the Indian Railways and track doubling, expansion of the railway network, launching of the Mumbai-Delhi Bullet Tain High-Speed Network, and establishing new workshops for repair, station modernization works, and electrification works. Railways had a capital budget of ₹1,60,000 Cr in FY19-20, and in the current year of 2020-21 the planned spending is ₹1,61,042 cr. The major thrust for this year and the next two years is related to gauge conversion for 3,750 kms, broad gauge electrification of 6,000 kms, and 4 station redevelopment plans. Your Company has made major strides in undertaking as many railway projects. It is a pleasure to note that when projects like railways are very demanding in quality, your Company is able to complete them on time and it even claimed incentives for early completion of the project at Gudivada, A.P. With 7 projects on hand in railway, Power Mech is poised for aggressive growth and make 15% revenue from this business in the next 3 years.

Another potential opportunity is in the Roads and Airports segment. Road network expansion is taking place at breakneck speed, and there are opportunities available for choosing. However, such a foray will be done on a selective basis based on feasibility of execution and managing all the risks. As per the NIP document, the investment planned for the current year is about ₹3,83,283 Cr in the road sector and ₹21,633 Cr for the airport investment. Your Company has been making efforts to enter the road sector on EPC Model. The first success has been achieved for Hassan Channarayanapatna bypass road project being implemented by NHAI in Karnataka, involving a bypass road and connected roads of about 77 kms with a contract value of ₹555 cr, and the second success has been achieved for the Aizawl-Tuipang Section of NH-54 in the state of Mizoram involving widening and upgradation to 2 lanes with paved shoulder configuration and geometric improvement, awarded by NHIDCL for a contract value of ₹446 cr.

In the case of airports, the policy of the government is to improve the air connectivity with the development of new airports, expansion of existing airports, and ultimately having airports and air connectivity to each of the District centres under 4 categories of A, B, C, and D. The area of interest to the Company is in the category C and D, with investments in the range of ₹300 Cr to 1,000 cr, and some opportunities have been identified.

The Company has made good progress in the electrical business. The Company has successfully completed a distribution works project of 33 KV lines, 33/11 KV substations, and 11 KV and LT lines under the DDUGJY scheme before schedule in MPMKVVCL. The Company is also successfully executing some major projects like railway electrification works for 727 TKM under Central Railways, 220 KV and 132 KV transmission lines in Assam, and 132 KV substation works in Nagaland under Power Grid Corporation of India Ltd. Your Company is capable of undertaking complete EPC jobs of transmission and distribution lines, substations up to 765 KV, and railway electrification works. However, the Company is quite selective in its approach for bidding the projects to suit to our requirements in terms of cash flow, profitability, and client financial conditions.

Interestingly the Company has taken initiative in water systems, particularly in the field of Sewage Treatment Plant (STP) and work involving about ₹153 Cr is being executed at Palwal and Karnal. At present, 65% of the urban needs still have to be brought under the STP scheme and this has thrown up huge opportunities across the country.

The latest efforts have been focussed on entering into the EPC business related to turnkey material handling contracts in Power, Minerals, Coal and other sectors. It is important to note that the Company has established excellent construction skills and management of execution of large contracts and the idea is to integrate the engineering and procurement functions. Coal India Ltd, through its subsidiaries, has initiated plans for mine side coal handling plants for conveying coal to the railway wagons for faster movement of coal from the mining locations to various end-users with the total investment planned to be around ₹15,000 cr, to be spent in the next 3 to 4 years. At present the Company, having tied up with Thyssenkrupp India Ltd. (TKII) and Promac Engg Industries Ltd. (PEIL), is planning to bid for about 4 projects coming up in the states of Chhattisgarh, Jharkhand and Odisha. This model is also being planned in segments related to thermal power plants and other segments as per mutual agreement with JV Partners. Since there are considerable opportunities in mineral and coal segment, it is expected that the Company will foray into the EPC business of material handling contracts with a substantial impact.

I would like to conclude with a higher degree of optimistic note for the future. I can vouch from my heart that we will be encountering one of the brightest years ahead. I can foresee some drastic developments in all fields and areas of business and social order. The need for the hour is some attitudinal changes in our way of conducting ourselves. Almost gone are the days when the usual ways would win dividends. May be unusual ways! May be untried paths! May be an unfamiliar world order!

I am confident that your Company shall sprout and blossom for which I seek your support. I take this opportunity to thank all my employees whom I referred earlier with profuse tributes for their untiring support and for being by my side. I also thank my colleagues in the board who have been extending extraordinary encouragements. I am grateful to all the financial institutions, banks, central and state government officials from different departments, auditors, and scores of our vendors and dependents. I express my explicit gratitude to all the shareholders for their watchful support, guidance, and good wishes.

Sajja Kishore Babu,
Chairman and Managing Director

The First Two **Formative Decades**

The Power Mech story began in 1999. Our first two decades had been very eventful.

They were marked by **determined efforts to gain market entry into various elements of India's power sector.**

Progress seemed slow and challenging in the initial phases, but we persevered with diligence.

Once we found our momentum, we accelerated our progress at an impressive pace year after year, and **accomplished several milestones in Erection, Testing and Commissioning (ETC) and Maintenance jobs** within just the first seven years of our commencement of business.

We soon established ourselves as a '**SERVICE PROVIDER OF CHOICE**' for a large customer base in the sector, and registered a **heart-warming milestone in FY 2013-14 by posting a total Income of ₹1,000 Cr.**

By then, our **wide-ranging service portfolio** encompassed:

- ETC of thermal plants
- Operations and Maintenance (O&M) activities related to overhauls, repair, maintenance & making major entry into long-term O&M business
- Diversification into civil and structural works of power plants

Soon thereafter, we made a major **breakthrough into high-performance super-critical thermal units,** which was quickly followed by:

- Entry into exports business
- Expansion of our service offerings to the infrastructure sector, petrochemicals, steel plants, industrial technology parks and railway works, etc
- Extension of ETC services to the non-power sector

All this increase in the scope of our operations resulted in the **doubling of our revenue in just five years,** with Power Mech crossing total income of ₹2,000 Cr in FY 2018-19, which was another heart-warming milestone in our journey of excellence.

3rd Decade of **Marching Forward**

As Power Mech steps confidently into its third decade of operations, it is important that we reflect on how we had fared in the past, what we need to do for the decade ahead, and how we shall go about it.

Under the guidance of our Board of Directors, we are charting our way forward to the year 2030 with a clear vision and direction.


2x660 MW Super Thermal Power Project, Maitree, Bangladesh

Non power sector is the key for chartering Company's growth in view of huge investments planned as part of National Infrastructure Pipe line (NIP) with investment of ₹111 lac Cr in the next 5 to 6 years by Government of India, and the Company would like to align and transform the business to work on the new areas of business available as per NIP plan document.

Transforming the Company into an engineering and manufacturing base with backward integration to bring in value addition and higher revenue and profitability growth. In this regard some key sectors being identified.

Employing more IT enabled infra inputs for better asset management and utilization of the asset base invested in major material handling equipment, and improving the gross utilization of capital resources.

Gradual transformation to be comprehensive service provider in providing both engineering and project related solutions for higher value additions.

Further expansion to new areas of business related to Railways, Roads, Electrical, Steel Plant works, Material Handling works, Oil and Gas sector across the value chain of working in new plants for capacity addition, Cross Country Pipe lines, Urban Infrastructure projects, etc.

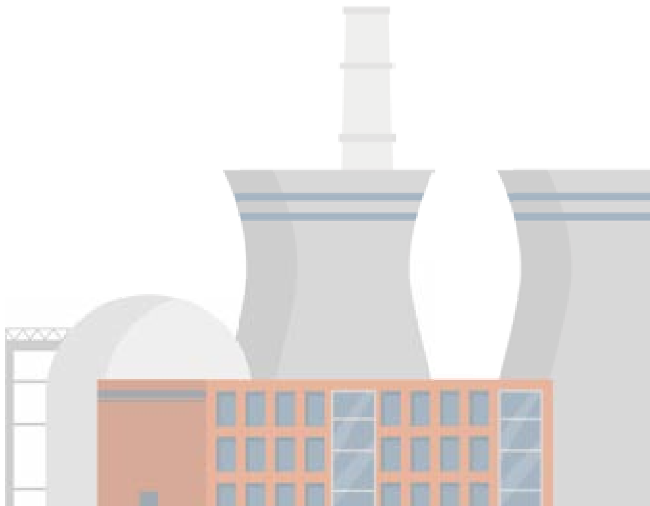
More focus on heavy steel fabrication works with investments planned for a heavy fabrication shop to reduce the site costs and better and faster delivery and adding to the business growth in various sectors both in Power and Non Power sector.

Better utilization of assets of the NOIDA manufacturing unit for expanded spares business and also product offering for various industrial applications.

O&M will continue to be a key driver as a robust arm of business vertical and its continued expansions into Non Power sector and the aim is to double the O&M business in the next 5 years.

Gradual transformation to be comprehensive service provider in providing both engineering and project related solutions for higher value additions.

Deploying IT enabled services for better utilization of manpower deployment and productivity improvement measures in site works.



Global Presence.
Indian Roots.

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

Overseas Business
₹447 Cr
(21%)

Domestic Business
₹1,718 Cr
(79%)


Kazakhstan
Jordan
Iraq
Kuwait
Bhutan
Saudi Arabia
Bahrain
UAE
India
Bangladesh
Oman
Yemen
Sudan
Srilanka
Existing Geopraphies
Exploring New Geographies

Our **Strengths**

Comprehensive service provider in Power and Non-Power Sector

Largest service provider in O&M space for Thermal Power plants

Well diversified business profile with stable revenue and margins

Robust Financials

Huge Asset Base with over 300 cranes and other construction equipment's

Strong supply chain service support for effective project execution

Large talent pool with experienced management team with strong industry background

Strong execution capabilities across verticals meeting customer expectations

Very strong cross functional teams across Business Development, Operations, Finance, Execution, Project and Construction Management

Marquee clientele: Long-term relationships with major OEM, EPC players and Utility Companies

Project handling capabilities across the globe

Qualified Independent Board & Good Corporate Governance

Business **Strategy**

Expanding the services footprint & leveraging technical expertise to target higher margin contracts

Backward and forward integration has been at the core of the Company's business consolidation and growth, and this motto continues to drive the future endeavors.

Further expanding O&M profile and increased penetration in the domestic sector of IPP base, Utility sector of Central and State utilities, Captive Thermal power base and integrating the spares business through in house manufacturing base and to make concerted efforts for more penetration into the non-power sector.

Entering into value-added services by synergizing the existing ETC capabilities into non-power sector for increased business growth in metal, steel, minerals, petrochemicals etc.

To integrate the construction capabilities with EPC opportunities available in material handling jobs using the strong Civil and ETC base already established for improved growth.

Further geographical expansion in export space and consolidation of business in Middle East, Africa, Bangladesh for new investments in petrochemicals, refineries, desalination plants and more focus for expanding the O&M business by tie-ups with Developers, EPC players and O&M operators.

Identifying feasible and rewarding EPC contracts in infra segment in Railway, Roads, Urban Infra Development, Energy, Transmission and Distribution networks as part of National Infrastructure Pipeline (NIP) initiative and take advantage of new investments being planned in the next 5 to 6 years by synergizing the existing capabilities for more diversified growth with profitability

Continued efforts to foray into FGD retrofit investments taking place with suitable tie-ups with EPC players and technology providers and in the new investments expected in the rehab of the power sector.

Enhancing project execution capabilities and project delivery mechanism for better utilization of existing assets, human and capital resources for improved asset turnover, and strengthening IT infra for real-time project execution and timely execution of projects.

Infrastructural Development Works at Andhra Pradesh Med Tech Zone, Visakhapatnam, AP

1516 MW IBRI Independent Power Project, Oman

Performance Highlights

4,575

(₹ Cr) Total order book, as on 31.03.20

3,266

(₹ Cr) Total Domestic order book, as on 31.03.20

Dangote Refinery & Petrochemical Project, Nigeria

1X 660 MW, Harduaganj TPS, Kasimpur, Aligarh, UP

1,309

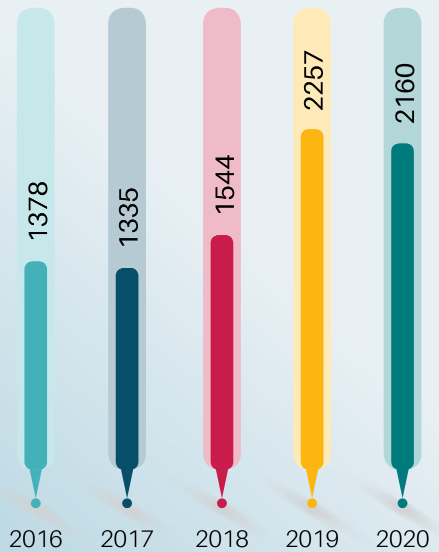
(₹ Cr) Total International order book, as on 31.03.20

1,952

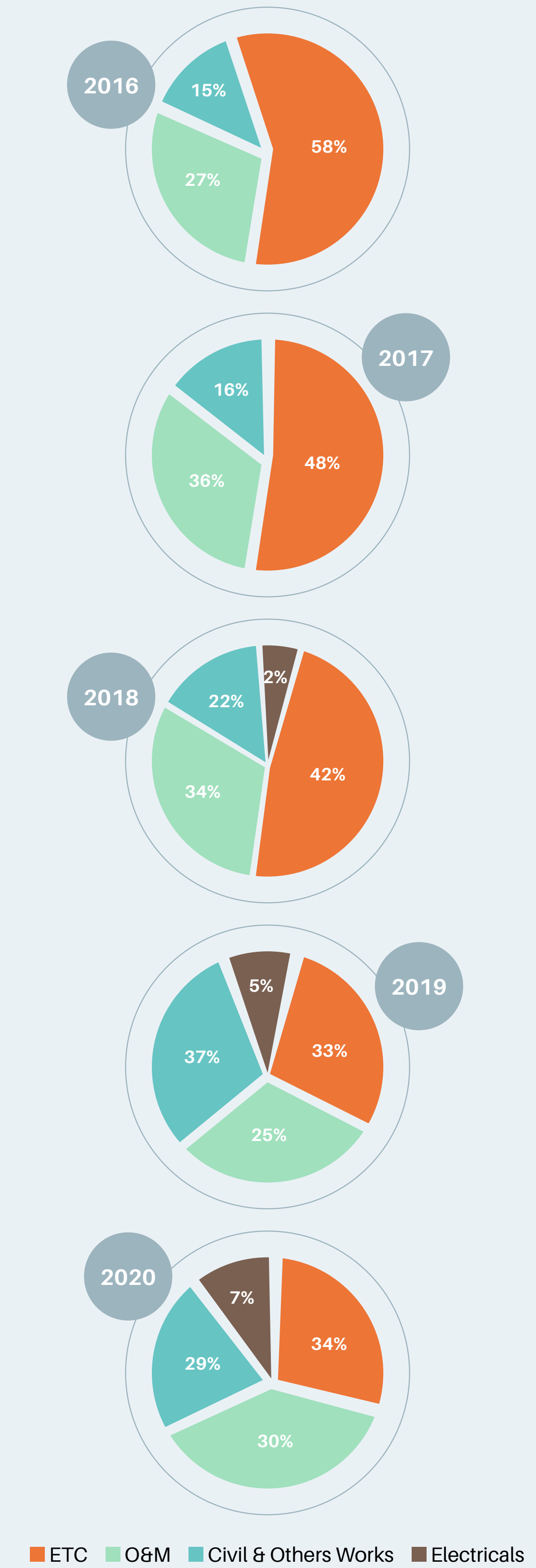
(₹ Cr) Order Inflow during FY 19-20

Our **Performance** Over the Years

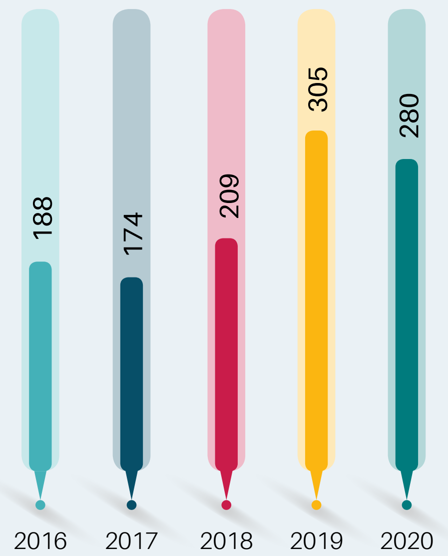
Contract Revenue (₹ Cr)



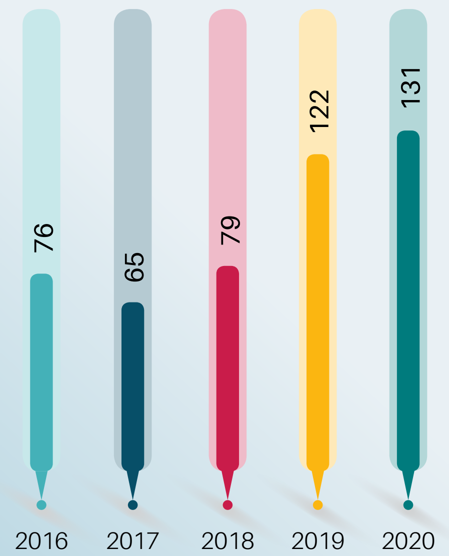
Contract Revenue Mix(%)



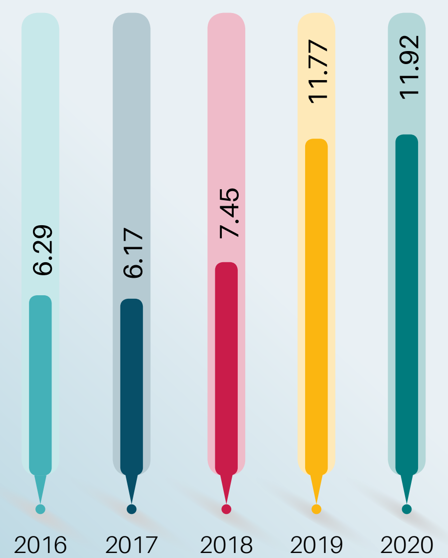
EBITDA (₹ Cr)



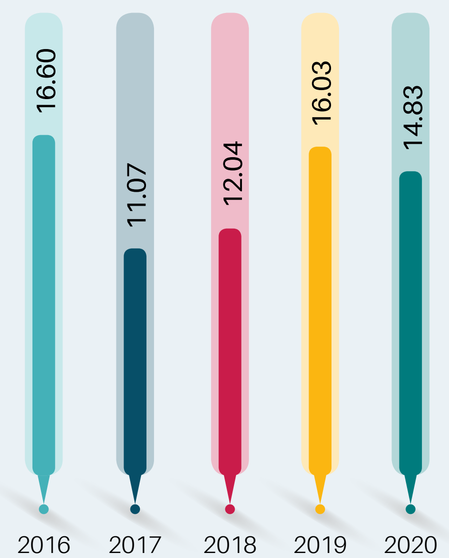
PAT (₹ Cr)



Asset Turnover

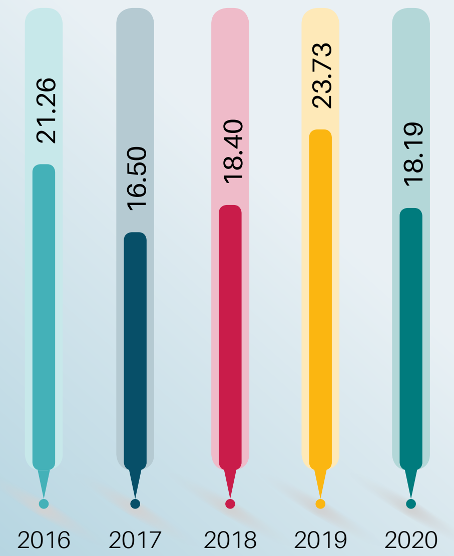


RoE (%)

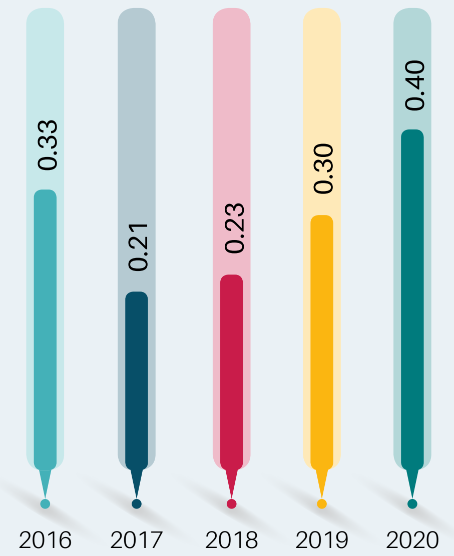


...Our Performance Over the Years

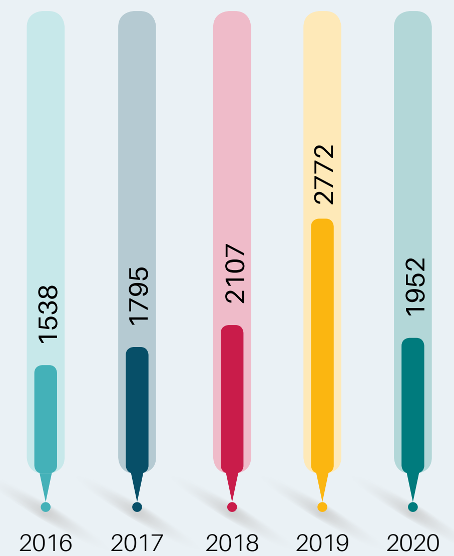
RoCE (%)



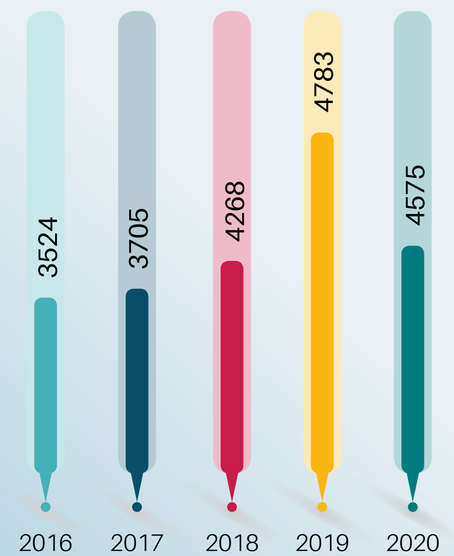
Net Debt-Equity Ratio



Orders Inflow (₹ Cr)*



Orders Backlog (₹ Cr)*



* Excluding orders cancelled / suspended

Strategic **Business Units**

Power Mech Projects Limited is one of the leading infrastructure-construction companies offering a spectrum of services in power and infrastructure sectors, with a significant global presence. The Company during the two decades of existence has undertaken projects of all types, sizes and under extreme environments in India and abroad.

True to the spirit with which the Company was established, the diversification process was initiated well ahead of time and the Company operates seven strategic business units.

- Industrial Construction
- Infrastructure Construction
- Electrical Transmission & Distribution
- Overseas Business
- Industrial Services
- Hydro Power & Water
- Manufacturing & Heavy Fabrication

220MW / 212 MW, CCPP, Bhola, Bangladesh

Industrial Construction

3X660 MW, STPP Stage-I, Barh, Bihar

The Industrial Construction Business Unit covers Erection, Testing and Commissioning (ETC) of projects in Power, Oil & Gas, Steel, Minerals etc. A robust team consisting of engineers, trained technicians, and a huge workforce is solidly behind in executing projects at blistering pace and precision. In the power sector, the Company has executed ETC of coal-based power plants with complete boilers, turbines and generators (ETC-BTG) and balance of plant (BOP) works, for various sizes and scale starting from subcritical to supercritical units and Ultra-Mega Power Plants (UMPPs) with unit capacities ranging from 150 MW to 800 MW. Taking advantage of huge investments in coal-based power plants, the capacity addition leapfrogged from 62,131 MW in 2002 to 2,05,134 MW by March 2020. It is a matter of record that the Company utilized this opportunity for growth and worked in undertaking about 64 Boiler units, and 98 TG units, and worked on installed base of 64,000 MW capacity addition for undertaking erection testing and commissioning (ETC) works of main plant equipment. It is a matter of pride that today the Company is the largest contributor in the Country for the installation of the high performance supercritical units of 660 MW to 800 MW with ETC of 18,180 MW out of total installed base of these units at 57,750 MW of coal-based power plants.

The Company provides integrated industrial construction services to gas-based power projects, HRSG, WHRB, CFBC boilers, steam turbine generators, steam generators including auxiliaries, ESPs, hydro turbines and BOP packages, including structural steelworks, ash handling, coal handling, fuel oil systems, SCR & FGD, nuclear projects, and high-pressure piping works. In the non-power sector, the Company undertakes projects covering a range of industries including Hydrocarbon, Cross country pipeline, Oil & Gas, Steel, etc. In view of the subdued and much lower level of investments happening in the 13th Plan in coal-based power plants, the Company is now focussing more on other non-power sectors for ETC business and considerable headway has been made in this direction in undertaking works, for cross country pipelines, steel plant construction works, and also in petrochemical segment.

Growth Opportunities

Continue to play a dominant role in the ETC business of the new projects in pipeline of about 8,000 MW in coal-based plants. Focussing on new projects at Buxar 2x660 MW, Khurja 2x660 MW, Yadadri 5x800 MW

The new expansion in steel plant capacity of JSW at Vijayanagar, Dolvi, Monnet Ispat, Mineral and Coal handling facilities coming up with NMDC, CIL, Adani etc

FGD retrofits with major investments being implemented by NTPC and other utilities

New investments in the oil and gas sector of ₹1,95,000 Cr being planned covering all aspects in this sector

Key Accomplishments

Partnered in capacity addition of 64 GW and worked in 64 Boiler units and 98 TG units up to 800 MW capacity in various parts of India

Constructed India's first 800 MW Supercritical Unit, CGPL (Tata) at Mundra, Gujarat

Executed India's only two UMPPs, 5X800 MW Mundra and 6X660 MW Sasan. Much shorter cycle times of 32 to 34 months achieved in erecting 4 nos of 660 MW Super Critical Boilers at Sasan

The Company is the largest contributor in the Country for the installation of the high performance supercritical units of 660 MW to 800 MW with ETC of 18,180 MW out of the total installed base of these units at 57,750 MW of coal-based power plants

Executed more than 24 lacs MT of erection and 1.75 lacs MT of structural fabrication and erection works

Largest single block erection at Chhabra TPP – Ceiling girder block along with headers, roof panel of 3,030 MT using advance Strand Jack technology to reduce cycle time

Sasan UMPP – 34,000 MT of erection achieved in a single year and 11,651 weld joints executed in a calendar month

Achieved installation of 3,95,000 MT in 2013-14, the highest capacity achieved for any construction Company in Power Plant installation works

Completed IOCL Project 16'' OD cross country pipeline laying work along with other associated works to a distance of 22.5 KM at Ennore, Chennai, Tamil Nadu

Laying of 18'' OD cross country pipeline has been completed for 74 KM IOCL Project at Ramanathpuram, Tamil Nadu

Successfully completed the hydro test in the cross country pipeline, Mundra-Kandla Project at Mundra, Gujarat for 22 KM under Adani-Howe

Achieved supply, fabrication and erection of 18,000 MT work at JSW – Dolvi Steel project for its expansion programme

Successfully completed India's first FGD retrofit work for GE at Vindhyacal for 1x500 MW unit

Infrastructure Construction

The business unit has been providing extensive services from the year 2010 and has executed major projects, critical works and massive foundations. An exclusive subdivision is in place for executing large scale civil foundations, buildings and architectural works for power plants and other infrastructure projects in a hugely diversified service profile in this area of business with various segments encompassing Power, Irrigation, Technology Parks, Railways etc. The business unit holds highly experienced engineers and professionals drawn from reputed organizations in respective fields and is resourced with modern plant & machinery for timely and quality delivery. The civil works are a major source of top-line growth for the Company, and it has facilitated in synergising the site operations for the larger share site construction works while undertaking equipment installation works also. This synergy of undertaking both Civil and ETC works in the same site has propelled the Company to play a major role of single-point service provider for all construction solutions for project execution.

1X660 MW Bhusawal TPS, Maharashtra

Growth Opportunities

Focussing on available new power plants opportunities of 8,000 MW of civil works

Ongoing investments of ₹1,60,000 Cr in railway infrastructure augmentation in capacity expansion in various segments of railway works

Tracking and follow up on the huge investments in various infra works related to roads, urban infrastructure, irrigation, etc as part of NIP plan under implementation for the next 5 years

New investments in the development of airports with an investment of ₹300 Cr to ₹1,000 Cr for air augmenting connectivity each district centres

Exploring the opportunities for EPC works in material handling works with civil works forming part of major scope

Opportunities in technology parks, warehouses, large factory buildings etc

Key Accomplishments

Successful completion of Andhra Pradesh Medical Technology Park establishing an ultramodern facility for medical equipment manufacturing at Vizag, AP, facilitating "Make in India" initiative for medical equipment manufacturing.

Successful completion of the following projects:

- Civil, structural and architectural works etc., of power block 2x660 MW, for RRVUNL Suratgarh Super Critical TPS, Rajasthan
- Piling, civil, structural, architectural works of power block, coal handling plant package and other misc buildings for 2x520 MW HNPCL / TPP, Visakhapatnam, AP
- Civil, structural and architectural works in the main plant area of 1x800 MW at Kothagudem TPS, Kothagudem, Telangana
- Structural and architectural works for powerhouse, mill bunker, crusher house and MCC buildings at Yermarus 2 X 800 MW, Raichur, Karnataka
- Civil job of the main plant, the balance of plant and various buildings including piling work, cooling tower, non-plant buildings etc., of 100 MW Gas Based CCPP at Namrup, Dibrugarh, Assam
- Main plant civil works which include the construction of the main plant, mill bunker structure, TG deck, piling works, chimney, AHP and other works at FGUTPP, 1 X 500 MW Unchahar, UP

Completion of > 5 lac m3 of concreting and 1 lac m of piling works

The largest value of Power plant of civil works under execution in Bangladesh valued at ₹550 Cr for the 2x660 MW Ramphal Thermal Project

Achieving 70,000 m3 of concreting in a year at Suratgarh 2x660 MW project

Breakthrough in undertaking Road EPC works in Mizoram from NHIDCL valued at ₹446 Cr & from NHAI valued at ₹555 Cr in Karnataka

Electrical Transmission & Distribution

SED Checking in Sadulpur to Gogameri Section at Rajasthan

Power Mech has built expertise in the transmission & distribution, grid substation works & railway electrification works including signalling & telecommunication, traction substations, switching stations etc. This vertical has a separate team of expert engineers and technicians who have extensive work experience in rural electrification, transmission & distribution lines, substation works and railway electrification works. The Company has developed a strong in-house design & engineering capabilities including global supply chain management and highly experienced project management team to deliver the projects on time as per customer-specific requirements. Moreover, this division has a wide range of clientele duly collaborated in Central & State Governed bodies and have huge business opportunities for order booking in the coming years.

The Government of India is focusing more on last-mile connectivity to provide 24 hours quality power supply to all the residents and strengthening of the existing Power Transmission Grid connectivity across the Nation under different schemes. Company is committed and capable of delivering the need of the Nation by following the best practices of safety, quality and timelines. The business development team is progressing in the right direction for capturing new orders in the Power Transmission & Distribution, Railway Electrification and other Electrical opportunities.

The Company is very selective in its approach for bidding any project to suit the requirements in terms of cash flows, profitability and client's financial condition.

Growth Opportunities

₹2,86,000 Cr schemes aimed at ensuring continuous power supply to all residents involves adopting models such as privatizing state-run power distribution companies (Discoms) and having multiple supply, network and distribution franchisees

Strengthening of existing transmission grid capacity in meeting the supply demand of upcoming renewal energy across India

The Central Government's plan for India's most ambitious distribution reform scheme involves reducing the electricity losses to less than 12%

Negating tariff gaps and having prepaid smart metering across the power distribution chain. The Government of India plans to convert all the electricity meters into smart prepaid meters

Railways to implement the up-gradation of railway infrastructure to operate high-speed trains and further a target of 7,000 km electrification has been set as part of the modernization of broad gauge track network

Key Accomplishments

EPC project for design, engineering, supply, erection, testing and commissioning of 33/11 KV substations & LT lines from MPMKVVCL, Bhopal, Madhya Pradesh was successfully completed before time as per the contract schedule and claimed incentive as part of timely completion of the project

EPC project for design, engineering, supply, erection, testing & commissioning of 33/11 KV substation including incoming 33 KV underground cable & overhead line works was successfully completed for AMTZ project in Visakhapatnam, AP

Successfully commissioned 160 TKM and further 150 TKM is in the process of commissioning of EPC project for engineering, supply, erection, testing and commissioning of 25 KV, 50 Hz, single-phase, AC electrification, including overhead electrification, traction substations, civil works and signal & telecom works in Rajasthan of North Western Railway under Rural Electrification Project from Indian Central Railways for 727 track kilometres

EPC projects in execution on turnkey basis for design, engineering, supply, erection, testing & commissioning under the supervision of Power Grid Corporation of India Ltd

220 KV & 132 KV Transmission line works

220 KV & 132 KV Substation works

Overseas Business

Your Company has entered the overseas market in the initial phase by undertaking a number of Operation & Maintenance, Overhauling, Refurbishment and Rewinding works in running plants and started its first overseas branch in Dubai in the year 2013. Since then the Company has established its global presence, through branches, subsidiaries and joint ventures in various countries including Saudi Arabia, Oman, Kuwait, Bangladesh, Nepal, Bhutan and Nigeria. A unique feature of Company operating in overseas is its uncompromising nature towards mobilizing resources and executing projects with speed. Impeccable coordination among regional heads and human resource departments of various groups plays a vital role here. As a result of this, the use of various resources such as manpower, machinery, tools and plants are optimized to minimize any inefficiencies. It is important to note the execution of projects in overseas is challenging in terms of logistics, manpower and equipment deployment at a short notice. Company has strong local partners in all the countries it operates. Besides our strategic capabilities and operational excellence our local partners are the backbone of our success as well.

Whilst the Company continue to being a part of the few construction projects that are coming up in the region, Company has shifted major focus to the Operation and Maintenance of Power, Oil & Gas and Desalination Plants. The Company is already working with the Government of Dubai, Sharjah and Abu Dhabi to maintain and service their Power and Desalination Plants on long term contract basis. And, we plan to devise the same strategy in working with power, oil and water utilities of other countries in the GCC and Africa. Company to expand its operations in these countries and simultaneously impart technical skills to locals and hence creating a huge talent pool in these regions.

Growth Opportunities

In the short term tapping opportunities in the power sector by approaching the end-users or OEM companies of various plants adding up to capacity addition of 4,000 MW

Focus on the investments planned in the power sector for enhancing the capacity addition to 412 GW by 2025. However, the implementation of this plan needs to factor the present lower oil revenues and the COVID-19 pandemic affecting oil production

Global oil demand having been estimated to be 104 million barrels per day in 2025 and natural gas continues to expand its share across potential markets we believe major part to play in meeting the global needs

The GCC economies account for more than 40% of the world's water desalination capacity, we believe in suitably fitting in and meeting the critical needs of GCC and focus in the field of installation, testing, commissioning and O&M of the desalination plant

Bangladesh has plans for augmenting its power generation capacity from the present 21,000 MW to 31,000 MW by 2030, and the presence of the Company can be helpful in pursuing all the future opportunities

Key Accomplishments

Commissioned 4,531 MW of Gas Turbines & 1,727 MW of Steam Turbines in the overseas market

Successfully commissioned the following projects:

- 2x660 MW out of 4x660 MW Shuqaiq Steam Power Plant at Shuqaiq, Kingdom of Saudi Arabia
- 360 MW CCPP Development Project at Bheramara, Bangladesh
- 1,516 MW IBRI Independent Power Project at IBRI, Sultanate of Oman
- 1,800 MW Alba PS5 CCPP at Kingdom of Bahrain and it was first use of HA technology in aluminium smelters worldwide; also first use of 9HA gas turbine in Gulf Region
- 1,519 MW Fadhili Combined Heat and Power Plant at Fadhili, Kingdom of Saudi Arabia

Successfully completed the mechanical installation works of 250,000 m3/d Sea Water Reverse Osmosis (SWRO) desalination plant at Shuaibah, Kingdom of Saudi Arabia & mechanical installation works of 113,500 m3/d Sea Water Reverse Osmosis (SWRO) desalination plant at Salalah, Sultanate of Oman

Annual maintenance services & shutdown jobs of eight desalination units (each one producing 80,000 m3/d water) 640,000 m3/day (140 million imperial gallons) of water per day, DEWA, UAE


750 MW, CCGT, Sabiya, Kuwait

Industrial Services

Turbine Overhauling

Industrial services business continued to play a major role for the Company's growth and sustenance encompassing all segments of Operation & Maintenance (O&M) business related to longer term operation and maintenance of power plants with 3 to 5 years contractual cycles, capital overhauls along with annual overhauls, breakdown, repair works, rehab works and plant up gradation works with skill and expertise. This critical space demands a highly compressed timeline and accurate knowledge on different equipment. As an experienced and leading service provider in this segment, the Company has built a strong pool of skilled technicians and qualified engineers. The Company is capable of providing comprehensive and integrated services in Mechanical, Electrical and C&I front and is able to provide versatile services under one roof as a single point service provider. Centrally located service headquarter enables the Company to attend any emergency at a relatively higher pace reducing the downtime of the equipment and units and bring in shorter turnaround shutdown cycles.

Also, good progress has been made in undertaking O&M jobs in the non-power sector. As part of diversification in the ETC and Civil business in the non-power sector, similar efforts have been initiated to expand the O&M profile in this sector. Significant achievements in the recent times are related to long term O&M works in Jamnagar refinery, Essar refinery, Lanjghar Aluminium refinery plant, NMDC Nagarnar steel plant etc.

Substantially contributing to the top line with 30% of revenue share and higher returns with very low capital investment, and this segment of business has substantially undergone consolidation. This segment is rewarding and now have become the backbone of the Company's growth plan for the top and also the bottom line.

Growth Opportunities

Outsourcing of the O&M works from State Sector & Central Sector under PSUs and State utilities for shutdown / maintenance jobs, as well as long term O&M jobs as the same have been beneficial to the customer in terms of reducing O&M cost

Enhancing its presence in Utility & expanding into Captive Power sector

A breakthrough foray into the State sector, NTPC, KPCL, SCCL, NMDC etc, has enabled the Company to expand its presence

Rehab and R&M works of old thermal and gas power plants

Backward integration & manufacturing of spare parts

Increasing the footprint of O&M business in the export sector

Expand O&M business into the non-power sector related to Refinery, Petrochemicals, Steel etc

Key Accomplishments

Recurring income contributing 30% of total business with higher returns and with low capital investment

Working with all leading IPPs and PSUs in India

O&M and AMC projects of 65 GW across the Country both in Utility and Captive sector

40 Power Plants under Operation & Maintenance

Over 200 contracts for overhauling of turbines with a unit capacity of 500 MW and above

Carried out more than 800 nos of overhauling of Boilers & Turbines with unit capacity of 100 MW to 1,000 MW globally

Provided services for retrofitting FGD, modification of ESP

Successful undertaking of major boiler rehab jobs at Bandel 200 MW and 2x110 MW at Baruni

Successfully meeting the availability guarantees of 95% of plant operation to enhance customer revenues

Providing AMC services for the Country's largest thermal plants of CGPL Mundra 4,000 MW & Adani Mundra 4,600 MW

Hydro Power & Water

4x82.5 MW Alaknanda Hydro Electric Power Plant at Srinagar, Uttarakhand

The Company is engaged in the supply and construction of Hydropower plants on EPC basis, renovation and modernization, after-sales services, spares management, RLA Study, LTSA, AMC, O&M of existing hydro plants, troubleshooting of chronic problems by providing definite value-added technical solutions in electromechanical and hydro-mechanical fields, project management and deliverable index. This division is established with a vision to provide a highly professional contribution in surging Hydro Power Sector in India and neighbouring countries. The Company has also diversified in the area of construction of Sewage Treatment Plants & Water Treatment Plants including their networking on EPC basis. The Company has taken initiative in the water systems, particularly in the field of Sewage Treatment Plant and works being executed at Palwal and Karnal.

Growth Opportunities

Opportunities of around ₹9.25 Billion in Electro-Mechanical packages, ₹22.86 Billion in EPC packages of small units, across segments of Hydro Business in the next 4 years

Major R&M jobs in the old hydro plants and about 16 projects have been identified involving installed capacity of 1,877 MW in the next 5 years

At present still 65% of the Urban needs have to be brought under the STP scheme and this has thrown up huge opportunities across the Country

Key Accomplishments

Successfully completed construction of a 2.50 meters diameter tunnel, Upper Kalar Hydro Project in Kerala

Successfully completed export order involving the manufacturing & supply of critical embedded parts of Hydro Turbines

Accomplished successfully the Operation & Maintenance of several large Hydro projects in the Country including Indirasagar HEP, Kopili HEP, Khandong HEP, Alaknanda HEP, Omkareshwar HEP etc., for around 2,000 MW

Manufacturing & Heavy Fabrication

This is part of the new initiative for backward integration for the service business of the Company related to the manufacture of spares, components for Power and Industry segments. The Company has invested in advanced manufacturing and machining facilities at Noida for catering to the range of components of spares, repair and reconditioning of parts and components for the entire range of services needed for Thermal and Hydro sector needs, with the scope of enhancing the opportunity in other industry sectors. The Noida facility is functioning for the last 3 years to cater the Operation & Maintenance (O&M) market of power sector spares business and also use the shop facilities for undertaking many job works from other segments of the industry. This shop can undertake major works related to manufacture, supply of rebuilt spares, major repairs of steam turbines, rotor balancing and reverse engineered parts manufacturing for various rotating parts of power plant both in Thermal and Hydro sectors. Job works also have been done for railway electrification needed parts.

With the new requirements of many customers for the structural packages, with away from site fabrication, the need arose for establishing a proper facility for heavy fabrication catering to the needs of steel, power and other segments. A makeshift arrangement has been made at Hyderabad for catering to the works to be done for the JSW Dolvi and Vijayanagar steel plant expansion works. This facility at present has a capacity of undertaking about 1,000 mt of heavy structural fabrication.

Growth Opportunities

Rehab works coming up in hydro sector for plant up gradation involving the replacement of major parts for the hydro-mechanical works

Reverse engineered spares for the thermal power plants based on the maintenance inputs of plant operation under the control of the Company

Working with the major manufacturing and engineering companies for providing as part of supply chain line for components and products

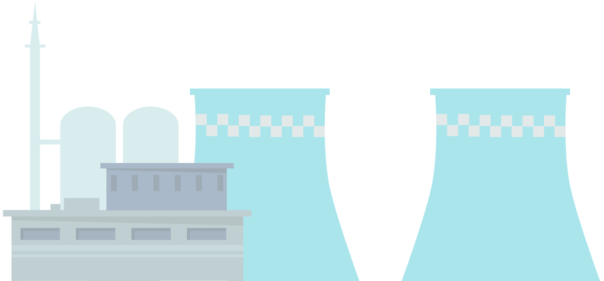
Away site fabrication input for the manufacture of structural items needed for steel plants, power plants, industrial projects

Key Accomplishments

For manufacturing industry to maintain product quality and timely delivery are the most important factors and Company successfully maintaining these factors

The Company successfully completed critical jobs within time period with best quality e.g. turbine components manufacturing, complete assembly, heavy equipment fabrication, stress relieving, machining and balancing for various projects

Delivered about 12,000 mt of heavy structural fabricated items for the JSW Dolvi works



HP Turbine Inner Casing at Manufacturing Unit, Noida

HSE is part of our culture

Power Mech Projects Limited 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 and the functional operation of the Company is examined in well-structured Safety Management attributes and elements. Risk quantification and control strategy formulation are addressed regularly and competently.

Power Mech blends Health, Safety and Environment in applications in the system beginning from planning, procurement, execution and completion. HSE is part of our culture at Power Mech.

Commitment
Management at all levels of the Company is actively committed to HSE excellence.

Organization
We maintain and enhance a Company-wide organizational structure and time tested culture that recognizes active participation of all employees in the systematic implementation 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 and is religiously pursued.

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

Risk Management
We anticipate the potential health, safety and environmental risks associated with all our activities and they are addressed to utilize and manage adverse effects and to identify opportunities for improvement.

Legal and Other Compliances
We operate to standards to comply with the requirements of appropriate legal and other obligations.

Training
Training is an essential element of HSE excellence and the management at all levels will ensure that appropriate training is imparted on 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 paramount for good business and is committed to the continuous improvement of HSE practices.

Monitor, Audit and Review
Effective management requires ongoing assessment and review to ensure that the HSE policy is being appropriately implemented.

Our CSR initiatives Care for the Society

Power Mech believes in growth with a human face. The Company always strives to discharge its social responsibility to the society at large. Hence it volunteered into instituting a charity trust **Power Mech Foundation** at the personal initiative of Mr Sajja Kishore Babu the Chairman and Managing Director.

Power Mech Foundation, the Trust, is administered from Vijayawada, the city of origin of the Company. 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 / Calamity Management • Empowerment & Livelihoods

The operating sites and offices spread across the country provide space and opportunity to our staff to exhibit their willingness to serve the society in tandem with the Foundation. Even though the Foundation generally focuses on Education, Health care and Rehabilitation, it also undertakes projects costing several million rupees in providing shelters, buildings for schools and public utilities etc.

The Foundation is credited with tireless and steadfast engagement in meeting the social causes in the neighborhood. The beneficiaries are abandoned infants, street-children, orphans, physically and mentally challenged children, students in remote villages and deserving people seeking medical assistance.

The Foundation conducts Blood Donation Camps, Health Camps and other Social Awareness Camps at regular periodicity drawing spontaneous response from the general public. Our employees take part in such charitable activities with passion and pride.

The Foundation also adopts schools in the neighborhood villages and takes care of the academic needs of the poor students. The services of the villagers and neighborhood people are also involved during such events to give thrust and achieve success. During natural calamities, the Trust dived into action in providing relief materials on the spot and tried its best to serve the affected people.

Board of Directors

Sajja Kishore Babu,

Chairman and Managing Director,

Founder of the Company, holds a Bachelor's degree in Mechanical Engineering. Possesses 36 years of experience in the power and infrastructure sector. An able administrator and dynamic leader. Serves on the Board of subsidiary and joint venture companies.

Sajja Lakshmi,

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

Vivek Paranjpe,

Independent Director,
B.Sc (Honors), Fergusson College, Pune, Post Graduate from XLRI Jamshedpur, Gold medalist. More than 44 years of industry experience in various leadership roles in India and abroad. Some of the key strategic senior positions held by him were:

Director, HR Operations, Asia Pacific Region, for Hewlett Packard at Singapore. Group President HR, for Reliance Industries Ltd

Company Information

Board of Directors

Mr S Kishore Babu - Chairman & Managing Director
Mrs S Lakshmi - Non-Executive Director
Mr M Rajiv Kumar - Non-Executive Director
Mr G D V Prasada Rao - Independent Director
Mr T Sankaralingam - Independent Director
Mr Vivek Paranjpe - Independent Director
Ms Lasya Yerramneni - Independent Director

Mr J Satish - Chief Financial Officer
Mr Mohith Kumar Khandelwal - Company Secretary

Audit Committee

Mr G D V Prasada Rao - Chairman
Mr T Sankaralingam - Member
Mr M Rajiv Kumar - Member

Nomination and Remuneration Committee

Mr Vivek Paranjpe - Chairman
Mr G D V Prasada Rao - Member
Mr T Sankaralingam - Member

Stakeholder's Relationship committee

Mr M Rajiv Kumar - Chairman
Mrs S Lakshmi - Member
Mr G D V Prasada Rao - Member

Corporate Social Responsibility Committee

Mr S Kishore Babu - Chairman
Mrs S Lakshmi - Member
Mr G D V Prasada Rao - Member

Investment Committee

Mr T Sankaralingam - Chairman
Mr G D V Prasada Rao - Member
Mr M Rajiv Kumar - Member

Registered & Corporate Office

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

M Rajiv Kumar,

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

G D V Prasada Rao,

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

Lasya Yerramneni,

Independent Director,
Post Graduate in Management from ISB, MS in Electrical and Computer Engineering from the University of Texas. She has 15 years of experience in IT Project management & delivery, client engagement, IT strategy, business development.

T Sankaralingam,

Independent Director, BE (Elec)
Around 40 years of experience in the power sector. Served as Chairman-Managing Director of NTPC and Managing Director of BGR Energy. Worked at BHEL

Statutory Auditors

M/s. K.S. Rao & Co,
Chartered Accountants
D.No: 54-19-4B, Ground Floor,
2nd Lane, Jayaprakash Nagar,
Vijayawada, Andhra Pradesh - 520 008

Secretarial Auditors

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

Internal Auditors

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

Bankers

State Bank of India
Punjab National Bank
Standard Chartered Bank
RBL Bank
IDFC First Bank
Axis Bank
Bank of India
UCO Bank
Bank of Baroda
Union Bank of India
Indus Ind Bank
Central Bank of India
Bank of Bahrain and Kuwait
HDFC Bank

Registrar & Share Transfer Agent

Kfin Technologies Private Limited
Karvy Selenium Tower B, 6th Floor,
Plot 31-32, Gachibowli, Financial District,
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Subsidiary Companies and Joint Ventures

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E-mail: info@hydromagus.com

Power Mech Industri Private Limited
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E-mail: info@pmindustri.com

Power Mech Environmental Protection Private Limited
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Madhapur, Hyderabad, Telangana - 500081.
E-mail: cs@powermech.nect

Power Mech BSCPL Consortium Private Limited
Plot No. 77, Jubilee Enclave Road,
Opp: Hitex, Madhapur, Hyderabad - 500 081.

Power Mech SSA Structures Private Limited
Plot No. 77, Jubilee Enclave Road Opp: Hitex,
Madhapur, Hyderabad - 500 081.

Aashm Avenues Private Limited
Plot No. 77, Jubilee Enclave Road, Opp: Hitex,
Madhapur, Hyderabad - 500 081.

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E-mail: info@mpa.com.sa

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

GTA Power Mech NIGERIA Limited
Abel-Abu Point, Ebute – lgbogbo Road,
Ikorodu, Lagos - 104101,
Federal Republic of Nigeria.
Tel:+234-8168265887
E-mail: pd@gtapowermech.com

Power Mech Projects (BR) FZE
Lekki Free Zone, Lekki Coastal Road,
lbeju-LekkiLagos, Nigeria.
Tel:+234-7085043290
E-mail: nigeria@powermech.net
Email: sankarkolli@powermech.net

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

Abu Dhabi
Power Mech Projects Ltd
PO Box: 29915, 5th Floor, Office no: 522 Al Ghaith Tower,
Hamdan Street, Abudhabi, UAE.
E-mail: uaehr@powermech.net

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

Notice

Notice is hereby given that the 21st Annual General Meeting (AGM) of the members of Power Mech Projects Limited will be held on Tuesday the 20th day of October, 2020 at 11:30 A.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) transact the following items of business:

Ordinary Business:

1. **Adoption of financial statements**
   To consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2020 together with the reports of the Board of Directors and auditors thereon.

2. **Declaration of dividend**
   To declare a final dividend of ₹1/- per equity share of ₹10/- each for the financial year ended 31st March, 2020.

3. **Appointment of Mr Motihari Rajiv Kumar (DIN-07336483) as Director liable to retire by rotation**
   To appoint a Director in place of Mr Motihari Rajiv Kumar Director (DIN: 07336483) who retires by rotation and, being eligible, seeks re-appointment.

Special Business:

4. **Appointment of Ms. Lasya Yerramneni (DIN: 03150397) as an Independent 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 Section 149,150, 152 and any other applicable provisions if any, of the Companies Act, 2013, ("Act") read with Schedule IV thereto and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the listing regulations") (including any statutory modifications or re-enactments thereof for the time being in force) and based on the recommendation of the Nomination and remuneration committee, Ms. Lasya Yerramneni (DIN:03150397), who was appointed as an Additional Director by the Board under Section 161(1) of the Act w.e.f. 27.06.2020 and who holds office as such up to the date of the ensuing Annual General Meeting and who meets the criteria of Independence as provided under Section 149 (6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director on the Board of the Company for a term of 1 (one) year commencing from 27.06.2020 and her office shall not be liable to retire by rotation.

5. **To approve the payment of remuneration to Mr Motihari Rajiv Kumar (DIN: 07336483), Non-Executive Director by way of consultancy fees.**
   To consider and if thought fit, to pass with or without modification, if any, the following resolution as Special Resolution:

   RESOLVED THAT pursuant to the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications(s) or re-enactment(s) thereof, for the time being in force), on the basis of the recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of the Company be and is hereby accorded to pay ₹3,80,000/- per month excluding GST and reimbursement of out of pocket expenses towards car maintenance, driver etc. as remuneration by way of consultancy fees to Mr Motihari Rajiv Kumar (DIN: 07336483), Non-Executive Director (apart from sitting fees and other reimbursement of expenses for participation in the Board, Committee and other meetings for the FY 2020-21.

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

Sd/-
Mohith Kumar Khandelwal
Company Secretary

Place : Hyderabad
Date : 15.09.2020

Notes for Members

i. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collective referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM.

ii. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business under Item No 4 and 5, is annexed hereto.

iii. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote on a Poll instead of himself / herself and such a proxy / proxies need not be a member of the Company.** Since this AGM is being held pursuant to MCA circulars and SEBI Circular through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice.

Institutional / Corporate Shareholders (i.e other than individividuals / HUF, NRI) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM, on its behalf and to vote through remote evoting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to rao_ds7@yahoo.co.in with a copy marked to evoting@nsdl.co.in.

iv. The register of members and share transfer books of the Company will remain closed from 14th October, 2020 to 20th October, 2020 (both days inclusive) for annual closing.

v. The Final dividend on Equity shares, if declared at the Meeting, will be dispatched / credited to those members whose names shall appear on the Company's Register of Members up to the close of business hours on 13th October, 2020 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] as beneficial owners as at the close of the business hours on 13th October, 2020.

vi. Members holding shares in physical form are requested to avail the demat facility in order to ensure timely and efficient delivery of corporate actions and announcements. Further the Members holding shares in physical form are also requested to immediately notify change in their address, if any, to the Registrar and Transfer Agents of the Company namely **M/s. Kfin Technologies 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.

vii. 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.

viii. Members holding shares in Physical mode are advised to submit particulars of their Bank account viz. Name and Address of the Branch of the Bank, MICR code, type of account and account number to our Registrar and Share Transfer Agent, **M/s. Kfin Technologies Private Limited**, Hyderabad, for the purpose of payment of Dividend declared at the AGM.

ix. 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. Kfin Technologies 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.

x. 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.

xi. 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.

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. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No.15G/15 H., to avail the benefit of non-deduction of tax at source by email to cs@powermech.net on or before 20.10.2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial interest rates under tax treaty between India and Country of residence, subject to providing necessary documents i.e, No Permanent establishment and beneficial ownership declaration, Tax Residence Certificate, Form 10F, or any other document which may be required to avail the tax treaty benefits by sending an email to cs@powermech.net on or before 20.10.2020

xiv. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

xv. Pursuant to Regulation 36(3) of the Listing Regulations, 2015, the information about the Directors proposed to be appointed /re- appointed is given in the **Annexure -1** to the notice.

xvi. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to the Notice.

xvii. Instructions for E-voting and joining the AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS:

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

ii. The remote e-voting period commences on Saturday, 17th October, 2020 (9:00 a.m. IST) and ends on Monday, 19th October, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, 13th October, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

iii. The Board of Directors have appointed Mr DS Rao, Practicing Company Secretary from M/s. PS Rao & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

iv. The Members who have casted their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

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

vii. The details of the process and manner for remote e-voting are explained herein under:

Step 1: Log-in to NSDL e-voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-voting system. Details on Step 1 are mentioned below:

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

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www. evoting.nsdl. com/ either on a personal computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your user ID details are given below:

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

5. Your password details are given below:
   a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from evoting@nsdl.co.in Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii) In case you have not registered your email address with the Company / Depository, please follow instructions mentioned below in this notice.

6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
   a) Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d) Members can also use the one-time password (OTP) based login for casting their votes on the e-Voting system of NSDL.

7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Details on Step 2 are mentioned below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is 112947.
4. Now you are ready for e-voting as the Voting page opens
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to rao_ds7@yahoo.co.in with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the FAQs for the shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no: 1800-222-990 or send a request to Ms Pallavi Mhatre, Manager, NSDL, at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@powermech.net.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@powermech.net.

3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

Instructions for Members for attending the AGM through VC / OAVM are as under

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance, i.e., from October 12, 2020 (9.00 a.m. IST) to October 16, 2020 (5.00 p.m. IST), mentioning their name, demat account number / folio number; email id, mobile number at cs@powermech.net. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance, i.e., from from October 12, 2020 (9.00 a.m. IST) to October 16, 2020 (5.00p.m. IST), mentioning their name, demat account number / folio number, email id, mobile number at cs@powermech.net. These queries will be replied suitably by the Company vide email.

3. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time during the AGM.

4. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

5. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr Amit Vishal, Senior Manager-NSDL at amitv@nsdl.co.in / 022-24994360 or Mr Y Santhosh Reddy, Assistant Manager-NSDL at ysanthosh@nsdl.co.in / 040-44334178) / +91 9642000974.

Other Instructions:

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

2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.powermechrojects.in and on the website of NSDL https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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

Sd/-
Mohith Kumar Khandelwal
Company Secretary

Place : Hyderabad
Date : 15.09.2020

Explanatory Statement in Respect of the Special Business Pursuant To Section 102 of the Companies Act, 2013

Item No. 4

Pursuant to Regulation 17 of the SEBI (LODR) Regulations, as amended, from time to time, the Board of top 1000 listed entities shall have at least one Independent Women Director.

In view of complying with the said provision, the Board had appointed Ms. Lasya Yerramneni (DIN: 03150397) as an Additional Director under independent category to hold office up to the conclusion of this annual general meeting.

Section 149 of the Companies Act, 2013 and provisions of SEBI (LODR) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of Independence as specified therein.

The board had appointed Ms. Lasya Yerramneni for a term of 1 (one) year commencing from 27.06.2020.

Ms. Lasya Yerramneni is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Independent Director.

The Company has also received a declaration from Ms. Lasya Yerramneni that she meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and the Listing Regulations.

In the opinion of the Board, Ms. Lasya Yerramneni fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations.

Additional Information of Ms. Lasya Yerramneni, whose appointment is proposed at item no. 4, is provided in the "Annexure" to the Notice pursuant to the provisions of (i)the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Except Ms. Lasya Yerramneni and her relatives, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. This statement may also be regarded as appropriate disclosure under the Listing Regulations. The Board commends the Ordinary Resolution set out at item No. 4 of the Notice for the approval of the members.

Item No. 5

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

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

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

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

Except Mr Motihari Rajiv Kumar and his relatives, none of the other Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special Resolution set out at item no. 5 of the Notice for the approval by the members.

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

Sd/-
Mohith Kumar Khandelwal
Company Secretary

Place : Hyderabad
Date : 15.09.2020

Annexure-1

ADDITIONAL INFORMATION

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

Particulars	Lasya Yerramneni	Motihari Rajiv Kumar
Date of Birth	26.03.1981	20.11.1953
Date of appointment on the Board	27.06.2020	14.11.2015
Qualification, Experience & Expertise	She had done her post graduate program in management from Indian School of Business, did her Masters in Electrical and Computer Engineering from University of North Texas at Austin and also did her B.Tech in Electronic and Communications Engineering from Sri. Venkateswara University. Got 15 years experience in IT Project Management & delivery, client engagement, IT strategy, business development. Co founder of heal box, which aims to deliver one million first aid kits to schools catering to underprivileged children in India. Also the co founder of Nuven Foundation, where she coordinated and conducted more than 100 medical camps in tribal areas. She was also a recipient of National Talent Search Scholarship in the year 1997.	Mr Motihari Rajiv Kumar is a graduate in Electrical Engineering and spent his entire career of 38 years un BHEL and by his sheer hard work and acumen he rose to the level of 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 possesses superior inter-personal & time-management skills. Gifted with good foresight, he holds impeccable record for identifying right person for right jobs, mentoring and motivating the entire team under him.
Directorship in other Companies	1. Nuventures Capital Private Limited 2. Nuven Estates Private Limited 3. Penn Information Technologies Private Limited 4. Nuven Healthcare Private Limited	NIL
Number of Shares held	Nil	NIL
Disclosure of Inter-se relationship between Directors and KMP's	No	NA
Membership / Chairmanships of Committees in other Companies	NIL	NIL
Details of Remuneration sought to be paid and the remuneration last drawn by such person	NA	3,80,000/- PM
Number of Board meetings attended during the year	NA	4 of 5

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

Sd/-
Mohith Kumar Khandelwal
Company Secretary

Place : Hyderabad
Date : 15.09.2020

Board's Report

Dear members,

The Board of Directors hereby presents the report of the business and operation of your Company along with the audited financial statements (both standalone and consolidated) for the financial year ended 31st March, 2020.

FINANCIAL RESULTS

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

(₹ in Cr)

SL. NO	PARTICULARS	STANDALONE		CONSOLIDATED	
		CURRENT YEAR (2019-20)	PREVIOUS YEAR (2018-19)	CURRENT YEAR (2019-20)	PREVIOUS YEAR (2018-19)
1	Revenue from Operations	2045	1737	2165	2261
2	Other income	9	14	9	14
3	Total Income	2054	1751	2174	2275
4	Expenditure	1798	1511	1894	1970
5	Profit before interest, depreciation and tax	256	240	280	305
6	Depreciation	36	39	39	46
7	Interest and Finance Charges	72	50	74	55
8	Share of Profit from JV and Associates	-	-	1	1
9	Profit before tax	148	151	168	205
10	Provision for taxes (including DTL)	37	55	37	62
11	Profit after tax	111	96	131	143
12	Profit attributable to equity holders of the parent before OCI	111	96	131	122
13	Other Comprehensive Income	1	1	3	2
14	Total Comprehensive Income	112	97	134	145
15	Profits attributable to equity holders of parent	112	97	134	123
16	Dividend for the year (including corporate dividend tax)	1.47	1.77	1.47	1.77
17	Reserves (Excluding Revaluation Reserve)	871	762	936	805
18	EPS (₹) on face value of ₹10/- each	75.23	65.08	89.23	82.67
19	Book Value (₹) on face value of ₹10/- each share	603	528	647	557

OPERATING RESULTS AND BUSINESS

Your Company has achieved operational turnover of ₹2045 Cr and profit after tax of ₹111 Cr during FY 19-20 as against previous year FY 18-19 operational turnover of ₹1737 Cr and profit after tax of ₹96 Cr respectively.

Further your Company has achieved consolidated operational turnover of ₹2165 Cr and profit after tax of ₹131 Cr during FY 19-20 as against previous year FY 18-19 consolidated operational turnover of ₹2261 Cr and profit after tax of ₹143 Cr respectively.

DIVIDEND

Your Directors are pleased to recommend a final dividend at ₹1/- per equity share of face value of ₹10/- each for the year ended 31st March, 2020. The Final Dividend is subject to the approval of members at the ensuing annual general meeting of the Company to be held on 20th October, 2020.

SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

As on 31st March, 2020 your Company has 8 (Eight) subsidiaries, i.e Hydro Magus Private Limited, Power Mech Industri Private Limited, Power Mech BSCPL Consortium Private Limited, Power Mech SSA Structures Private Limited, Aashm Avenues Private Limited, Power Mech Projects Limited LLC (Oman), Power Mech Projects (BR) FZE (Nigeria) and Power Mech Environmental Protection Private Limited.

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

SUBSIDIARIES

- **Hydro Magus Private Limited:** Hydro Magus Private Limited is a subsidiary of Power Mech established with a vision to make positive contribution in surging Hydro Power sector in India and neighboring countries. The Company has executed successfully some of the critical hydro projects and is fully geared and aggressively planning for undertaking comprehensive projects.

- **Power Mech Industri Private Limited:** A wholly-owned subsidiary of Power Mech. It undertakes major job works through its state-of-the-art workshop in Noida. The machines of the workshop are working to full steam, undertaking critical jobs, meeting customers satisfaction and proceeding with further expansion in line with the need in the industry.

- **Power Mech BSCPL Consortium Private Limited**: A Subsidiary Company of Power Mech which was mainly incorporated to undertake the infrastructure development works required for development of medical device manufacturing park for Andhra Pradesh Medtech Zone Limited at Vishakhapatnam.

- **Power Mech SSA Structures Private Limited**: A wholly-owned subsidiary of Power Mech, was established to undertake the project (Package-I) of providing necessary infrastructure viz. furniture and additional class rooms including library rooms & electrical facilities in all Government Schools, KGBVs & Bhavitha buildings under the scheme of Sarva Siksha Abhiyan.

- **Aashm Avenues Private Limited:** A wholly-owned subsidiary of Power Mech, was established to undertake the project (Package-III) of providing necessary infrastructure viz. furniture and additional class rooms including library rooms & electrical facilities in all Government Schools, KGBVs & Bhavitha buildings under the scheme of Sarva Siksha Abhiyan.

- **Power Mech Projects Limited LLC:** A subsidiary Company of Power Mech incorporated in Oman to tap the local market of Oman and neighboring countries.

- **Power Mech Projects (BR) FZE:** A wholly owned enterprise of Power Mech, incorporated in the Free Zone of Nigeria.

- **Power Mech Environmental Protection Private Limited:** A Wholly-owned subsidiary of Power Mech, was incorporated to carry on the business of recycling of wastes generated by various industrial and commercial establishments.

JOINT VENTURES

- **GTA Power Mech Nigeria Limited:** A joint venture of Power Mech is designed to undertake packages in power, infra and process industry sectors including ETC of civil, mechanical and electrical and also O&M of plants. With solid and stable technical backup from the parent Companies, GTA Power Mech is in a position to undertake projects of any magnitude and type in different terrains and weather. The Company has capability to undertake packages in spectrum of activities in projects and plants supported by expert team in respective fields and strategic and technical collaborations from parent companies.

- **GTA Power Mech DMCC:** A Joint Venture of Power Mech with 50% shareholding, incorporated in Dubai, UAE.

ASSOCIATES

- **MAS Power Mech Arabia (MASPA):** An associate Company of Power Mech, established in Saudi Arabia to cater the needs in the Saudi Arabia and surrounding regions for providing services in ETC, Civil and O&M. The Company is equipped to provide services in all the verticals keeping high standards in quality, safety and timeline. The Company draws technical guidance and support from the parent Company and it will be an extended arm of Power Mech in providing its skills and expertise in this part of the world.

TRANSFER TO RESERVES

The Board do not propose to transfer any profits to the reserves for the fiscal 2020.

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

RELATED PARTY TRANSACTIONS

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

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

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

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

STATUTORY AUDITORS

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

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s. K.S. Rao & Co., Chartered Accountants, Statutory Auditors, in their report for the financial year ended March 31st, 2020.

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

INTERNAL AUDITORS

The Board of Directors based on the recommendation of the Audit Committee, re-appointed M/s. Ramesh & Co., Chartered Accountants, Hyderabad, as an Internal Auditors of your Company for fiscal 2020.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has reappointed M/s. P.S. Rao & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for fiscal 2020.

The Secretarial Audit Report for the FY 2019-20 issued by M/s. P.S. Rao & Associates, Practicing Company Secretaries in the Form MR-3 is annexed herewith as **Annexure**-**4** to this report.

The Secretarial Audit Report for the FY 2019-20 does not contain any qualification, reservation, adverse remark.

DIRECTORS' & KMP

Reappointments

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in terms of Article 134 of the Articles of Association of the Company Mr Motihari Rajiv Kumar, Director, retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting. The Board recommends his reappointment.

Retirements & Resignations

Mr Rohit Tibrewal, resigned as the Company Secretary and Compliance officer of the Company w.e.f. 09.04.2020.

Appointments

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 27.06.2020, appointed Ms. Lasya Yerramneni (DIN: 03150397) as an Additional Director under the Category of Independent Director of the Company for a period of one year subject to the approval of members at the ensuing annual general meeting.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 15.09.2020, appointed Mr Mohith Kumar Khandelwal as the Company Secretary and Compliance Officer of the Company w.e.f. 15.09.2020.

DECLARATION BY INDEPENDENT DIRECTORS

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

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

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

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

BOARD MEETINGS

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

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

COMMITTEES OF BOARD OF DIRECTORS

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

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

Name of the Committees	Composition of the Committees
Audit Committee	1. Mr G D V Prasada Rao (Chairman) 2. Mr T Sankaralingam 3. Mr Rajiv Kumar
Nomination and Remuneration Committee	1. Mr Vivek Paranjpe (Chairman) 2. Mr T Sankaralingam 3. Mr G D V Prasada Rao
Corporate Social Responsibility Committee	1. Mr S Kishore Babu (Chairman) 2. Mrs S Lakshmi 3. Mr G D V Prasada Rao
Stakeholders Relationship Committee	1. Mr M Rajiv Kumar (Chairman) 2. Mrs S Lakshmi 3. Mr G D V Prasada Rao
Investment Committee	1. Mr T Sankaralingam (Chairman) 2. Mr G D V Prasada Rao 3. Mr M Rajiv Kumar

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees or investments covered under section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

FIXED DEPOSITS

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

CHANGE IN NATURE OF BUSINESS

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

MATERIAL CHANGES AND COMMITMENTS:

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

i. in the preparation of the annual accounts for the financial year ended March 31st, 2020, 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 2019-20 and of the statement of profit and loss of the Company for that period;

iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the annual accounts for the year 2019-20 have been prepared on a going concern basis.

v. that the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

vi. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and effectively mentioned under various heads of the departments which are in then reporting to the Chairman & Managing Director.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of the provisions of Section 177 (9) & (10) of Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formalized the process and institutionalized 'Whistle Blower Policy' within the Company, whereby employees and other stakeholders can report matters such as generic grievances, corruption, misconduct, illegality and wastage/misappropriation of assets to the Company.

The policy safeguards the whistle blowers to report concerns or grievances and also provides direct access to the Chairman of the Audit Committee.

The details of the whistle blower Policy are posted on the website of the Company www.powermechprojects.in

RISK MANAGEMENT

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

EXTRACT OF ANNUAL RETURN

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

MANAGEMENT DISCUSSION & ANALYSIS

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

CHANGES IN SHARE CAPITAL:

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

PARTICULARS OF EMPLOYEES

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

BOARD EVALUATION

The parameters and the process for evaluation of the performance of the Board and its Committees have been explained in the corporate governance report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

CORPORATE GOVERNANCE

The Board of Directors of your Company believes that strong corporate governance is an important instrument of investor's protection as it ensures complete transparency in Company's matters.

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

BUSINESS RESPONSIBILITY REPORT (BRR)

The SEBI(Listing Regulations) 2015 mandated the inclusion of the Business Responsibility Report for the top 1000 listed entities based on market capitalization. In compliance with the Regulations, BRR disclosures is appended to this Report.

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

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

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

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

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

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

ACKNOWLEDGEMENTS

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

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

For Power Mech Projects Limited

Sd/-

Place : Hyderabad
Date : 15.09.2020

S Kishore Babu
Chairman & Managing Director
DIN: 00971313

Annexure - 2

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 and under Rule 8 of Companies (Accounts) Rules, 2014 for the year ended 31st March, 2020).

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

Part "A": Subsidiaries

(Information in respect of each subsidiary)

₹ in Cr

Sl. No	Particulars	Details							
1	Name of the subsidiary	Hydro Magus Private Limited	Power Mech Industri Private Limited	Power Mech Projects Limited LLC	Power Mech BSCPL Consortium Private Limited	Power Mech SSA Structures Private Limited	Aashm Avenues Private Limited	Power Mech Projects (BR) FZE	Power Mech Environmental Protection Private Limited
2	The date since when subsidiary was acquired	24.09.2012	17.10.2013	20.04.2016	20.12.2017	01.10.2018	16.10.2018	28.01.2019	27.12.2019
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	-	-	-	-	-	-	-	-
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	Omani Riyal (196.10)	INR	INR	INR	NGN (0.019)	INR
5	Share capital	0.21	0.02	4.31	0.01	0.10	0.10	0.69	0.01
6	Reserves & surplus	8.88	(0.41)	16.91	1.30	(0.00)	(0.00)	19.96	(0.00)
7	Total assets	38.02	47.43	33.94	88.48	2.31	0.15	63.00	0.01
8	Total Liabilities	28.93	47.82	12.72	87.17	2.21	0.05	42.35	0.00
9	Investments	-	-	-	-	-	-	-	-
10	Turnover	38.92	21.39	10.88	20.33	-	-	111.68	-
11	Profit before taxation	0.93	(0.65)	(1.28)	(0.35)	(0.00)	(0.00)	20.05	(0.00)
12	Provision for taxation	0.25	(0.22)	-	-	-	-	-	-
13	Profit after taxation	0.72	(0.44)	(1.28)	(0.35)	(0.00)	(0.00)	20.05	(0.00)
14	Proposed Dividend	Nil	Nil	Nill	Nil	Nill	Nill	Nill	Nill
15	Extent of shareholding	88.10%	100%	70%	51%	100%	100%	100%	100%

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

Part "B": Associates and Joint Ventures

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

₹ in Cr

Sl. No	Name of Associates / Joint Ventures	M/s. PMPL-M/s. ACPL JV	PM-Khilari Consortium JV	PMPL-STS JV	GTA Power Mech DMCC	GTA Power Mech FZE	MAS Power Mech Arabia (MASPA)	GTA Power Mech Nigeria Limited
1	Latest audited Balance Sheet Date	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020
2	Date on which the Associate or Joint Venture was associated or acquired	23.04.18	31.07.18	25.10.18	07.05.2018	02.11.2017	23.02.2015	08.03.2016
3	Shares of Associate / Joint Ventures held by the Company on the year end	-	-	-	50	-	332	1.5 Cr
(i)	Total No. of Shares	-	-	-	100	-	678	3.00 Cr
(ii)	Amount of Investment in Associates /Joint Venture	-	-	-	0.09	-	2.26	0.32
(iii)	Extend of Holding%	80%	75%	74%	50%	50%	49%	50%
4	Description of how there is significant influence	The Company owns 80% of the Voting power in the JV	The Company owns 75% of the Voting power in the JV	The Company owns 74% of the Voting power in the JV	The Company owns 50% of the Voting power in the JV	The Company owns 50% of the Voting power in the JV	The Company owns 49% of the Voting power in the associate	The Company owns 50% of the Voting power in the JV
5	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA
6	Networth Attributable to shareholding as per latest audited Balance Sheet	0.52	0.17	0.57	0.04	31.11	0.06	0.41
7	Profit/Loss for the year	0.36	0.11	0.51	0.01	63.53	(63.21)	0.05
(i)	Considered in Consolidation	0.29	0.08	0.38	0.00	31.76	(30.97)	0.02
(ii)	Not Considered in Consolidation	0.07	0.03	0.13	0.00	31.76	(32.24)	0.02

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

Note: Conversion Rate taken at NGN = INR 0.19 as on 31.03.2020
Note: Conversion Rate taken at SAR = INR 20.10 as on 31.03.2020

For and on behalf of the Board of Directors

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

Place: Hyderabad
Date: 15.09.2020

Annexure - 3

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

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

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

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

S. No	Name (s) of the related party & nature of relationship	Nature of contracts / arrangements / transaction	Duration of the contracts / arrangements / transaction	Amount paid during FY 19-20 ₹ in Cr
1	S. Kishore Babu	Lease Rents paid	On going	0.20
2	S. Lakshmi	Lease Rents paid	On going	0.07
3	S. Kishore Babu (HUF)	Lease Rents paid	01.11.2018 to 31.03.2021	0.08
4	S. Rohit	Lease Rents paid	On going	0.12
5	Power Mech infra Limited	Lease Rents paid	On going	1.66
6	S. Kishore Babu	Remuneration paid	On going	5.25
7	S. Rohit	Remuneration paid	On going	0.35
8	Hydro Magus Private Limited	Sub-contract expenses & hire charges paid	On going	6.70
9	Power Mech Industri Private Limited	Sub-contract expenses & hire charges paid	On going	0.10
10	Power Mech Industri Private Limited	Stores Material Purchase	On going	5.25
11	Hydro Magus Private Limited	Stores Material Purchase	On going	0.70
12	Hydro Magus Private Limited	Assets Purchase	On going	0.21
13	Power Mech Projects Limited LLC	Assets Purchase	On going	0.21
14	GTA Power Mech FZE	Receipts from sale of assets	On going	1.09
15	Power Mech Projects Limited LLC	Contract Receipts from sale of services	On going	0.68

S. No	Name (s) of the related party & nature of relationship	Nature of contracts / arrangements / transaction	Duration of the contracts / arrangements / transaction	Amount paid during FY 19-20 ₹ in Cr
16	Power Mech infra Ltd	Contract Receipts from sale of services	On going	0.18
17	MAS Power Mech Arabia (MASPA)	Contract Receipts from sale of services	On going	2.61
18	Power Mech BSCPL Consortium Private Limited	Contract Receipts from sale of services	On going	9.86
19	M/s. Power Mech-M/s.ACPL JV	Contract Receipts from sale of services	On going	55.96
20	Power Mech -STS-JV	Contract Receipts from sale of services	On going	103.03
21	Power Mech Projects (BR) FZE	Contract Receipts from sale of services	On going	54.88
22	Hydro Magus Private Limited	Contract Receipts from supply of material	On going	4.81
23	Power Mech Foundation	Donations paid	On going	0.44

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

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 2019 -20	Maximum amount of Loans / Advances / Investments Outstanding During the year 2019-20
i	Hydro Magus Private Limited	Loan	-	-
ii	Power Mech Industri Private Limited	Loan	42.67	42.67
iii	MAS Power Mech Arabia (MASPA)	Loan	-	-
iv	Power Mech Projects Limited LLC	Loan	-	-
v	Power Mech SSA Structures Private Limited	Loan	2.21	2.21
vi	GTA Power Mech FZE	Loan	0.55	0.55
v	Hydro Magus Private Limited	investment	2.94	2.94
vii	Power Mech Industri Private Limited	Investment	4.31	4.31
viii	Power Mech Projects Limited LLC	Investment	3.02	3.02
ix	Power Mech BSCPL Consortium Private Limited	Investment	0.01	0.01
x	Power Mech SSA Structures Private Limited	Investment	0.10	0.10
xi	Aashm Avenues Private Limited	Investment	0.10	0.10
xii	Power Mech Environmental Protection Private Limited	Investment	0.01	0.01
xiii	Power Mech Projects (BR) FZE	Investment	0.69	0.69

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

S. No	Name of the Subsidiary	Loans / Advances / Investments	Amounts at the year ended 2019 -20	Maximum amount of Loans / Advances / Investments Outstanding During the year 2019-20
i	GTA - Power Mech Nigeria Ltd.	Investment	0.32	0.32
ii	GTA Power Mech DMCC	Investment	0.09	0.09
iii	MAS Power Mech Arabia (MASPA)	Investment	2.26	2.26

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

S. No	Name of the Subsidiary		Amounts at the year ended 2019 -20	Maximum amount of Loans / Advances / Investments Outstanding During the year 2019-20
	NIL			

Investments by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan

S. No	Name of the Subsidiary		Amounts at the year ended 2019 -20	Maximum amount of Loans / Advances / Investments Outstanding During the year 2019-20
	NIL			

For and on behalf of the Board of Directors

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

Place: Hyderabad
Date: 15.09.2020

Annexure - 4

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

To
The Members
Power Mech Projects Limited
Hyderabad

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter:

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

(i) The Companies Act, 2013 ("the Act") (applicable sections as on date) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed by the Securities and Exchange Board of India ('SEBI') thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
   d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(vi) The provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-

   a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   b. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
   e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(vii) The industry specific laws that are applicable to the Company are as follows:

a. The Contract Labour (Regulation and Abolition) Act, 1970;

b. Building and Other Construction Workers (Regulation of Employment and condition of service) Act, 1996;

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

i) Secretarial Standards SS-1 and SS-2 with respect to meetings of the Board of Directors and General meetings, respectively, issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

We report that, during the period under review, the Company has duly complied with the provisions of the Companies Act, 2013, Regulations of SEBI and other acts applicable to the industry of the Company, as specified above.

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

Sr. No.	Name of the Director	Appointment / Cessation / Reappointment	Our Comments
1	Mr T Sankaralingam	Re-appointment	Re-appointed as an Independent Director for a term of 4 years w.e.f. May 22, 2019 at the 20th AGM held on September 25, 2019.
2	Mr G D V Prasada Rao	Re-appointment	Re-appointed as an Independent Director for a term of 4 years w.e.f. July 27, 2019 at the 20th AGM held on September 25, 2019.
3	Ms. Lasya Yerramneni	Appointment	Co-opted as an Additional Director in the Independent category w.e.f. June 27, 2020.

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

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

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

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

For P.S. Rao & Associates
Company Secretaries

Sd/-
P.S. Rao
Partner
FCS No.: 10322
C.P. No.: 3829
UDIN: F010322B000716643

Date : 15-09-2020
Place: Hyderabad

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

'Annexure A'

To,
The Members,
Power Mech Projects Limited
Hyderabad

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

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed such audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the Financial Records and Books of Accounts of the Company.

4. Wherever required, we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.

5. Compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on 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.

7. Owing to the lockdown imposed by the Government of India in wake of the COVID-19 pandemic, for certain verifications and cross checks, we have relied on the information/ documents and assurances received from the respective officials of the Company for forming our opinion and for eventual reporting thereof.

For P.S. Rao & Associates
Company Secretaries

Sd/-
P.S. Rao
Partner
FCS No.: 10322
C.P. No.: 3829
UDIN: F010322B000716643

Date : 15-09-2020
Place: Hyderabad

Annexure - 5

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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

I. REGISTRATION &OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Description of main products / services	CIN / Registration Number	Holding / subsidiary / Associated	% of share holding as at 31st March 2020	Applicable section
1	Hydro Magus Private Limited	U40106TG2012PTC083246	Subsidiary	88%	2(87)
2	Power Mech Industri Private Limited	U29230TG2006PTC099985	Subsidiary	100%	2(87)
3	Power Mech BSCPL Consortium Private Limited	U45309TG2017PTC121349	Subsidiary	51%	2(87)
4	MAS Power Mech Arabia (MASPA)	1010430705	Subsidiary	49%	2(87)
5	GTA Power Mech NIGERIA Limited	1320877	Associate	50%	2(6)
6	Power Mech Projects Limited LLC	1253331	Subsidiary	70%	2(87)
7	Power Mech SSA Structures Pvt Ltd	U45500TG2018PTC127305	Subsidiary	100%	2(87)
8	Aashm Avenues Private Limited	U45309TG2018PTC127666	Subsidiary	100%	2(87)
9	Power Mech Environmental Protection Private Limited	U45202TG2019PTC138017	Subsidiary	100%	2(87)
9	GTA Power Mech DMCC	DMCC121672	Associate	50%	2(6)
10	Power Mech Projects (BR) FZE	0930	Subsidiary	100%	2(87)

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

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01st April 2019]				No. of Shares held at the end of the year [As on 31st March 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual / HUF	9195048	-	9195048	62.51	9194074	-	9194074	62.50	(0.01)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total (A) (1)	**9195048**	-	**9195048**	**62.51**	**9194074**	-	**9194074**	**62.50**	**(0.01)**
2. Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	**9195048**	-	9195048	**62.51**	9194074	-	9194074	62.50	(0.01)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2596406	-	2596406	17.65	2622993	-	2622993	17.83	0.18
b) Banks / FI	3420	-	3420	0.02	3337	-	3337	0.02	0.00
c) Central Govt	-	-	-	-	-	-	-		-
d) State Govt(s)	-	-	-	-	-	-	-		-
e) Venture Capital Funds	-	-	-	-	-	-	-		-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	488012	0	488012	3.32	475475	-	475475	3.23	(0.09)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Sub Total (B) (1)	**3087838**		**3087838**	**20.99**	**3101805**	-	**3101805**	**21.09**	**0.09**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	395258	0	395258	2.69	518789	0	518789	3.53	0.84
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	1600565	22868	1623433	11.04	1470367	11276	1481643	10.07	(0.96)
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	276026	0	276026	1.88	283640	0	283640	1.93	0.05
iii) NBFC Registered with RBI									

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01st April 2019]				No. of Shares held at the end of the year [As on 31st March 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
Directors	1648	0	1648	0.01	1648	0	1648	0.01	0.00
Non-Resident Indians	101304	-	101304	0.69	94395	0	94395	0.64	(0.05)
Overseas Corporate Bodies	0	0	0	0	0	0	0	0.00	0
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	2246	-	2246	0.02	14779	0	14779	0.10	0.09
NRI Non-Repatriation	18337	-	18337	0.12	14888	0	14888	0.10	(0.02)
Trusts	9626	-	9626	0.07	5103	0	5103	0.03	(0.03)
Sub-total (B)(2):-	2405010	22868	2427878	16.50	2403609	11276	2414885	16.42	(0.09)
Total Public Shareholding (B)=(B)(1)+(B)(2)	5492848	22868	5515716	37.49	5505414	11276	5516690	37.50	0.01
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**14687896**	**22868**	**14710764**	**100.00**	**14699488**	**11276**	**14710764**	**100.00**	**0**

B) Shareholding of Promoter-

S 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	3634942	24.71	-	3634942	24.71	-	0.00
2	SIREESHA GOGINENI	3360	0.02	-	3360	0.02	-	0.00
3	LAKSHMI SAJJA	2403626	16.34	-	3128626	21.27	-	4.93
4	SIVARAMAKRISHNA PRASAD SAJJA	3130	0.02	-	3230	0.02	-	0.00
5	SEKHAR GOGINENI	400	0.00	-	400	0.00	-	0.00
6	GOGINENI BABU	24708	0.17	-	24708	0.17	-	0.00
7	S KISHORE BABU (HUF)	1244000	8.46	-	1244000	8.46	-	0.00
8	SAJJA ROHIT	1574413	10.70	-	849413	5.77	-	(4.93)
9	SUBHASHINI KANTETI	2520	0.02	-	2520	0.02	-	0.00
10	UMA DEVI KOYI	5600	0.04	-	4526	0.03	-	0.01
11	SAJJA VIGNATHA	298094	2.03	-	298094	2.03	-	0.00
12	SAI MALLESWARA RAO SAJJA	255	0.00	-	255	0.00	-	0.00
	TOTAL	**9195048**	**62.51**	-	**9194074**	**62.50**	-	**(0.85)**

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

S No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Sajja Rohit						
	At the beginning of the year			1574413	10.70		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	27-03-2020	Sale	(725000)	4.93	849413	5.77
	At the end of the year					**849413**	**5.77**
2	Sajja Vignatha						
	At the beginning of the year			298094	2.03		
	At the end of the year					**298094**	**2.03**
3	Sajja Kishore Babu						
	At the beginning of the year			3634942	**24.71**		
	At the end of the year					**3634942**	**24.71**
4	Lakshmi Sajja						
	At the beginning of the year			2403626	16.34		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	27-03-2020	Purchase	725000	4.93	3128626	21.27
	At the end of the year					**3128626**	**21.27**
5	SAJJA KISHORE BABU (HUF)						
	At the beginning of the year			1244000	8.46		
	At the end of the year					**1244000**	**8.46**
6	SIVARAMAKRISHNA PRASAD SAJJA						
	At the beginning of the year			3130	0.02		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	03-05-2019	Purchase	100	-	3230	0.02
	At the end of the year					**3230**	**0.02**
7	SEKHAR GOGINENI						
	At the beginning of the year			400	0.00		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	31-05-2019	Purchase	1172	0.01	1572	0.01
		14-06-2019	Sale	(1172)	0.01	400	0.00
	At the end of the year					**400**	**0.00**

S No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	SIREESHA GOGINENI						
	At the beginning of the year			3360	0.02		
	At the end of the year					**3360**	**0.02**
9	UMA DEVI KOYI						
	At the beginning of the year			5600	0.04		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	28-06-2019	Sale	(1074)	0.01	4526	0.03
	At the end of the year					**4526**	**0.03**
10	SAI MALLESWARA RAO SAJJA						
	At the beginning of the year			255	0.00		
	At the end of the year					**255**	**0.00**
11	Subhash Kanteti						
	At the beginning of the year			2520	0.02		
	At the end of the year					**2520**	**0.02**
12	GOGINENI BABU						
	At the beginning of the year			24708	0.17		
	At the end of the year					**24708**	**0.17**

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

S No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	VANTAGE EQUITY FUND						
	At the beginning of the year			695000	4.72		
	Date wise Increase / Decrease in during the year specifying the reasons for increase / decrease :	13-03-2020	(Sale)	(5530)	(0.03)	689470	4.69
		20-03-2020	(Sale)	(9150)	(0.07)	680320	4.62
		31-03-2020	(Sale)	(3)	_	680317	4.62
	At the end of the year					**680317**	**4.62**
2	HDFC SMALL CAP FUND						
	At the beginning of the year			894852	6.08		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	31-05-2019	Buy	33000	0.23	927852	6.31
		09-08-2019	Buy	2574	0.01	930426	6.32
		23-08-2019	Buy	50000	0.34	980426	6.66
		30-08-2019	Buy	2700	0.02	983126	6.68
		27-03-2020	Buy	20000	0.14	1003126	6.82
	At the end of the year					**1003126**	**6.82**
3	BANYANTREE GROWTH CAPITAL II L.L.C						
	At the beginning of the year			356051	2.42		

	Date wise Increase / Decrease in during the year specifying the reasons for increase / decrease :			-	-	-	-
	At the end of the year					**356051**	**2.42**
4	IDFC MULTI CAP FUND						
	At the beginning of the year			402039	2.73		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	28-06-2019	Purchase	10000	0.07	412039	2.80
		16-08-2019	Purchase	5698	0.04	417737	2.84
	At the end of the year					**417737**	**2.84**
5	GAYI ADI MANAGEMENT AND TRENDS PIVATE LTD						
	At the beginning of the year						
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	29-11-2019	Purchase	61		61	0.00
		06-12-2019	Purchase	5604	0.04	5665	0.04
		13-12-2019	Purchase	1199	0.01	6864	0.05
		20-12-2019	Purchase	8740	0.06	15604	0.11
		27-12-2019	Purchase	799	-	16403	0.11
		31-12-2019	Purchase	1032	0.01	17435	0.12
		17-01-2020	Purchase	6286	0.04	23721	0.16
		31-01-2020	Purchase	18260	0.13	41981	0.29
		07-02-2020	Purchase	12315	0.12	54296	0.37
		14-02-2020	Purchase	42453	0.29	96749	0.66
		21-02-2020	Purchase	3356	0.02	100105	0.68
		28-02-2020	Purchase	21	-	100126	0.68
		06-03-2020	Purchase	50503	0.34	150629	1.02
		13-03-2020	Purchase	8602	0.06	159231	1.08
		20-03-2020	Sale	(13625)	(0.09)	145606	0.99
		27-03-2020	Purchase	1019	0.01	146625	1.00
		31-03-2020	Purchase	7200	0.05	153825	1.05
	At the end of the year				**0**	**153825**	**1.05**
6	IA ALL CAP FUND						
	At the beginning of the year			90065	0.61		
	Date wise Increase / Decrease in during the year specifying the reasons for increase / decrease :	20-12-2019	Sale	(901)	-	89164	0.61
	At the end of the year					**89164**	**0.61**
7	KRS ERECTORS PRIVATE LIMITED						
	At the beginning of the year			27233	0.19		
	Date wise Increase / Decrease in during the year specifying the reasons for increase / decrease :	31-05-2019	Sale	(6234)	(0.02)	20999	0.14
		19-07-2019	Sale	(3982)	(0.02)	17017	0.12
		26-07-2019	Purchase	86	-	17103	0.12
		02-08-2019	Purchase	500	-	17603	0.12
		09-08-2019	Purchase	20556	0.14	38159	0.26
		16-08-2019	Purchase	21038	0.14	59197	0.40
		23-08-2019	Purchase	870	0.01	60067	0.41
		30-08-2019	Purchase	5562	0.04	65629	0.45
		25-10-2019	Purchase	400	-	66029	0.45
		01-11-2019	Purchase	1006	0.01	67035	0.46

		15-11-2019	Purchase	1835	0.01	68870	0.47
		22-11-2019	Purchase	40000	0.27	108870	0.74
		22-11-2019	Sale	(35136)	(0.24)	73734	0.50
		29-11-2019	Purchase	6938	0.05	80672	0.55
		06-12-2019	Purchase	5000	0.03	85672	0.58
		06-12-2019	Sale	(1252)	(0.01)	84420	0.57
		13-12-2019	Purchase	6700	0.05	91120	0.62
		20-12-2019	Purchase	938	0.01	92058	0.63
		27-12-2019	Sale	(30000)	0.21	62058	0.42
		24-01-2020	Sale	(9474)	0.06	52584	0.36
		31-01-2020	Purchase	3393	0.02	55977	0.38
		07-02-2020	Purchase	4500	0.03	60477	0.41
		14-02-2020	Purchase	30000	0.21	90477	0.62
		14-02-2020	Sale	(29800)	(0.21)	60677	0.41
		21-02-2020	Purchase	17097	0.12	77774	0.53
		28-02-2020	Sale	(11300)	(0.08)	66771	0.45
		06-03-2020	Sale	(13100)	(0.09)	53671	0.36
		13-03-2020	Purchase	26311	0.18	79982	0.54
		20-03-2020	Purchase	48000	0.33	127982	0.87
		20-03-2020	Sale	(17257)	(0.12)	110725	0.75
		27-03-2020	Sale	(5033)	(0.03)	105692	0.72
		31-03-2020	Sale	(8759)	(0.06)	96933	0.66
	At the end of the year					**96933**	**0.66**
8	ADESH VENTURES LLP						
	At the beginning of the year			94251	0.64		
	Date wise Increase / Decrease in during the year specifying the reasons for increase / decrease :	07-06-2019	Sale	(17552)	(0.12)	76699	0.52
		14-06-2019	Sale	(1396)	(0.01)	75303	0.51
		21-06-2019	Sale	(126)	-	75177	0.51
		28-06-2019	Sale	(14524)	(0.10)	60653	0.41
		05-07-2019	Sale	(5061)	(0.03)	55592	0.38
		12-07-2019	Sale	(101)	-	55491	0.38
		26-07-2019	Sale	(265)	-	55226	0.38
		02-08-2019	Sale	(10492)	(0.08)	44734	0.30
		14-02-2020	Sale	(5836)	(0.04)	38898	0.26
		21-02-2020	Sale	(1494)	(0.01)	37404	0.25
		28-02-2020	Sale	(529)	-	36875	0.25
	At the end of the year					**36875**	**0.25**
9	VEC STRATEGIC GROWTH FUND 2						
	At the beginning of the year			36559	0.25		
	Date wise Increase / Decrease in during the year specifying the reasons for increase / decrease :	23-08-2019	Sale	(36270)	0.25	289	0.00
		27-09-2019	Sale	(289)	-	0	0.00
	At the end of the year					**0**	**0**
10	IIFL RE ORGANIZE INDIA EQUITY FUND						
	At the beginning of the year			182387	1.24		

	Date wise Increase / Decrease in during the year specifying the reasons for increase / decrease :	21-06-2019	Sale	(1513)	(0.01)	180874	1.23
		28-06-2019	Sale	(2038)	(0.01)	178836	1.22
		12-07-2019	Sale	(3206)	(0.03)	175630	1.19
		19-07-2019	Sale	(3647)	(0.02)	171983	1.17
		09-08-2019	Sale	(658)	(0.01)	171325	1.16
		16-08-2019	Sale	(1255)	-	170070	1.16
		23-08-2019	Sale	(4294)	(0.03)	165776	1.13
		30-08-2019	Sale	(24)	-	165752	1.13
		06-09-2019	Sale	(1401)	(0.01)	164351	1.12
		03-01-2020	Sale	(5400)	(0.04)	158951	1.08
	At the end of the year					**158951**	**1.08**
11	DSP INDIA TIGER FUND						
	At the beginning of the year			158825	1.08		
	Date wise Increase / Decrease in during the year specifying the reasons for increase / decrease:	05-04-2019	Sale	(248)	-	158577	1.08
		24-05-2019	Sale	(11042)	(0.08)	147535	1.00
		31-05-2019	Sale	(2831)	(0.02)	144704	0.98
		14-06-2019	Sale	(763)	-	143941	0.98
		20-03-2020	Sale	(4)	-	143937	0.98
	At the end of the year					**143937**	**0.98**
12	ADITYA BIRLA SUN LIFE TRUSTEE PVT LTD A/C						
	At the beginning of the year			79947	0.54		
	Date wise Increase / Decrease in during the year specifying the reasons for increase / decrease:	20-12-2019	Sale	(3213)	(0.02)	76734	0.52
	At the end of the year					**76734**	**0.52**

E) Shareholding of Directors and Key Managerial Personnel:

S No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	S. Kishore Babu						
	At the beginning of the year			3634942	24.71	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-	-	-
	At the end of the year					**3634942**	**24.71**
2	Lakshmi Sajja						
	At the beginning of the year			2403626	16.34		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	27-03-2020	Purchase	725000	4.93	3128626	21.27
	At the end of the year					**3128626**	**21.27**

S No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	G D V Prasada Rao Independent Director						
	At the beginning of the year			1120	0.01		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year					**1120**	**0.01**
4	T. Sankaralingam Independent Director						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year					**Nil**	**Nil**
6	Vivek Paranjpe Independent Director						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):						
	At the end of the year					**Nil**	**Nil**
7	M. Rajiv Kumar Non-Executive Director						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year					**Nil**	**Nil**
8	J. Satish CFO						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year					**Nil**	**Nil**

S No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	Rohit Tibrewal Company Secretary						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc.):						
	At the end of the year					**Nil**	**Nil**

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding / accrued but not due for payment. For the 2019-20

₹ in Cr

Particulars	Secured	Un secured	Total
Indebtedness at the beginning of the financial year			
i) Principal Amount	281.40	74.83	356.23
ii) Interest accrued and due	0.25	-	0.25
iii) Interest accrued but not due	0.03	-	0.03
Total (i+ii+iii)	**281.68**	**74.83**	**356.51**
Changes in Indebtedness during the financial year			
* Addition	178.93	55.74	234.67
* Reduction	82.10	13.50	95.60
Net change	96.83	42.24	139.07
Indebtedness at the end of the financial year			
i) Principal Amount	378.51	117.07	495.58
ii) Interest accrued and due	1.11	-	1.11
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	**379.62**	**117.07**	**496.69**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ *in Cr*

S No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
1	Gross salary	Shri S Kishore Babu	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.20	1.20
	(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	4.05	4.05
5	Others, please specify	-	-
	Total (A)	5.25	5.25

B. Remuneration to other Directors

₹ *in Cr*

S No.	Particulars of Remuneration	Name of Directors					Total
		Smt. S Lakshmi	Shri. T Shankarlingam	Shri. M Rajiv Kumar	Shri G D V Prasada Rao	Shri Vivek Paranjpe	
1	Independent Directors						
	Fee for attending board committee meetings	-	0.03	-	0.04	0.03	
	Commission	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	
	Total (1)	-	0.03	-	0.04	0.03	0.10
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	
	Commission	-	-	-	-	-	
	Others, please specify: Consultancy fees	-	-		-		
	Total (2)	-	-	0.61	-	-	0.61
	Total (B)=(1+2)	-	0.03	0.61	0.04	0.03	0.71
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

₹ in Cr

S No.	Particulars of Remuneration	Key Managerial Personnel			
1	Gross salary	CEO	CS	CFO	Total
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	0.09	0.43	0.52
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	**0.09**	**0.43**	**0.52**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

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

Place: Hyderabad
Date: 15.09.2020

Annexure-6

Management Discussion and Analysis

Indian Economic & Industry Overview

As seen and having traversed the various developments in the last one year, there have been significant changes affecting the Indian economy at present. The deceleration of growth rates has been on a down ward trend in the last 3 years, with GDP rates coming down from FY 2017-18 to FY 2019-20 from 7.04% for FY 2017-18, 6.12% for FY 2018-19, and the year ended of FY 2019-20 at 4.12%. There have been many factors for the down ward swings, and the main factors, are lower consumer demand, slowdown in investment mainly in the private sector which also affected the manufacturing sector and also lower growth in the construction sector, lower tax revenues, fund allocations issues between states and centre, and sharp down turn in credit growth.

The principal developments during the year under review even though there had been some modest increase in per capita incomes, there was higher impact of increased national inflation, lower interest rates and weakened consumer sentiment for the entire preceding FY of 2019-20. The weaker sentiment was on account of a large non-banking financial company announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment. However in spite of lower growth, and owing to lower global economic growth in other leading economies, India improved its position as the fifth-largest economy in the year 2020 touching US$ 3.2 trillion, and this need not be a comfort to the Country, where higher growth is of paramount importance for economic growth, to propel higher investments in various sectors with the avowed aim of becoming a 5 trillion dollar economy by 2025.

The Country attracted higher ~US$ 49.97 billion in FDI inflows which had seen a growth of 13% driven by strong policy reforms, India further improved its ease of doing business to 63rd position in the World Bank's latest report on the 'Ease of Doing Business' that captured the performance of 190 countries. Also estimated inflation including food and energy prices on an annual basis was higher than the previous year's medium-term target of Reserve Bank of India. Also Rupee depreciated in the year under consideration to ₹75.32 at the end of the year, and this can be cause for worry and also an opportunity. During the fiscal year under review, the major investments continued to be from the Government and it continued to invest deeper in digitization, renewable energy capacity generation and infrastructure building, railways, road sector and urban improvement schemes.

COVID-19 Impact

It is now clearly established that the outbreak of COVID-19 and the spread of the same across the nation had led to nation wise lock down for about 68 days from 25th March 2020 to 31st May 2020 in this year, which has dealt huge shocks to the economy seriously affecting revenue collection, and economic growth. It has been 5 months since this pandemic after entering the Country, continues to play major spoiler for economic revival apart from seriously causing serious handicaps in the health sector leading to huge loss of life and affecting the manufacturing, construction and also movement of goods and most sections of economic activity and the more serious aspect of leading to thousands of deaths across various parts of the Country. This pandemic also lead to large scale movement of migrant labour back to their native states after the outbreak of the pandemic, and there has been slow return of these migrant labour back to the places they were working earlier. The movement of migrant labour also seriously affected the construction industry.

This slowdown in the economic activity is distinctly visible for the FY 2020-21, and can significantly lower the GDP of the Country. It is also seen that global supply chains have also been threatened by the pandemic. Government has responded with lot of urgency in addressing the serious problems posed by the pandemic, with series of economic measures in monetary and fiscal relief packages injecting liquidity into the system and provide relief to stressed sectors. It is possible that these measures can mitigate the problems of affected people and some segments of Industry, but there is no denying the fact of the pandemic lowering the India's growth story and also contracting of the economy in the current FY 2020-21.

In view of these disruptions, the Company is also alive to these serious problems and is trying to secure the life and safety of its employees and contract labour working in various sites. The Company is also taking measures for reducing the overhead expenses and controlling working capital with better liquidity management.

Key Government Initiatives

In order to overcome the slowdown started in the first quarter of 2020, various reforms were initiated by the Government related to reduction in corporate tax rates, partial credit guarantee to public sector banks for purchase of assets on financially sound NBFCs, along with recapitalization of public sector banks, merger of 10 public sector banks into 4 entities and also revised priority sector lending norms for exports.

Industrial investment in private sector has come down drastically, however public spending by Government has remained very strong in the segments of infrastructure, driven by Government's initiative to improve investment across multiple infrastructure sectors. Government also acted on the on National Infra Pipeline (NIP) worth ₹111 lac Cr from year 2019 to 2025, with specific focus on energy, railways, urban infrastructure, roads, and irrigation projects to boost economy and with the goal of achieving a US$ 5 trillion GDP by 2025.

It is a matter of interest to support the Government on the new initiative of "Atmanirbharata" drive for maximizing the manufacture and services sector based on self-reliance and also drive the export market for the Country. Your Company would like to be part of this initiative to contribute to the Country's growth story based on "Atamanirbharata", and would like to play its role in this Government initiative and the Company is significantly catering to the export market in its area of operations and competing with the leading agencies in Middle East and other areas penetrating the export market.

Economic Outlook and Market Dynamics

The sluggishness which started from the 1st quarter of FY 2019-20, had continued till the 4th quarter and further compounded by the break in of Corona 19 virus from February 2020 onwards and the shutdowns in the end of the quarter and continued in the first quarter of FY 2020-21, compounded the growth and subdued the GDP growth to brought down to 4.18%. The continued impact of COVID-19 and its spread across all segments and geographies of the Country will certainly impact the growth leading to negative growth in the current FY 2020-21, and the expectation is that negative growth in economy was initially forecasted to be the extent of 4% to 5%, however the continued increase in COVID-19 cases unabated into the second quarter of FY 2020-21, the GDP contraction is being pegged at 9% to 10% for the current year. The Government in its second innings has been grappling with the unprecedented situation and had announced stimulus of ₹20 lac Cr along with helping the weaker sections of the society with digital cash pay outs to farmers, poorer sections of the society and migrant labour, MSMEs, and providing helping hand to agriculture sector and farmers along with RBIs liquidity boosting measures. Bringing back the economic activity and investment back on track, is the most important goal of the Government, even as the Government's main focus to remain pro-investment and pro-business resulting in a larger spending on infrastructure build-out, an economic revival appears some quarters away. The industry should bank on the long-term outlook based on the ₹111 lac Cr NIP plan in place for massive investments in various infra schemes, and to be positive on account of the various economic reforms, increasing aspirations, sustained consumption momentum and a national under-consumption across a range of products appearing to correct.

It has been the policy of the Company to align its growth and diversification considering the market dynamics and also factor the new investments and initiatives for public spending related to NIP, and this has been demonstrated by the Company's initiatives in various diversification measures undertaken in the last few years to maintain the growth and value addition to the stake holders.

Power Mech's Business Overview

The Company's consolidation and progress for the first 15 years was extensively driven by focusing on the growth in the power sector thermal business related to main plant installation and maintenance works. This was the period from the year 2003 onwards, owing to the changes brought out by the new Electricity act of 2003, and the opening of the sector for massive private sector investment mostly in the thermal side of generation, and the installed base of coal based thermal capacity leap frogged from 62,131 MW in the year 2002 to 2,05,134 MW by March 2020. It is a matter of record that the Company utilized this opportunity for growth and worked in undertaking about 62 Boiler units, and 98 TG units, and worked on installed base of 64,000 MW capacity addition for undertaking erection testing and commissioning (ETC) works of main plant equipment. It is a matter of pride that today the Company is the largest contributor in the Country for the installation of the high performance super critical units of 660 MW to 800 MW with ETC of 18,180 MW out of total installed base of these units at 57,750 MW of coal based power plants commissioned so far in this segment. This further paved into forward integration of undertaking maintenance works, annual over hauls, capital overhauls of main plant equipment and also balance of plant, and further diversification into full-fledged O&M activity for the last 7 years. As on date Company stands on the footprint of huge achievements with an installed base of 64,000 MW in installation works in the domestic sector, and expanded the O&M foot print both in long term O&M contracts, as part of forward integration and also maintenance works with a market reach of 60,000 MW including utility sector excluding captive power segment out of 2,30,089 MW of thermal and gas installed base in the Country by end of March 2020.

In the last 8 to 9 years conscious efforts have been made for diversification and move away from the earlier main business of ETC related business of main plant equipment of thermal plants owing to down ward investments in the 13th plan with more focus into renewable energy investments, into non power sector in the areas of Civil infra works, establishing export foot print in Middle East, Africa, Bangladesh, Bhutan etc, undertaking of Cross Country pipe line works in Oil and Gas sector, foray into Irrigation work related to canal construction, Industrial technology parks, Railway civil works and also Electrification works, Transmission and Distribution works on turnkey basis. In the last 3 years, the Company has made a major breakthrough into the installation works of steel plants, which is expected to be new investment destination in private sector. The latest diversification measure has been to undertake turnkey material handling works in various sectors in association with material handling OEMs in the areas of mineral handling, coal handling etc in various sectors.

There has been continuous and sustained effort in looking at new opportunities, and investments, and the ideas and goals have been the same, to use the core competence of the Company as an established and good service provider for construction support in various segments of industry, and the basic philosophy has been to drive flexibility into business model, for gainful deployment of experienced manpower and project resources in multiple areas providing value addition for the Company's growth based on the market dynamics of how the investments are taking place in different segments of business with the obvious intention of balancing the downward investments in coal based power business. This had enabled the Company to maintain growth in the last 7 years, and it had also enabled the Company to establish in the market as a highly diversified, integrated construction and project service provider across wide spectrum of industry both in the power and non-power sectors.

Notwithstanding the present travails due the COVID-19 pandemic affecting the economy, the Company remains optimistic about its future growth in view of the above measures and confident that the Company can overcome the present situation and embark on a growth path once this Pandemic situation is overcome. The present focus is to reduce the impact of COVID-19, and also focus on order booking, so that when the situation normalizes, the Company's operations can be scaled up to bring back the growth story.

The Company's growth in the last three years of achieving total income of ₹1,554.55 Cr in FY 2018, ₹2,275.42 Cr in FY 2019 and ₹2,174.02 Cr for FY 2020 in spite of capacity addition in thermal sector had nose-dived, has been the result of opportunity consolidation and diversification into non power sector in various segments.

The power sector in India is one of the most diversified in the world ranging from conventional sources of power generation like coal, natural gas, oil, hydro and nuclear power to renewable sources like wind, solar agricultural and domestic waste. India is the third largest producer of electricity globally and possesses the third largest electricity production capacity in the world. Total installed capacity of power stations in India now pegged at 371.9 GW as of July, 2020 with third largest installed capacity in the world. The emphasis of the present Government is to increase the share of renewables and reduction of emissions in keeping with the global commitments. The present share of renewables is 24 % of installed base and it is expected to go up to 36% by 2022 and 52% by 2030 with total installed base of 476 GW and 817 GW respectively (As per the latest study on optimal generation mix by CEA). The lower growth of installed base in fossil based power plants has been a reality, with more emphasis on renewables. This is also impacting the PLF of coal based power plants in the last 6 years and the present PLF now has further come down from 60% in 2018-19 to 52.55% in March 2020, and it is expected that the PLF will fall below 53% in FY 2020-21 when compared with about 70% in FY 2012-13. These downward trends in PLF would obviously lead in to major changes in the O&M philosophy of thermal power plants with much lower operating loads. The downward trend in the PLF is due to slower economic growth and also increase in the share of renewable energy in power generation, and this trend is further expected to come down to lower PLF levels as the installed base of renewables goes up to more than 50% in this decade. This trend in the generation mix, and change in the operation and maintenance philosophy of thermal plants, can lead to increased business opportunities in terms of O&M business.

The emphasis on emission reduction has been propelling the investments in new technologies for emission control of Flue Gas Desulphurization (FGD) and Selective Catalytic Reduction (SCR) for total coal based plants of 166 GW as of now (source CEA). The electricity demand in India has been rapidly rising and the growth has been catalysed by Government schemes like Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) an Integrated Power Development Scheme (IPDS), along with the implementation of 'Saubhagya Scheme', aimed at providing electricity for all households. The ever-increasing population and per capita usage is projected to drive the growth of power consumption to 2,325 billion units in 2030 from the present generation in FY 2019-20 of 1,252 billion units. These schemes will have cascading and positive impact on the growth of the transmission and distribution business. (Source CEA)

The Company is also coping with the recent market dynamics in the export market, owing to major upheavals caused due to the steep decrease in the crude oil prices from 57$ in 2019 to less than 40$ per barrel by August'20, and fell below 30$ in April and May 2020, and this much lower revenues for the oil producing countries in the Middle East, and this is bound to impact Company's business in Middle East, on the erection business of new gas based power plants and also desalination plants, apart from expected lower investments in the oil and gas sector.

For the next 1 to 2 years, we do not see any major change in the contribution of export sector for revenues in view of the ongoing works in Bangladesh and Nigeria and also some growth in the O&M side of the business. At the same time major efforts are in the pipe line to increase the share of O&M business in the Middle East from the present ₹50 Cr to ₹150 Cr in the next two years.

The Company having integrated with major diversification into export sector, the developments and investments taking place in the international market is of great interest, as export business has become a steady business opportunity in the last 6 years with focus on Middle East, West Africa and Bangladesh. The Company has been quite successful in penetrating the export market in a big way with large captive and power projects under implementation in Bangladesh and Nigeria.

It can be matter of concern that the above impact on the oil prices can affect the same on the new power generation capacity being planned for capacity addition to reach 499 GW by 2035 in Middle East and huge investments which were planned expected both in the Middle East and North Africa Region (MENA) and also Gulf Cooperation Council (GCC) region.

Bangladesh also is focusing its development agenda with major investments in the power sector and the present capacity of about 20,000 MW and its augmentation plans for the decade up to 2,030 is to increase the capacity to 31,000 MW with long term plan of 57,000 MW by 2041 with 17% share of the renewables and the rest of the power capacity will be the mix of Coal, Oil & Gas, Hydro and also Nuclear (Source BPDB Report).

As far as India is concerned the installed generation capacity is estimated to reach 476 GW by 2025 vis a vis 370 GW of March 2020. Of the total installed capacity, 50% will be based on coal, 38% on renewables, 9% on hydro, and 2% on nuclear. The per capita electricity consumption is projected to increase from 1,181 kwh in FY 2018-19 to 1,616 kwh in FY 2024-25.

It is also important to understand as per the NIP document under the Economic Affairs Ministry, the task force for the same which has laid down the road map for investments in the coming years with the total investment planned at ₹111 lac Cr up to 2025. Based on this task force recommendations, all workable projects which can be successfully implemented and investments gainfully made in various segments of economic growth have been identified and this NIP shall be the basis for yearly investment in the next 5 years. The major focus of investment in the coming years are on energy sector related to power and petroleum and gas at ₹27 lac cr, road sector at ₹20 lac cr, railways at ₹13.67 lac cr, AMRUT schemes, smart cities and various urban schemes at ₹19.19 lac cr, ports at ₹1.21 lac cr, irrigation at ₹8.93 lac Cr and rest of the investments at ₹10.4 lac cr. (source NIP from Ministry of Economic affairs). It is important to note that under the present COVID-19 pandemic conditions, how this NIP plan is going to be implemented to be seen.

The goal of the Company to be on continued focus on the new initiatives and various diversification measures which have been taken in the last 5 to 7 years, to move away from the over dependence of power sector business as brought above. However the role of the power sector cannot be diminished with the lead role being played for the business growth and stability of the Company with the major strides made in the O&M side of power plant operation and maintenance jobs.

Sectorial Business Outlook and Opportunities

A) Operation & Maintenance (O&M)

1) O&M in Power Sector

O&M sector of the business continued to play a major role for the Company's growth and sustenance encompassing all segments of O&M business related to longer term operation and maintenance of power plants with 3 to 5 years contractual cycles, capital overhauls along with annual over hauls, breakdown, repairs works, rehab works and plant up gradation

2X 660 MW Singareni Thermal Power Plant at Telangana works with skill and expertise has established your Company as the leading player in the Country providing O&M services. It is also established that the outsourcing of the O&M works for shutdown/ maintenance jobs, as well as long term O&M jobs, have been beneficial to the customer in terms of reducing O&M costs, and this trend is now being captured by the State Sector and Central Sector under PSUs and State utilities. This segment of the business has substantially contributed to the top line with 30% of revenue share and higher returns with very low capital investment, and this segment also has substantially undergone consolidation. Both the sub segments are rewarding and now have become the back bone of the Company's growth plan for top and also bottom line, and have been the bedrock of Company's operations in last 3 to 4 years.

As on date the Company's presence has been further enhanced in the last year to 65,275 MW (Utility and Captive) while operating about 40 plants across the Country in the utility sector and the captive sector. These O&M contracts are being executed both for the main plants and balance of plants areas based on the customer requirements. It is also important to note that your Company is providing services in about 5,040 MW installed base related to captive power plants catering to the metal sector. The present installed base of utility segment is about 2,30,000 MW in coal & gas based plants in the domestic sector out of total installed base of 3,70,106 MW.

IPP sector has taken the lead in out sourcing the long term O&M contracts in a big way and your Company has established its strong presence with >50% market share of 90,000 MW installed base in IPP sector of both thermal and hydro segments.

The salient feature of the this captive power segment of the business is that, the Company has also established its presence in the O&M of captive power plants, for Hindaco, Vedanta, Balco and there is a need to further expand this footprint. It should be noted that there is an installed base of 65,000 MW in captive segment and this entry need to be consolidated as is the practice in the captive power segment, most of the O&M works are being done by the plant owners. Since the unit capacities are not on par with the power sector, there is a need to choose the optimum capacity of the units for AMC jobs meeting the customer needs and his budget.

A significant development in the last 2 years, has been the interest shown by PSUs and State utilities to outsource the O&M operations on a comprehensive basis to O&M contractors. Traditionally these Government undertakings, operated with their own manpower and expertise, and to derive the benefits and better returns and lower operation and maintenance costs, they are now resorting to outsource these operations on a much larger scale.

A major development in the recent times for the Company has been the foray into state sector in NTPC, KPCL, SCCL, NMDC etc and this breakthrough has enabled the Company to foray into State Sector. However in the case of NTPC, they have taken a major decision to outsource the long term O&M contracts for the newly installed plants and the potential of the same is in the range of 4,000-5,000 MW based on the capacity addition planned by NTPC. NTPC has come out with the new O&M outsourcing philosophy mainly to cater the new units getting commissioned and this is part of the strategy not to increase the huge manpower induction needed to maintain these newly commissioned plants. This has resulted in undertaking AMC jobs of some packages at Solapur (2x660 MW), Gadarwara (2x800 MW), Lara (2x660 MW), Khargone (2x660 MW), Meja (2x660 MW), Khandwa (2x660 MW) with about 7,600 MW generating plants of NTPC.

The Company also has penetrated the Renovation and Modernisation (R&M) business in the power sector having earlier completed the 200 MW boiler rehab works at Bandel, and recently has completed the rehab works in boiler work of 2x110 MW at Baruni. The Rehab and R&M works of old thermal and gas power plants can bring in additional opportunities as part of the O&M business growth.

Another important factor is in the growth of renewables and its share is expected to be more than 50 % by 2030 The base load stability of the coal based power plants will have to undergo major operational changes for day, night operation, and this will obviously impact the performance of the machines leading to higher costs in O&M mainly due to more wear and tear of the equipment. The changed generation mix with renewable playing increased role can also bring in huge changes in the O&M practices of thermal power plants for reconfiguring to day/night operations for load management, frequency control, with shutdowns/ starts on daily basis. Therefore these changes in the generation mix in the coming years with renewable portion going up to more than 50% would need major changes in the coal based plants O&M structure and procedures which can entail more O&M costs to the owner and leading to more opportunities for the O&M operators.

There is also balance scope of about 30,000 MW in IPP sector, out of installed base of 90,000 MW and also captive power plant base of 65,000 MW. In the case of NTPC the leading generator in the Country, is trying to bring under the fold of long term 3 to 5 years for annual repair contracts where in the additional capacity addition is expected to be 4,000 MW to 5,000 MW p.a. In the case of State utility sector of thermal power plants of about 72,000 MW, efforts are under way for the penetration of long term O&M contracts.

The focus in the coming years is to further diversify the O&M business into State sector, non-power sector and captive power sector as this segment adds to the strengths of business growth by expanding into balance opportunities in IPP sector, foray into State sector, Captive sector, Hydro segment, Manufacture of spares and also increasing the footprint of O&M business in the export sector.

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

2) **O&M in Non Power Sector**

Some progress has been made in undertaking O&M jobs in the non-power sector and this success has been achieved in the case of NMDC Nagarnar steel plant involving the material handling operation and maintenance. As part of diversification in the ETC and Civil business in the non-power sector, similar efforts have been initiated to expand the O&M profile in this sector. Significant achievements in the recent times are related to long term O&M works in Jamnagar Refinery, Essar Refinery related to turnaround works. Also at Lanjigarh Aluminium Refinery plant of Vedanta group long term electrical maintenance being carried out. Efforts are under way to enter into the O&M works of Bhushan steel now under the control of Tata Steel. With the entry into the installation works of JSW steel plant expansion works, efforts are also under way to undertake O&M works for JSW. With these initial efforts it is possible that the O&M business can also lead to some growth with the advent into non power sector, related to Refineries, Steel plants, Aluminium plants, Iron ore handling plants etc, and as a part of sub group in O&M can expect to help growth of the O&M business in the future.

3) **International O&M Business**

The Company has strongly established its presence in Middle East, Africa for undertaking the ETC business in the export sector, and in the last 2 years the Company is also establishing its presence in the O&M space in the Middle East and North Africa. The beginning was made in the previous year in view of the huge installed base of about 300 GW and the initial major opportunities were mainly related manpower supply for some of the shutdown jobs followed by over hauls, repair, capital overhauls, etc, and the focus is to expand the country wise profile in Middle East as first stage for similar works and then look for major opportunities for long term contracts. It is important to note that in the year 2019-20, your Company has made major breakthroughs in the O&M segment and new orders achieved in the previous year amounted to ₹50 cr. Down the line, the focus is also to work on long term contracts of O&M over a period of 3 to 5 years. Significant growth is expected in the O&M business in Middle East, and in the current year the order booking is expected to go up to ₹80 Cr which includes, capital overhauls, and long term O&M contracts. On the O&M side also strides have been made to penetrate the O&M opportunities in the Middle East, with installed base of 157 GW of installed base in GCC area.

4) **Rehab and Reconstruction**

Power Mech has gained experience in the Rehab business being partner with Doosan for the 200 MW Bandel plant up gradation and this work has been successfully completed. This experience has further been strengthened with completion of works for BHEL for the 2x110 MW Boiler rehab jobs at Baruni. In the captive sector, rehab of the ESP work for Vedanta has been completed at Lanjigarh. Even though very aggressive targets were set for the 13th plan of 2017-22 for undertaking R&M works on 71 units aggregating 14,929 MW, the performance on this front is very meagre of achieving only about 887 MW. Taking into account the present environmental issues and the new norms to be met, CEA has issued revised guidelines in December'19, that the Rehab works to undertaken with a need for an all-inclusive approach for R&M Thermal power plants.

The low achievements in the R&M front are due to many factors related to skewed risk benefit sharing in the contractual agreements, lack of clearly defined scope of work etc. It is therefore one has to wait for the new guidelines and tendering norms for the investments to take place in the R&M segment of the thermal power plants.

In the case of R&M Hydro segment, in the 12th plan about 4,149 MW of works were carried out to get the benefits of R&M up gradation jobs and in the years to come from 2022-27, it is planned to carry out R&M works for 4,358 MW.

Your Company is well equipped to undertake the R&M works in the Hydro sector of power business.

B) Erection, Testing and Commissioning, FGD and SCR Business

1) Erection, Testing and Commissioning (ETC) Business

In view of the emphasis related to expand the installed base in the renewable sector, the share of the thermal new unit's capacity expansion has been coming down drastically in the last few years in the 13th plan. The yearly installed capacity of thermal new units has come down from 8,710 MW in FY 17-18 to 4,500 MW in FY 19-20 from the peak of 20,537 MW in 2016. The peak installed capacity of thermal power plants was in the range of 14,000 MW to 20,000 MW after the advent of IPP players into the generation business. During this growth period of thermal capacities only, the Company focused on the ETC business coupled with the advent of large plant capacities planned as UMPPs at Sasan and Mundra with super critical technology. The steep fall in this segment had its impact on the new unit installation business of the Company during the last 4 years. However the advent into various diversification measures into O&M business, and non-power sector, and infra segment works, helped the Company to tide over the business down turn in the ETC business of coal based power plants.

However the Company continue to be a leading player in this segment and its share of the modest business available in this segment, and as on date working in about 6 projects both in the ETC of new BTG units at Nabinagar, Barh, Uppur, Suratgarh, Harduaganj , Yadadri involving about 10 nos of 660 MW units.

Based on the EPC orders placed on BHEL & L&T, in the thermal sector, major plants are coming up at Yadadri (4,000 MW), Talchar (1,320 MW), Buxar (1,320 MW), Sagardighi 660 MW, Khurja 1,320 MW involving in about 8,000 MW new installation contract in BTG ETC and also structural fabrication and erection works.


2X660 MW STPP, Rayanwali, Suratgarh, Rajasthan

Also there are investment plans by NTPC at Lara and Singrauli for installation of 1,600 MW plants each of 800 MW units, and NLC has plans for large capacity Lignite fired units of 2x660 MW units at Neywali as part of expansion, and NLC is also planning investment in Odisha for a 2x660 MW Coal based plant as part of its expansion plans. Adani Power is planning a coal based plant at Pench in MP of 2x660 MW. These units once fructify into firm investments can lead capacity addition of 7,160 MW. The Company would continue to take its business forward in these new units installation works based on the opportunities available for the BTG erection as well as the structural works.

2) FGD and SCR

The Paris accord of 2015 had mandated all the nations to bring emission controls and particularly SOx, NOx, mainly related to thermal Power plants. The CEA Flue Gas Desulphurization upgrades is required over 1,66,000 MW of capacity across 440 units. The original plan of completing this up gradation plan by 2022 can be delayed up to 2024. As on date NTPC has taken a leading role in the implementation of this scheme as mandated and so for 5 lots of tenders have been invited for catering to the NTPC installed base. NTPC has already taken action for the execution of 43,000 MW of its installed base of thermal plants out of 53,600 MW awarded by all the utilities for 113 units and the lead EPC players in the fray for these works are BHEL, GE, L&T, MHPS, ISJEC, TPL.

Also, nearly 1,66,000 MW (as per latest CEA guidelines) is expected to be retrofitted with FGD & SCR by 2024 with total Investment of ₹1,000 Billion. A significant aspect of these investments is the thrust being provided by NTPC as a leading power utility in the Country. A beginning has been made with the First FGD system of 500 MW unit commissioned by NTPC at Vindhyachal, where in the Company executed this work for General Electric who were the EPC contractor. However for retrofitting works of FGD there is not much of ordering which has taken place from other utilities and it is expected, the pace of awarding EPC contracts to various EPC contractors will pick in this year and the coming year to meet the total implementation schedule by 2023-24.

The per MW cost of the FGD can be in the range of ₹35 lac to 45 lac entailing a total investment of ₹60,000 Cr to ₹75,000 Cr based on the scheme and layout of the FGD system plant wise. The total opportunities for the site works can be in the range of ₹10 lacs to 15 lacs per MW with total value of site work can be in the range of ₹16,600 Cr to ₹25,000 Cr subject the scope and layout plans of the plans and also local soil conditions.

Since the site execution cost for plants of 1,000 MW to 1,320 MW can be around ₹100 Cr to 125 cr, including civil works, even though lot of opportunities are available, the policy of the Company is to pursue a selective approach on the proper execution of the contracts since the contract value of the works are less. The scope of work can be limited taking into account the low EPC costs at which the tenders have been awarded by NTPC so far, and most of the EPC players are looking for small agencies to execute the work, and as such the Company will be selective in taking up the works.

3) **Nuclear Power**

There are ongoing works for the capacity expansion of nuclear power with approved investments 10 units of total capacity of 7,000 MW with an investment of ₹70,000 Cr in the next 5 years. The expertise of the Company in the ETC of turbo generator & structural works would come in handy in making efforts for the site installation works particularly in the turbine island works. Even though this segment of the power sector business does not contribute much to the Company's revenues, your Company remains focused on pursuing the opportunities related to its expertise in the areas of ETC of turbo generator package, piping works and structural works in the turbine building of the nuclear power house. Recently no head way has been made into this business. Owing to limited opportunities, the Company has not been able to make a major foray, and moreover most of the nuclear power plant construction takes lot of time and we need to find the right lead EPC partner to work on the limited scope of Company's strength in conventional expertise in TG and TG building works.

C) Civil and Infrastructure works in Power, Railways, Irrigation, Technology Parks etc:

Major experience has been gained in the implementation of civil works in various power projects and also some of the infra projects for the last 8 years and your Company has established an SBU with experienced organization structure for the implementation of civil works. Also the advent into the non-power sector and infra areas also has boosted the civil share of the business and currently it stands at 29% of the total revenue in a hugely diversified service profile with various segments encompassing Power, Irrigation, Technology parks, Railways etc. A strong presence has been established across various business segments. This experience has been quite useful for industrial civil construction both in the power and non-power sectors and this has also enabled the Company in the qualification requirements needed for non-power projects and in some of the infra projects.

1x500 MW FGUTPP, Unchahar

This policy will be continued as per the opportunities made available. Similar approach also will be adopted in the case of other non-power sector opportunities related to Refineries, Steel Plants, Fertilizer Plants, Roads, Cross Country pipe line works, Material handling contracts etc.

The various segments of industry, power, infra sectors where in the opportunities and investments and developments taking place are as under:

1) **Civil works in power segment**

It is also important to state that the synergy of civil works with ETC is important in the power plant construction works and this has also enabled the Company to execute major projects dovetailing the project needs and timely completion and obtaining better margins by cost optimization in undertaking ETC works also. A major example is the ongoing works at Maitree project in Bangladesh, where a mix of civil works of ₹550 Cr have also been augmented apart from the main ETC works of the main plant and some of the BOP packages. Company on similar business philosophy has successfully completed mix of civil and ETC jobs at Vizag (500 MW), Raichur (800 MW), Suratgarh (2x660 MW) and recently the Company has also completed the North Chennai (2x660 MW) civil works with structural works. Your Company is a leading player in undertaking a mix of Civil and ETC jobs at the same project which has been well recognized by major EPC players in the Country. Recently your Company has bagged orders worth of ₹425 Cr for the civil works of 5x800 MW Yadadri Power project in Telangana.

The various opportunities in the Power segment can be around 8,000 MW of projects under implementation by BHEL, L&T, GE etc and the total opportunity being pursued is around ₹2,400 Cr and these works mainly pertain to the civil works of main plant and balance of plant. Also another 5,000 MW of projects will be awarded in this year which will provide opportunities in the coming year. There is also the scope of civil works pertaining to FGD and SCR retrofits and this will be pursued based on the viability of undertaking the same.

2) **Railways Civil Works**

One of the key actions of the present Government is to undertake massive investments in the modernization of Indian Railways across all segments of railway capacity augmentation and modernization in the area of track doubling, expansion of railway network, launching of Mumbai Delhi Bullet train high speed network, establishing new workshops for repair and maintenance across various zones, station modernization works and railways electrification works.

The new investment programme in various infrastructure works, the investments in the railways is a key element of total investment out of ₹111 lac Cr as per the NIP plan, the share of the railways is ₹13.62 lac Cr. Railways had a capital budget of ₹1,60,000 Cr in the year 19-20 and in the current year of 2020-21 the planned spending is ₹1,61,042 cr. The major thrust in this year and the next one or two years is related to gauge conversion of 3,750 kms, broad gauge electrification of 6,000 kms and 4 station redevelopment plans. Your Company has made major strides in undertaking many railway projects. The Company has executed the 36.7 kms Machilipatnam to Gudivada railway civil works including station building works, major and minor bridge, work also is going on Kanpur MEMU shed valued at ₹97 cr. Recently the Company achieved new contracts amounting ₹245 Cr for construction of RUBs and connected protection from Krishna Canal Junction to Karavadi, development of new coaching terminal facilities at Charlapalli Station, civil works, blanketing, bridges, drains at Bina to Kota, balance doubling works between Bhimavaram to Narsapur Section and yard modification works at MTM between Gudivada to Machilipatnam Stations.

Huge investments planned as per the NIP programme has opened many opportunities in various segments of railway investments coming up in the next 5 years and the initial foray and working for the various railways arms has demonstrated that the Company can undertake and successfully execute the works keeping the quality, safety needs of railways and also putting efforts for fast paced execution. Many works related to RUBs, track doubling, yard works, bridges, various earth works are being vigorously pursued with railway subsidiaries like RVNL, IRCTC etc. One of the major investment under implementation is the Mumbai–Ahemedabad High speed Bullet train project with investment of ₹1,10,647 Cr and the Company is looking for tie up with lead partners for this work.

3) **Irrigation**

The ongoing works of irrigation canal work ₹374 Cr in Telangana paves the way for future qualification of similar jobs in irrigation sector and these opportunities will be pursued on a selective basis in the states of Telangana, Odisha and Karnataka. The present focus is to complete the ongoing irrigation canal work in Telangana.

4) **Roads & Airports**

There are huge opportunities in both the segments. Road network expansion is taking place at breakneck speed and there are opportunities available for choosing and such foray will be done on selective basis based on feasibility of execution and managing all the risks. As per the NIP document, the investment planned for the current year is about ₹3,83,283 Cr in the road sector and ₹21,633 Cr for the Airport investments.

Your Company has been trying to enter the road sector for the last 2 to 3 years, and with the new bidding structures on EPC mode, where in the financial exposures are much less compared to the earlier HAM model it has been felt that entering the road sector of the business is quite appropriate and couple of bids have been submitted. The first success has been achieved for Joint venture of Power Mech, is the lowest bidder for Hassan Channarayanapatna project being implemented by NHAI in Karnataka State, involving by pass road and connected roads of about 77.20 kms of NH-75 at a bid value of ₹555.13 Cr & widening and up gradation to 2 lane from Aizawl - Tuipang Section about 39 km of NH-54 in the State of Mizoram implemented by NHIDCL at a bid value of ₹446.40 cr. Even though lot of opportunities are available in the road sector, it is the policy of the Company to try and establish its credentials on a selective approach and carefully assess the project by project feasibility for bidding and its implementation.

In the case of airports, the policy of the Government is to improve the air connectivity with the development of new airports, expansion of existing airports and ultimately having airports and air connectivity to each of the District centre's under 4 categories of A, B, C, D. The area of interest to the company is in the category C and D with investments in the range of ₹300 Cr to ₹1,000 Cr and some opportunities have been identified.

D) International Operations

The export initiatives had been commendable with the undertaking of projects in Middle East, Africa and Bangladesh and the export growth had been consistent with timely implementation of projects undertaken in the last 5 years. The success of timely completion of major projects in Shuqaiq 2x660 MW in Saudi Arabia, Bheramara 380 MW in Bangladesh, IBRI project 1,516 MW in Oman, Alba project of 1,800 MW in Bahrain, Fadhilli project of 1,519 MW in Saudi Arabia has given the Company a strong foot hold in the international market with a very strong organization set up for marketing and also for its operations. Earlier the Company had completed 6x165 MW gas based project in Libiya, and in all so far the Company has completed about 5,658 MW of installed base in North Africa, Middle East and Bangladesh establishing a strong base for undertaking future jobs.

Presently the Company is executing projects of 3,900 MW in about 8 projects across Middle East, Nigeria, Bangladesh, Bhutan and these projects are expected to be completed in the next 1 to 2 years working for renowned EPC contractors like General Electric, Abener, Alghanim, Gama, Doosan, BHEL, Elsewedy Power, Fisia Abeima, Bisho Infra etc.

Export initiative in the last four years had resulted in major gains and had helped the Company to balance the reduced opportunities which were available in the domestic power sector ETC business during this period. The presence has been well established in Middle East and Bangladesh. There has been further geographical expansion into West Africa in Nigeria and also North Africa. The undertaking of a major captive power plant for a refinery project has been a major recent initiative with foot print established in West Africa for Dangote Refinery project. It is interesting to note that the Company is working on 23 Gas Turbines, 21 HRSGs & Boilers 12 Steam turbines and 2 large utility Boilers in several of the above projects. The Company is carrying out a major job for BHEL in Bangladesh for the 1,320 MW thermal power plant involving about ₹834 Cr of work.

Alba PS51800 MW CCPP Project, Kingdom of Bahrain

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

1) Middle East and Africa

In the case of Middle East, the installed generation capacity is planned to be augmented to 412 GW by 2025, and the present investments can be affected because of the lower oil prices, and also the COVID-19 pandemic affecting new investments. More over the present focus is getting shifted to renewable energy resources of power generation with less focus on hydro carbon based power plants.

The present major focus in Middle East, is to expand the O&M profile of the Company, and concerted efforts have paved the way for market penetration in undertaking manpower supply for maintenance works, undertaking capital and shutdown overhauls, and in the preceding year the Company has made major diversification entering into the O&M segment of the business to undertake jobs of about ₹50 Cr and there is scope for increased O&M foot print across various countries of GCC. In West Africa presently Company is executing a major captive power plant installation job for the Dangote refinery and the value of work is $76 Million involving 8 Gas turbines, 4 STGS and Utility boilers to meet the power and steam requirements of the Dangote refinery.

In the GCC area, comprising Saudi Arabia, UAE, Kuwait, Oman, Qatar, Bahrain, GCC represents 43% of 157GW of generating capacity and about $50 Billion of projects are under various stages of implementation and to be implemented mainly for augmenting the generation capacity. The impact of the lower oil prices can have effect on the implementation of the new investments planned.

2) Bangladesh

The demand for power is expected to increase from the present capacity of 21,000 MW to 57,000 MW (revised) by 2041 as per the revised perspective plan. The capacity augmentation to 31,000 MW by 2030 and 57,000 MW by 2041 (As per BPDB report). The generation mix can be 35% of Coal and Gas each, with 12% on Nuclear power, 2% on renewables and balance to be imported. At present more than 15,000 MW of capacity of plants are under various stages of construction. Bangladesh has embarked on various energy sources for augmenting this capacity and also has undertaken major thrust in augmenting the coal based capacity with Rampal project (2x660 MW) and many such projects are under the pipe line. Gas based projects are also major priority for the capacity expansion with availability of natural gas. Presently the Company is executing two major projects at Rampal (2x660 MW Coal based) and Bhola 220 MW Gas / Liquid fuel based projects. Having successfully completed the 380 MW Bheramara gas based project and the present execution of Rampal of 1,320 MW and Bhola 220 MW, the Company is firmly established in Bangladesh. There is lot of scope to work in the expansion plan of BPDB and other utilities in the areas of coal based and gas based plants. There is also scope to bid for the transmission and distribution projects which are coming up in big way for expansion of the networks to cater to the increased generation capacities.

At present the Company is pursuing opportunities of about ₹50 Billion across most of the Middle East, West Africa and North Africa both in the Power Sector as well as Refinery and Oil & Gas Sector. It is also essential to see the impact of COVID-19 and the lower oil prices on the implementation of various projects in Middle East and also GCC area.

E) Oil and Gas

As part of NIP forecast and plans, the total investments planned in the Oil and Gas segment in the next 5 years is planned at around ₹1,95,000 Cr in all segments of oil and gas sector and these new investments should bring new opportunities for various industries including construction business which is the focus of the Company. Gas pipeline infrastructure in the Country stood at 16,981 km in 2020 and 14,200 kms of pipe line works are under implementation. The Government has allowed 100 per cent Foreign Direct Investment (FDI) in many segments of the sector including natural gas, petroleum products and refineries among others.

New LNG terminals are expected to come up Dhamra Odisha and Jaigarh Maharastra each of 5 MMTPA capacity. 96 Gas (Geographical Areas) are now covered by City Gas distribution (CGD). With the expansion of CGD network, the total GAs to be covered will go up to 180 Gas and the CGD network augmentation is also propelling the capacity increase in cross country pipe line networks for LNG transportation (Source: Ministry of Petroleum and Natural Gas Government of India)

The installed base of refining capacity is expected to expand from 252 Mn MT to 320 Mn MT by 2030-31 by way of brown field & green field refineries. The construction scope of the business is expected to be in the range of ₹30 - ₹40 Billion per year. India is the second larger refiner in Asia. 65% refining capacity is with oil PSUs and 35% in private sector with RIL and Essar. It is to be noted that the Company was involved in the J3 stage expansion works of RIL and forayed into the petrochemical business.

At present many brown field refinery expansions are taking place at Vizag, Mumbai and a green field Refinery project of 9 mtpa capacity is coming up at Barmer under HPCL.

The Company has been successful in taking up the cross country pipe line jobs in the last three years involving about 540 kms of cross country pipe laying for 4 major projects. One work of Ennore Manali of 22.5 kms has already been completed and in the case of Ramanathapuram-Tuticorin pipe line is under completion with most of the main pipe line work getting completed, and the other 2 major works are under execution of Koyali Ahemednagar Pipeline and Mundra Kandla Pipe line projects. So far about 450 kms of physical construction of pipe lines has been done by the Company after the advent and diversification into this segment in the last 3 years. The Mundra Kandla pipe line is meant for LNG transportation and being executed for Adani Group and rest of the pipe line projects are from IOCL. The total contract value of all these projects is ₹347 Cr and this has substantially enhanced the Company's ability in its diversification efforts for the high end pipe line business and also enables the Company to acquire new skills and workman ship in cross country pipe laying work on fast track mode.

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

F) Steel

Lower than expected GDP growth for the year 2019-20 can have impact on the growth of the steel industry in its expansion plans. The expectations are that the steel demand may contract up to 20% in the current year owing the COVID-19 pandemic affecting expansion plans due to the subdued demand for steel. One of the major developments has been the acquisition of the Essar Steel by Arcelor Mittal and Nippon steel JV, and this was a major development with Arcelor Mittal getting a foothold in the Country. India is now the second largest producer of steel in the world with an installed capacity of 143 mtpa. The Government of India plans to expand this capacity to 300 mn mt by year 2030 and can face lot of challenges in view of the present condition of lower growth, lower recoveries in steel market and the impact of COVID-19.

Many of the steel majors like JSW, SAIL and Tata Steel had lined up investments to the tune of ₹2,30,000 Cr in the next 5 years for adding capacity by about 40 to 45 mtpa. JSW has been in the forefront of new investments in expanding their capacity from 18 mtpa to 23 mtpa immediately with expansion of capacity in progress at Vijayanagar and Dolvi plants.

Company also in its pursuit of diversification as a policy in various segments started the initiative for steel sector jobs for about 4 years, and the first success was in entering into the erection works of equipment and structural steel at JSPL Aungul for its 3 mtpa expansion, and in this plant, Company gained experience by undertaking ₹30 Cr job and this had enabled the Company to foray into other opportunities coming up. At present it is executing major works for the expansion of JSW Dolvi and JSW Vijayanagar plant involving ₹332 Cr for about 8 structural packages and about 50,000 mt of structural works and these works are under various stages of implementation.

The COVID-19 impact has affected the expansion plans of JSW both at Vijayanagar and Dolvi. In the case of Vijayanagar plant, the further expansion from 13 mtpa to 18 mtpa has been put under hold for the time being in view of the subdued demand for steel and also some funding constraints. The focus is to undertake new capacity additions for Pellet plants and coke over plants and the Company is pursuing these opportunities.

The aim is to complete the ongoing jobs both at Dolvi and Vijayanagar so that the Company is well placed for the opportunities that can be thrown up when the present conditions improve and planned investments are back on track for various expansion plans both in the Public and Private sector investments planned earlier.

G) Electrical

The activities in this area consists of undertaking turnkey jobs related to various segments of work related to Transmission and Distribution (T&D), consisting of substations work, transmission lines, and all aspects of distribution networks and also railway electrification.

Power transmission and distribution is perhaps as important as power generation. T&D in India is the 3rd largest in the world. Current installed transmission and distribution capacity is about 150 GW which is considerably low compared to generation capacity of 370 GW. The total network length of this network is 4,25,000 kms consisting of 800 KV HVDC, 500 KV

Mokokchung Sub Station, Nagaland

HVDC, 765 KV, 400 KV and 220 KV systems. With increased capacity addition on the renewable side there is going to be continuous need to augment the T&D capacity. The power transmission and distribution sector is now receiving its due attention with investments from the Government in the form of higher share of allocated expenditure through some of its scheme such as Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS). The new SOUBAGYA scheme of 100% house hold electrification obviously needs augmenting T&D capacity. There is a plan for multiple supply, distribution networks and franchise and this scheme involves privatizing the DISCOMS, and the Government has planned an investment of ₹2,86,000 Cr under the scheme named as ADITYA. Also plans are in place for the power transmission network in the next 5 years with an investment of ₹1,80,000 cr. Railway Electrification is a major investment destination for the Indian Railways for the electrification of the entire railway system by 2023-24. As on date 37,500 kms have already been electrified and the balance to be done is 27,000 kms. The total investment planned for this scheme is around ₹60,000 cr.

Since diversification into this segment in 2016, Power Mech made an entry in to the Transmission & Distribution including grid substation works and Railway Electrification including Signalling & Telecommunication, Traction Substations, Switching Stations and Civil Engineering works. The Company has bagged orders worth of ₹584 Cr involving Substation works, T&D works and Over Head Electrical works for Railway electrification.

The Company has successfully completed one distribution works project of 33 KV lines, 33/11 KV substations, 11 KV & LT lines under DDUGJVY scheme before schedule in MPMKVVCL and further successfully executing some major projects like Railway Electrification works for 727 TKM under Central Railways, 220 KV & 132 KV Transmission lines in Assam & 132 KV Substation works in Nagaland under Power Grid Corporation of India Ltd.

However we are very much selective in our approach for bidding the projects to suit to our requirements in terms of cash flows, profitability and client financial conditions. We are capable of undertaking complete EPC jobs of Transmission & Distribution Lines, Sub-Stations upto 765 KV and Railway Electrification works.

The ₹350 Cr railway electrification work of Rajasthan-Sadulpur involving about 727 TKM of railway electrification including S&T works has been major breakthrough in its business profile and the success of implementation of this project will open many more opportunities on the burgeoning capacity augmentation plans of Indian Railways for 100% Electrification of its railway network.

H) Hydro Power & Water

Your Company is already carrying out hydro plant installation works in Bhutan and has started into all segments of hydro business in the areas of ETC, EPC for small units, repair, maintenance, rehab & O&M and has established its foot print in the states of J&K, Uttarakhand, Kerala, MP etc. There are opportunities of ₹925 Cr in Electro Mechanical packages, ₹2,286 Cr in EPC packages of small units, across segments of Hydro Business in the next 4 years. Company is vigorously pursuing the run of the river project of 23 MW EPC job in J&K with estimated value of ₹230 cr. There are major R&M jobs in the old hydro plants and about 16 projects have been identified involving installed capacity of 1,877 MW in the next 5 years.

Also the Company has reached an MOU understanding with Rosatom of Russia related to sourcing and tie ups needed for the main plant equipment. This should enable the Company to qualify for many of the major opportunities coming up in the Country. There are also existing agreements available with other International companies like Kolector Turbo of Slovania for tie up on Hydro Turbine needs and this understanding is being pursued for the opportunity available at Phagala in J&K of 23 MW EPC job.

Also the Company has taken initiative in the water systems, particularly in the field of Sewage Treatment

Sundarijel HEP, Nepal

Plant (STP) and presently works being executed at Palwal and Karnal involving about ₹153 cr.

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

I) EPC business in Material Handling

The latest efforts are into entering the EPC business related to turnkey material handling contracts in power, minerals, coal and other sectors. It is important to note that the Company has established excellent construction skills and management of execution of large contracts, and the idea is to integrate the engineering and procurement functions for an integrated approach. This is mainly due to the fact for any EPC type of works, project and site execution skills are essential in the areas of civil, structural, equipment erection and electrical installation works to provide a turnkey solution. This capability brings in value addition and scales up the turnover of the Company to reach next levels of growth. It is therefore found essential that the Company need to pursue this new segment based on the opportunities available. Since in the case of material handling contracts, the engineering and supply of key equipment is part of this scope and it is also essential that a joint bid approach through joint venture route or consortium approach with reputed equipment suppliers are arrived at. In this regard, the Company has firmed up such relationships with Thyssenkrupp India Ltd (TKII); the Pune based engineering company, and also Promac Engg Industries Ltd (PEIL) based at Bangalore.

There are number of opportunities available in the market and the contracts permit joint venture or consortium approach based on customer specifications. The Company has joined hands with TKII and has submitted the bid for the NMDC Iron ore crushing and conveying system. Also Coal India Ltd through its subsidiaries has initiated plants for mine side coal handling plants for conveying coal to the railway wagons for faster movement of coal from the mining locations to various end users. The total investment planned is around ₹15,000 Cr to be spent in the next 3 to 4 years. At present the Company having tied up with TKII and PEIL is planning to bid for about 4 projects coming up in the states of Chattisgarh, Jharkhand and Odisha. This model is also being planned in other segments related thermal power plants and other segments as per mutual agreement with the JV Partners. Since there are considerable opportunities in mineral and coal segment, it is expected that the Company would make foray into the EPC business of material handling contracts. The other take away from the success of these projects is the opportunity available for shop fabricated structures needed for the material handling works, and this should also lead to the growth of manufacturing in heavy fabrication being undertaken by the Company.

J) Manufacturing and Heavy Fabrication

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

The Noida facility is functioning for the last 3 years and this facility created to cater the O&M market of power sector spares business and also use the facility for under taking many job works from other segments of industry. This facility can undertake major works related to manufacture, supply of rebuilding of spares, major repairs of steam turbines, rotor balancing and reverse engineered parts manufacturing for various rotating parts of power plant both in Thermal and Hydro sectors. Job works also have been done for railway electrification needed parts. With the new requirements of many customers for the structural packages, with away from site fabrication, the need arose for establishing a proper facility for heavy fabrication catering to the needs of steel, power and other segments.

Major action has been taken to establish a heavy fabrication facility at Gachibowli in Hyderabad in FY 2018-19 and the capacity of this facility is about 1,500 mt / month mainly related to structural needs of steel sector based on the new opportunities made available for JSW structural woks. For JSW we are presently executing about ₹332 Cr of structural works involving about 50,000 mt of site work with manufactured structural items of 27,000 mt. The same is being manufactured at the Gachibowli facility for the works at JSW Dolvi and Vijayanagar. This facility can also be used for catering to similar needs in other sectors of factory made structural items. This is also the beginning of entering into heavy fabrication works with material and also undertaking residual engineering work. This facility has capacity for supply and fabrication of about 1,500 mt per month which can generate more than ₹100 Cr of business per year.

There can be huge opportunity for factory made structural items for various sectors in steel, power, coal, oil and gas and there is a need to create more opportunities for this facility fabricated structural business and is possible to scale up this business to nearly ₹200 Cr per year. The intent is to make the above facility fully exploit the market needs in different segments and utilizing the capacities created for sustained business growth.

Financial Review

Analysis of the profit and loss statement

Revenue: The Company has reported a total income of ₹2,174.03 cr, whereas during FY 18-19 the reported total income was ₹2,275.42 cr. The Operation & Maintenance revenue pie has gone up to 30% of the overall contract revenue mix as compared to 25% during last year. Similarly Erection, Testing and Commissioning (ETC) has contributed 34%, Electrical Business has contributed 7%, Civil & others including Railway business contributed 29% of the total contract revenue. Whereas during the preceding FY 18-19 the revenue contribution from Erection, Testing and Commissioning (ETC) business was 33%, Electrical Business contribution was 5% and from Civil & others including Railway business contribution was 37% of the total contract revenue.

Contract revenue from O&M business has gone up to ₹647.46 Cr from ₹566.03 Cr increased by 14.40%, revenue from Erection, Testing and Commissioning (ETC) has gone up to ₹749.21 Cr from ₹744.02 Cr increased by 0.70% & Electrical business has gone up to ₹147.05 Cr from ₹104.12 Cr increased by 41.24% of the total contract revenue. However, the contract revenue from Civil& others has reduced from ₹842.48 Cr to ₹616.69 Cr decreased by 26.80%. The reported hire & other income is ₹13.01 Cr during the years as against ₹18.74 Cr during the preceding financial year.

With the change of order book mix the revenue profile has undergone change. The revenue from operations decreased by 4.27% from ₹2,261.30 Cr to ₹2,164.68 cr. For the Company fourth quarter is always used to be active quarter in terms of generation of more revenue as compared to other quarters, however lock down due to COVID-19 impacted the revenue badly. The operations and profitability of the group were impacted by COVID-19 during the last quarter of the year which peaked across all nations in March, 2020. Also, cancellation of few orders during the year attributed marginal dip in overall turnover.

Other Income: The Company has reported other income of ₹9.35 Cr in FY 2019-20 and ₹14.12 Cr in FY 2018-19. This mainly consists of interest on fixed deposits with various banks, profit on sale of fixed assets, foreign exchange fluctuations etc. The decrease in other income during FY 2019-20 is mainly on account of reduction in duty scrip's income from ₹1.47 Cr to ₹0.25 cr, reduction in gain on foreign exchange fluctuations from ₹3.24 Cr to ₹1.70 Cr and decrease in profit on sale of fixed assets from ₹2.27 Cr to ₹0.67 cr.

Expenses

Raw Material Cost: The cost for FY 2019-20 is at ₹323.91 Cr reduced by 0.76% over the previous year. This represents for 14.90% of total income in FY 2019-20 and 14.34% of total income in FY 2018-19. This marginal variance is due to change in revenue mix.

Contract Execution Expenses: Expenses for the FY 2019-20 is at ₹1,230.17 cr, the same is increased by 1.24% over the previous year cost. This represents for 56.64 % of total income in FY 2019-20 & 53.40% of total income in FY 2018-19. With the increase in operation and maintenance revenue the contract execution expenses has gone up.

Employee Cost: Cost for the FY 2019-20 is ₹324.80 Cr as against ₹393.18 Cr during FY 2018-19. This represents for 14.94% share of the Company's total income in FY 2019-20 & 17.28% of total income in FY 2018-19. The reduction in cost by 17.39% as compared to the previous year is mainly due to change in domestic and overseas revenue mix.

Depreciation: Depreciation on fixed assets for the year stands at ₹39.43 Cr & the same is reduced by 13.96% over the previous year cost. This is largely due to decrease in additions to fixed assets during the year.

Finance Cost: Cost for the year ₹74.06 cr, increased by 34.47% over the previous year. This represents for 3.41% share of the Company's total income in FY 2019-20 & 2.42% of total income in FY 2018-19. The increased utilization of bank limits to support working capital gap arising out of delay in realization of final bills resulted increase in finance cost. This has resulted change in interest coverage ratio from 4.7 times to 3.25 times.

Corporate Tax: Tax reduction is mainly due to the Company exercising its option to adopt lower corporate income tax rates under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Analysis of the Balance Sheet

Source of funds

Total Capital Employed: The total capital employed excluding minority interest increased by 20.32% to

₹1,467.67 Cr as on 31st March 2020 from ₹1,199.44 Cr as on 31st March 2019. This is mainly due to increase in net worth and increase in borrowings of the Company to ₹516.50 Cr as on 31st March, 2020 from ₹379.94 Cr as on 31st March, 2019. The Company has increased the borrowings to support working capital. Return on capital employed, a measurement of returns derived from every rupee invested in the business reduced by 550 basis points from 23.7% in FY 2018-19 to 18.2% in 2019-20 due to delay in realisation of final bills.

Net Worth: The net worth of the Company excluding minority interest increased by 17.31% from ₹819.35 Cr as on 31st March, 2019 to ₹951.15 Cr as on 31st March, 2020 owing to increase in reserves and surplus. The Company's equity share capital comprising 1,47,10,764 equity shares of ₹10 each, remained unchanged during the year.

Debt: Borrowings of the Company increased by 27.36% from ₹379.94 Cr as on 31st March, 2019 to ₹516.50 Cr as on 31st March, 2020. The increase in borrowing is to support the working capital gap on account of delay in realisation of final bills. The net debt-equity ratio of the Company stood at 0.40 in FY 2019-20 compared to 0.30 in FY 2018-19.

Application of Funds

Fixed Assets: Fixed assets of the Company increased by 4.67% from ₹339.52 Cr as on 31st March 2019 to ₹355.24 Cr as on 31st March, 2020 owing to addition of fixed assets under the head Cranes, Plant and Machinery and Motor vehicles to support execution of various new projects.

Investments: Non-current investments of the Company increased from ₹31.34 Cr as on 31st March, 2019 to ₹32.89 Cr as on 31st March, 2020. This is mainly on account of increase in share of profit from joint ventures and associates.

Working capital management

Current Assets: Current assets of the Company increased by 30.61% from ₹1,395.74 Cr as on 31st March, 2019 to ₹1,823.06 Cr as on 31st March, 2020 owing to change in business mix of the Company. The current and quick ratios of the Company stood at 1.43 and 1.33 respectively in FY 2019-20 compared to 1.48 and 1.38 respectively in FY 2018-19.

Inventories: Inventories includes raw materials, work-in-progress and finished goods increased by 36.23% from ₹92.73 Cr as on 31st March, 2019 to ₹126.33 Cr as on 31st March, 2020. This is mainly on account of increase in railway, fabrication and electrical business of the Company. The inventory cycle stood at 15 days of turnover equivalent in 2018-19 to 21 days of turnover in 2019-20. Accordingly, the inventory turnover ratio changed with the change of revenue mix.

Receivables: Trade receivables increased from ₹389.15 Cr as on 31st March, 2019 to ₹541.72 Cr as on 31st March, 2020. The increase is mainly due to the delay in realisation of final bills and also due to COVID-19 the realisation of receivables reduced during month of March. The Company debtor turnover cycle within 91 days of turnover equivalent in 2019-20 compared to 62 days in 2018-19 due to COVID-19 Pandemic situation.

Margins: A robust business strategy and cost control mechanism helped the Company to report better margins during the year under review. The EBIDTA margin of the Company remained healthy at 12.88% and PAT margin of the Company increased from 5.34% during 2018-19 to 6.04% during 2019-20.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios

Particulars	FY 2019-20	FY 2018-19	Change
Debtors turnover (days)	91	62	45%*
Inventory turnover (days)	21	15	40%**
Interest coverage ratio	3.25	4.70	(31%)***
Current ratio	1.50	1.55	3%
EBIDTA/Turnover (%)	12.88%	13.40%	4%
Debt equity ratio	0.53	0.45	18%
Return on equity (%)	14.83%	16.03%	7%
Return on capital employed (%)	18.19%	23.73%	23%
Book value per share (₹)	647	557	16%
Earnings per share (₹)	89.23	82.67	8%

* The increase in the debtors due to delay in realisation of final bills from the customer.

** The increase in inventory is mainly in railway, fabrication and electrical business of the Company. Accordingly, the inventory turnover ratio changed with the change of revenue mix.

*** The increased utilization of bank limits to support working capital gap arising out of delay in realization of final bills resulted increase in finance cost. Also, accounting impact of Ind AS 116 attributed for the change in interest coverage ratio.

Annexure-7

Report on Managerial Remuneration

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

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

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

S No.	Name of Director	Designation	Ratio of the remuneration of each Director to the median remuneration of employees
1	Mr S Kishore Babu	Chairman and Managing Director	46.51
2	Mrs S Lakshmi	Non-Executive Director	-
3	Mr T Sankaralingam	Independent Director	-
4	Mr GDV PrasadaRao	Independent Director	-
5	Mr M Rajiv Kumar	Non-Executive Director	-
6	Mr Vivek Paranjpe	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 2019-20:

S No.	Name of Director / KMP and Designation	Designation	% increase in Remuneration in the FY 2019-20
1	Mr S Kishore Babu	Chairman and Managing Director	NIL
2	Mr J Satish	CFO	NIL
3	Mr Rohit Tibrewal	Company Secretary	6.67

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

iii. The median remuneration of employees of the Company during FY 2019-20 was ₹2,58,000/-p.a.

iv. The percentage increase in the median remuneration of employees in the financial year:
The percentage increase in the median remuneration of employees for the financial year ending 31st March, 2020 was -4.01%.

v. The number of permanent employees on the rolls of Company as at 31st March, 2020:
There were 6656 permanent employees on the rolls of Company as on 31st March, 2020.

vi. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increase in the salaries of the employees other than, the managerial persons in the last financial year is 6.10% 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 (₹ In Lacs) Per Month	Previous Employment	Relative of Director If any
Anand Chaterjee	52 Y	BE MECHANICAL	ED (NON-BOARD)	01.04.2019	28+	Full Time	6.83	Reliance Infra Ltd Suzlon Energy Ltd	No
Ramachander Maddela	50 Y	MHRM	Chief Human Resource Officer	09.09.2019	27+	Full Time	4.01	Orient Cement Limited Nebulae Soft & Foodmingo.com	No
Ananda Rao Korada	53 Y	BE-Civil	Vice President	12.02.2019	29+	Full Time	3.95	Afcons Infrastructure Ltd Navayuga Engineering Company Ltd	No
Satish Jami	42 Y	CA & MBA	CFO	20.10.2014	18	Full Time	3.22	KSK Mahanadi Power Company Ltd.	No
Biswajit Das	47 Y	BSc-Electrical	Vice President	05.12.2017	30+	Full Time	2.75	Lanco Infra Tech	No
Ajay Kumar Kantheti	43 Y	B.Tech	Sr. Vice President	20.11.1999	23	Full Time	2.59	-	No
C.V.K. Prasad	57 Y	BE – Industrial Engineering	Sr. Vice President	28.12.2017	28+	Full Time	2.37	KSK Mahanadi Power Company Ltd.	No
Prakash Chandra Joshi	47 Y	B. Tech	Associate Vice President	10.11.2014	25	Full Time	2.25	-	No
Rajendran Murugesan	62 Y	B.E - Civil	COO	01.03.2004	33+	2.1	2.10	Sunil Hitech Engineering	No
K. Sasidhar	42 Y	B.Tech Civil & MBA	Associate Vice President	01.04.2018	21+	Full Time	2.03	Power Mech Infra Ltd	No

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

Name	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years) Remuneration	Nature of employment	*Remuneration in ₹ Cr per Annum	Previous Employment	Relative of Director If any
S. Kishore Babu	56	B Tech (Mechanical)	CMD	22.07.1999	34	Full time	5.25	Jt. Md, Indwell Constructions Private Limited-	Spouse of S Lakshmi, Director

* Remuneration Includes Salary and Commission.

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

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 Power Mech Projects Limited

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

Place : Hyderabad
Date : 15.09.2020

Annexure -8

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under section 134 of the Companies Act, 2013 read with the rule 8(3) of Companies (Accounts) Rules, 2014 is hereunder

A) CONSERVATION OF ENERGY

(i) **Steps taken for conservation of energy:** Energy conservation signifies how effectively and efficiently the Company is managing its operations. The Company has undertaken various energy efficient practices and strengthened the Company's commitment towards becoming an environment friendly organization. The Company cautiously utilizes power and fuel to reduce the cost of maintenance.

(ii) **Steps taken by the Company for utilizing alternate sources of energy:** NA

(iii) **Capital investment on energy conservation equipment's:** NA

B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption: NA

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: NA

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NA

(a) The details of technology imported;

(b) The year of import;

(c) Whether the technology been fully absorbed;

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

(iv) The expenditure incurred on Research and Development: NA

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

S. No	Particulars	₹ in Cr	
		2019-20	**2018-2019**
1	Earnings	380.25	167.75
2	Outgo	276.90	145.55

For Power Mech Projects Limited

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

Place : Hyderabad
Date : 15.09.2020

Annexure - 9

REPORT ON CORPORATE GOVERNANCE

A. Company's Philosophy on Corporate Governance

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

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

B. Board of Directors

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

ii. As on March 31st, 2020, our Board comprised of 6 members, consisting of one Executive Chairman & Managing Director who is also a Promoter, two Non-Executive Directors out of which one is Promoter and three Non-Executive Independent Directors. Independent Directors constitute 50% of the Board's strength as per the requirements of the SEBI Regulations and the Companies Act, 2013.

iii. There are no pecuniary relationships or transactions with Non Executive Independent Directors that could materially influence their judgment except sitting fees paid towards attending Board and Committee Meetings.

iv. Five (5) Board meetings were held during the financial year 2019-20 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	22.05.2019
02	27.07.2019
03	19.10.2019
04	13.11.2019
05	11.02.2020

Attendance of the Directors at the Board meeting and Annual General Meeting during fiscal 2020 and number of shares held by them in the Company.

Name of the Director	Number of Board meetings held during the FY 2019-20	Number of Board meetings attended	% of attendance	Attended the last AGM	Number of shares held
S Kishore Babu DIN - 00971313	5	5	100	Yes	38,64,942
S Lakshmi DIN - 00068991	5	5	100	Yes	37,28,626
Thiagarajan Sankaralingam DIN - 00015954	5	4	80	No	Nil
G D V Prasada Rao DIN - 02754904	5	5	80	Yes	1,120
M Rajiv Kumar DIN - 07336483	5	4	80	Yes	Nil
Vivek Paranjpe DIN - 03378566	5	5	100	Yes	Nil

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

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

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

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

Name of the Directors	Qualifications	Area of expertise and skills
S Kishore Babu	Graduate in Mechanical Engineering	In-depth knowledge of the sector in which the Company is presently operating. Quality of leadership, planning, management, risk assessment etc.
S Lakshmi	BSc Graduate	Experience in developing and implementing good corporate governance practices.
G D V Prasada Rao	MTech in Chemical Engineering	Sound knowledge of accounting, finance, banking etc.
M Rajiv Kumar	Graduate in Electrical Engineering	In-depth knowledge of the sector in which the Company is presently operating.
T Sankaralingam	BE (Electricals)	In-depth knowledge of the sector in which the Company is presently operating.
Vivek Paranjpe	BSc (Honors) and Post Graduate from XLRI	Expertise in HR and Legal related matters. Experience in developing and implementing good corporate governance practices.

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

Name of the Director	Directorships in Listed Companies (including Power Mech)	Category of Directorship	No. of Directorships held in all the Companies (including Power Mech)	*Memberships / Chairmanships held in Committees (including Power Mech)	
				Member	Chairman
S Kishore Babu DIN - 00971313	Power Mech Projects Limited	Chairman & Managing Director	6	-	-
S Lakshmi DIN - 00068991	Power Mech Projects Limited	Non-Executive Director	5	1	-
Thiagarajan Sankaralingam DIN - 00015954	Power Mech Projects Limited	Independent Non-Executive Director	3	1	-
G D V Prasada Rao DIN - 02754904	Power Mech Projects Limited	Independent Non Executive Director	1	1	1
M Rajiv Kumar DIN - 07336483	Power Mech Projects Limited	Non-Executive Director	1	1	1
Vivek Paranjpe DIN - 03378566	Power Mech Projects Limited	Independent Non-Executive Director	1	-	

Notes:

i. The membership of the Director in committees does not include the committees in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

ii. The memberships/chairmanships of Audit Committees and Stakeholders Relationship Committees in all Public Limited companies has been considered.

iii. No Director holds directorships in more than ten public companies and no Independent Director holds Independent directorship in more than seven listed entities.

iv. No Independent Director is member of more than ten committees or chairman of more than five committees across all public companies in which they are Directors.

v. None of the Directors hold directorship in more than eight listed entities.

vi. The Directorship held in foreign Companies are also included.

C. Board Committees:

The Board, as on 31st March, 2020, had five Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Investment Committee.

1. Audit Committee

The Audit Committee comprised of two Independent Directors and one Non Executive Director as on 31st March, 2020. The members possess sound knowledge of accounts, finance, audit and legal matters.

The Company Secretary acts as a Secretary to the Committee.

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

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

During the year under review, 4 (four) meetings of the Committee were held on 22.05.2019, 27.07.2019, 13.11.2019 and 11.02.2020

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

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

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

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee at the beginning of the year comprised of two Independent Directors and one non-executive Director.

However, there was change in composition of the Committee during the year. The Committee was also reconstituted during the year. One Independent Director was inducted into the Committee in place of the Non Executive Director.

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

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

During the year under review, 3 (three) meetings of the Committee were held on 21.05.2019, 13.11.2019 and 10.02.2020

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

Name	Category of Directorship	Designation	No. of meeting held	No. of Meetings Attended
Vivek Paranjpe	Independent, Non-Executive Director	Chairman	3	2
T Sankaralingam	Independent, Non-Executive Director	Member#	3	3
G D V Prasada Rao	Independent, Non-Executive Director	Member	3	3
S Lakshmi	Non-Executive Director	Member	3	1*

* The committee got reconstituted at the meeting held on 22.05.2019 and S Lakshmi, ceased to be a member of the Committee post that date.

Mr T Sankaralingam was a Chairman for the meeting held on 22.05.2019 post which he ceased to be the Chairman and was made a member of the Committee.

Mr Vivek Paranjpe, who was inducted into the Committee, was made the Chairman.

Remunerations paid to the Directors

I. Details of remunerations paid / payable to Non-Executive & Independent Non-Executive Directors for the year ended 31st March, 2020 is as under:

₹ in Cr

Name of the Director	Sitting Fees
Mr G D V Prasada Rao	0.04
Mr T Sankaralingam	0.03
Mr Vivek Paranjpe	0.03

Mr Motihari Rajiv Kumar, Non-Executive Director was paid consultancy fees of ₹**0.61 Cr** including travelling and conveyance charges and out of pocket expenses during the Financial year 2019-20.

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

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

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

₹ in Cr

Name of the Director	Salary	Bonus	Benefits	Commission	Sitting Fees	Loans from the Company	Total
S Kishore Babu	1.20	-	-	4.05	-	-	5.25

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

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

Service contracts, notice period, severance fees: NA

Company has not granted any Stock options during the year.

3. Stakeholders Relationship Committee

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

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

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

During the year under review, 4 meetings of the committee were held on 22.05.2019, 27.07.2019, 13.11.2019 and 10.02.2020.

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

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

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

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

There were no pending transfers as on 31st March, 2020.

4. Corporate Social Responsibility Committee

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

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

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

During the year under review, 2 meetings of the Committee were held on 27.07.2019 & 13.11.2019

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

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

5. **Investment Committee**

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

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

D. Meeting of Independent Directors

During the year under review, there was a separate meeting of Independent Directors of the Company held on 10th February 2020, without the presence of the non-independent directors and members of the Management inter alia, to discuss:

Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;

Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

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

E. Performance Evaluation

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

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

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

Evaluation of the Committees of the Board was based on the criteria such as independence of each committee, functioning of the committees, frequency of the meetings, effectiveness of its advice/recommendations to the Board etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

As an outcome of the above exercise, the Board expressed its satisfaction with the evaluation process.

F. Familiarization Programme

As a general practice of the Company, in every Board meeting, comprehensive presentations are made by each head of the strategic business units/department on the various aspects such as business model, strategies and policies, long term and short term plans, competition, risks identification and mitigation strategies, fund requirements, regulatory changes etc.

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

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

G. General Body Meeting

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

Year	AGM	Venue	Day & Date	Time	Special Resolutions Passed
2018-19	20th AGM	Hotel Novotel, Hitex, Madhapur, Hyderabad - 500081	Wednesday, 25th September, 2019	11.00 A.M	1. Revision in remuneration of Mr S Kishore Babu, Chairman & Managing Director. 2. Re-appointment of Mr T Sankaralingam as an Independent Non-Executive Director. 3. Re-appintment of Mr G D V Prasada Rao as the Independent Non-Executive Director. 4. Approval of payment of remuneration to Mr M Rajiv Kumar, Non-Executive Director by way of Consultancy Fees.
2017-18	19th AGM	The Westin Hotel, Raheja IT Park, Hitec City, Madhapur, Hyderabad - 500 081	Thursday 27th September, 2018	11.00 A.M.	i) Revision in overall borrowing powers of the Company ii) Creation of Mortgage / Charge on the assets of the Company iii) To approve transactions under Section 185 of the Companies Act, 2013
2016-17	18th AGM	Hotel Avasa, Madhapur, Hyderabad – 500081	Thursday 28th September, 2017	11:00 A.M.	Nil

Postal Ballot:

During the year, one Resolution was passed through Postal Ballot. Mr D.S. Rao from P.S. Rao & Associates Company Secretaries, Hyderabad, was appointed to act as scrutinizer for the electronic voting and postal ballot for the following transaction.

ITEM:

To amend the object clause of the Memorandum of Association of the Company and to align it as per the Companies Act, 2013.

Particulars	No. of valid Postal Ballot forms and e-voting	No. of Equity shares of Face value or ₹10/- each (votes)	% of valid votes received
Total valid postal ballot and e-voting	46	1,09,60,100	100.00
Assented to the Resolution	44	1,09,60,069	99.99
Dissented to the Resolution	02	31	0.0003

On the basis of the above results, the resolution was deemed to be passed with requisite majority on 05.12.2019.

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

H. DISCLOSURES

Related Party Transaction (Shown in Notes to Accounts): There are no materially significant related party transactions i.e., transactions material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc., having potential conflict with the interests of the Company at large.

There were no pecuniary transactions with any of the Non-Executive Directors, except payment of commission.

No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities on any matter related to Capital Markets during the last three years.

The Company has formulated and adopted formal whistle blower / vigil mechanism and the same is hosted on the Company's website and no concerned person has been denied access to Audit Committee.

The Company is compliant with the provisions of applicable laws and the SEBI (LODR) Regulations, 2015 and amendments thereof.

Material subsidiary policy is hosted in our website www.powermechprojects.in.

Related party transaction policy is hosted in our website www.powermechprojects.in.

CMD / CFO Certification: Mr S Kishore Babu, Chairman & Managing Director and Mr J Satish CFO, certified to the Board on the prescribed matters as per Regulation 17(8) the Securities Exchange Board of India(Listing Obligations and Disclosure Regulations) 2015, annexed and forms part of this report.

I. MEANS OF COMMUNICATIONS

The quarterly / half-yearly and annual results are published in Business Standard / Financial Express (in English) and Nava Telangana (in regional language) dailies.

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

During FY 2019-20, 3 (Three) conference calls with analysts / investors & presentations were made for as follows:

FY 2019-20	Date
01st Quarter	05.08.2019
02nd Quarter	18.11.2019
03rd Quarter	18.02.2020

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

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.

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

J. GENERAL SHAREHOLDER INFORMATION

i. 21st Annual General Meeting

The 21st Annual General Meeting of the Company will be held on 20th October, 2020 at 11.30 AM through OAVM / VC pursuant to MCA circular dated 05th May, 2020 and as such there is no requirement to have venue for the AGM.

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

iii. Date of Book Closure

The register of members shall be closed from 14.10.2020 to 20.10.2020 (both days inclusive)

iv. Dividend

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

v. Listing on Stock Exchange

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

The Company has paid the annual listing fees for the year to both the above Stock Exchanges.

vi. Market Price Data

The closing market price of the equity shares as on 31st March, 2020, being the last trading day for the FY 2019-20 on NSE was ₹323.75/- and on BSE was ₹336.10/-.

The monthly movement of the equity share price during the year 2019-20 on BSE and NSE are summarized herein below.

BSE

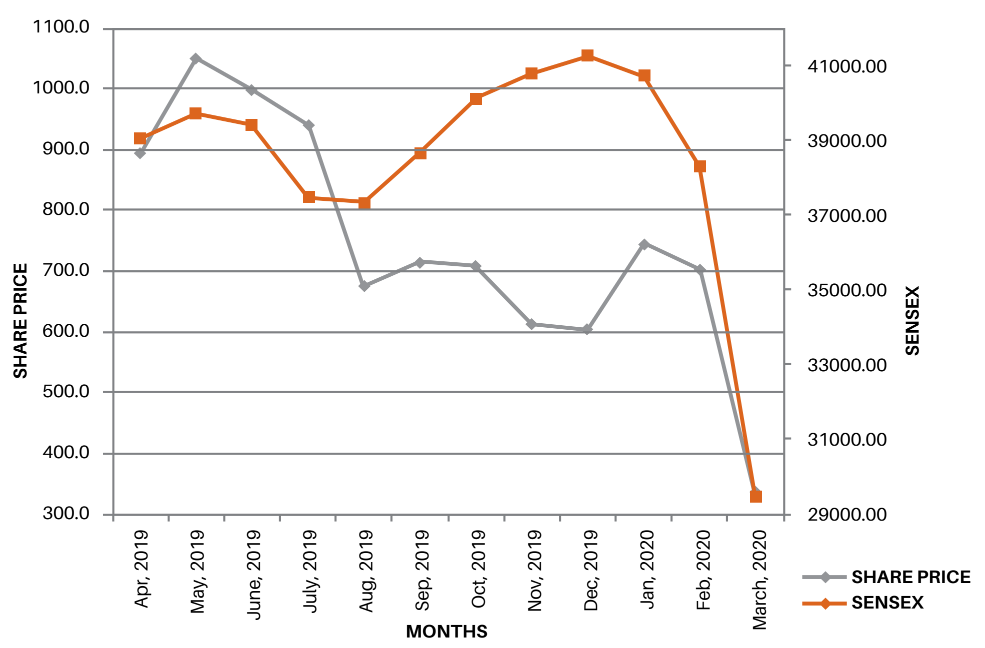
Month	Open	High	Low	Close
Apr 19	939.25	998.95	875.05	892.50
May 19	893.00	1164.15	852.50	1049.55
June 19	1055.65	1063.05	921.10	998.25
July 19	1006.00	1035.90	857.70	940.30
Aug 19	950.00	960.00	655.25	676.10
Sep 19	680.00	794.90	630.00	715.00
Oct 19	716.00	750.00	626.05	707.25
Nov 19	708.45	718.15	600.00	612.75
Dec 19	618.00	646.05	562.10	603.15
Jan 20	603.70	769.65	586.05	743.85
Feb 20	745.00	800.00	690.00	703.35
Mar 20	718.00	718.00	315.00	336.10

NSE

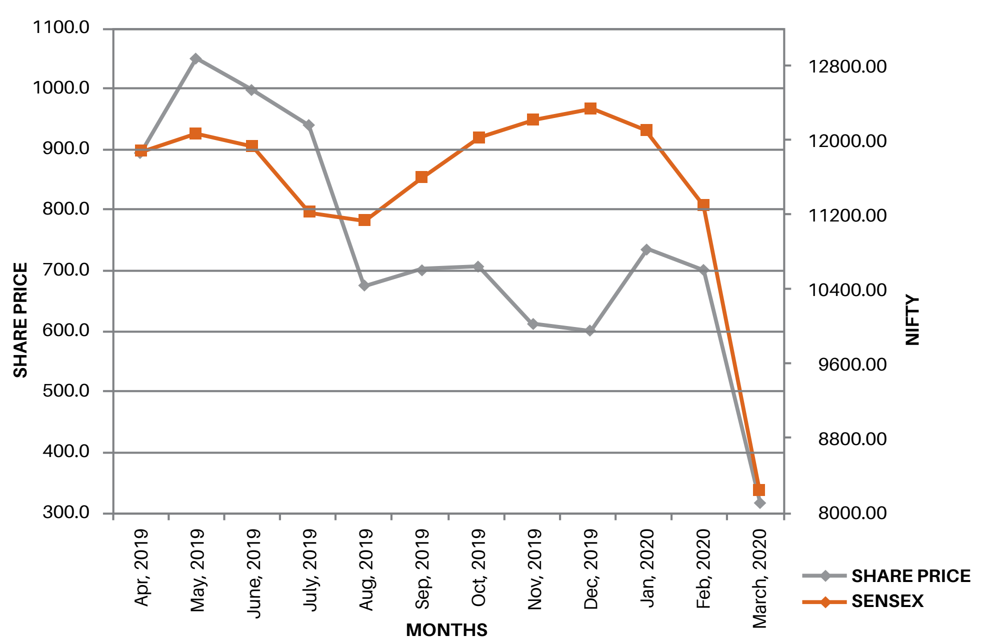
Month	Open	High	Low	Close
Apr 19	941.85	993.00	888.00	894.00
May 19	898.05	1175.00	851.35	1049.45
June 19	1054.05	1073.75	920.55	996.40
July 19	1000.00	1039.70	854.75	943.10
Aug 19	940.00	958.00	655.00	677.35
Sep 19	673.00	799.00	628.30	705.15
Oct 19	717.95	748.10	625.00	709.80
Nov 19	695.85	723.70	602.00	614.35
Dec 19	615.15	645.00	562.00	603.85
Jan 20	609.95	770.00	586.00	738.15
Feb 20	730.00	800.00	686.00	705.20
Mar 20	705.00	714.95	316.00	323.75

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

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



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



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

ix. Registrar and Share Transfer Agents:

Kfin Technologies Private Limited
Karvy Selenium Tower B, 6th Floor, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500 032
Ph: 040 - 3321 1500.

x. Share Transfer System

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

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

xi. Distribution of Shareholding as on 31st March, 2020

POWER MECH PROJECTS LIMITED					
Distribution of Shareholding as on 31.03.2020					
Sl. No.	**Category (No. of Shares)**	**No. of Holders**	**% To Holders**	**No. of Shares**	**% To Equity**
1	1 - 500	11888	93.86	426447	2.90
2	501 - 1000	282	2.23	211688	1.44
3	1001 - 2000	263	2.08	350552	2.38
4	2001 - 3000	69	0.54	166434	1.13
5	3001 - 4000	38	0.30	132805	0.90
6	4001 - 5000	27	0.21	128622	0.87
7	5001 - 10000	47	0.37	323449	2.20
8	10001 and above	52	0.41	12970767	88.17
	TOTAL	12666	100	14710764	100

xii. Dematerialization

99.92% of the Company's paid-up equity share capital has been dematerialized as on 31st March, 2020. Shares of the Company are traded compulsorily in dematerialised form and are available for trading through both the depositories i.e. CDSL and NSDL. The demat security code (ISIN) of the equity shares is INE211R01019.

Category	Number of shares	Percentage (%)
NSDL	4407654	29.96
CDSL	10291834	69.96
PHYSICAL	11276	0.08
TOTAL	14710764	100.00

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

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

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

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

xv. Plant Location

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

xvi. Address for Correspondence of Compliance Officer

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

xvii. Compliance Certificate from Auditors

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

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

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

xix. Secretarial Standards

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

xx. Investor Education and Protection fund

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

All the Board members and senior management personnel have affirmed compliance to the code as on March 31st, 2020.

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

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

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

₹ in Cr

Type of Service	FY 19-20	FY 18-19
Audit Fees	0.12	0.14
Tax Fees	-	0.01
Others	-	-

xxiii. Code for Prevention of Insider Trading

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

xxiv. Credit Ratings

During the FY 2019-20, the Company has obtained revised credit rating from Care Ratings as CARE A; Stable for Long-term Bank Facilities (Fund based Limits) and CARE A; Stable / CARE A1 for Long-term / Short-term Bank Facilities (Non Fund based Limits).

xxv. Disclosures with respect to demat suspense account/ unclaimed suspense account

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

Particulars	No of shareholders	No of Equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year- 01-04-2018.	Nil	Nil
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year.	Nil	Nil
Number of shareholders to whom share were transferred from suspense account during the year.	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year – 31.03.2020.	Nil	Nil
The voting rights on these shares shall remain frozen till rightful owners of such shares claim the shares.		

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

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

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 Power Mech Projects Limited

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

Place : Hyderabad
Date : 15.09.2020

Annexure - 10

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Our Company always believes that Corporate Social Responsibility requires the Company to pursue social goals, especially those relating to sustainable development, environmental protection, social justice and economic development. Corporate Social Responsibilities strengthen the relationship between the Company and the Society. Stakeholders are changing the way they assess Companies' performance, and are making decisions based on criteria that include ethical concerns.

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

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

CSR committee

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

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

Our objectives

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

Focus Areas of Engagement

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

- Healthcare
- Education
- Environment

₹ in Cr

Average net profit of the Company for last three financial years	:	₹112.95
Prescribed CSR Expenditure (2% of the above amount)	:	₹2.26
Details of CSR spent during the financial year		
• Total amount spent for the financial year	:	₹0.44
• Amount unspent, if any	:	₹1.82
• Manner in which the amount spent during the financial year is detailed below	:	Annexure A of this report
In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount	:	

During the financial year 2018-19 your Company endeavoured to meet the budgeted expenditure by contributing in various eligible CSR activities and has committed to incur expenditure for CSR initiatives in the coming years through structured events or programs and projects.

Our CSR responsibilities

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

Annexure A

₹ in Cr

S. No	CSR Project / Activity / beneficiary	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
1	Health Checkup and Blood donation camps	Health	Vijayawada, Repalle, Chirala, Nandigama, Nellore, Guntur and adjoining areas	2.26	0.44	0.44	Implementing Agency
2	Promoting primary and secondary education in rural and socially / economically backward communities by way distributing books curriculum materials, reimbursement of fees etc.	Education					
3	Water and Meals distribution camps	Social Service					

Implementing Agency

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

For Power Mech Projects Limited

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

Place : Hyderabad
Date : 15.09.2020

BUSINESS RESPONSIBILITY REPORT

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

1	Corporate Identity number (CIN) of the Company	L74140TG1999PLC032156
2	Name of the Company	POWER MECH PROJECTS LIMITED
3	Registered address	PLOT No.77, JUBILEE ENCLAVE, OPPOSITE: HITEX, MADHAPUR, HYDERABAD, TELANGANA- 81
4	Website	www.powermechprojects.in
5	E-mail Id	info@powermech.net
6	Financial Year Reported	2019-20
7	Sector(s) that the Company is engaged in (Industrial activity code-wise)	Construction, Engineering & Infrastructure development activities
8	List three key products / services that the Company manufactures / provides	Construction, Engineering & Infrastructure development activities
9	Total Number of locations where business activity is undertaken by the Company Number of International Locations (Provide details of major 5) Number of national locations	The Company's operations are spread across countries in Asia and Africa.
10	Markets served by the Company – Local / State / National / International	Countries in Asia and Africa

SECTION B: FINANCIAL DETAILS OF THE COMPANY

₹ in Cr

1	Paid up capital	14.71
2	Total Turnover	2044.56
3	Total Profit after taxes	110.67
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.44
5	List of activities in which expenditure in 4 above has been incurred:-	Education, Health & Social Service

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1. **Details of Director / Directors responsible for BR**

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

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

(b) Details of the BR head

No.	Particulars	**Details**
1	DIN Number	00971313
2	Name	Sajja Kishore Babu
3	Designation	Chairman & Managing Director
4	Telephone number	040-30444418
5	e-mail id	info@powermechprojects.in

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

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

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

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

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

Principle 5: Businesses should respect and promote human rights

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

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

Principle 8: Businesses should support inclusive growth and equitable development

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

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

No.	**Questions**	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
1	Do you have a policy / policies for Principles stated above	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders? (1)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Company believes in benchmarking practices and global standards - to the best possible extent.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner / CEO / appropriate Board Director? (2)	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy? (3)	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.powermechprojects.in								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency? (4)	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes

1. All the policies are formulated with detailed analysis and benchmarking across industry. The policies are in compliance with all applicable laws.
2. As per the Company's practice, all the mandatory policies under the Indian laws and regulations have been approved by the Board. Other policies are approved by the concerned Functional Head or Managing Director / Joint Managing Director of the Company depending upon the nature of policy.
3. All the policies have a policy owner and the respective policy owners are responsible for implementation of the policy.
4. Implementation of policies is evaluated as a part of internal governance by policy owners.

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8
1	The Company has not understood the Principles	NOT APPLICABLE							
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles								
3	The Company does not have financial or manpower resources available for the task								
4	It is planned to be done within next 6 months								
5	It is planned to be done within the next 1 year								
6	Any other reason (please specify)								

3. Governance Related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Management assesses the BR performance of the Company on quarterly basis
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Business Responsibility Report will be published annually by the Company as a part its Annual Report. The link for Business Responsibility Report is www.powermechprojects.in

SECTION E: Principle – wise performance

Principle 1: Ethics, Transparency and Accountability.

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	Your Company has been following fair, transparent and ethical governance practices and believes it to be essential for enhancing long-term shareholder value and retaining investor trust. The Company believes that the policies and practices should be ethical and sustainable while being competitive. The Board has adopted two detailed sets of code of conduct, one for Board of Directors and other for Senior Management and Employees. The Code of Conduct for Senior Management and Employees forms an integral part of the induction of new employees. The policy does not extend to the Group / Joint Venture / Suppliers, etc. However, the Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy. An effective vigil mechanism/whistle blower policy is in place to report to the management, instances on unethical behavior and any violation of the Company's Code of Conduct. No complaint was received during the year 2019-20.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Please refer corporate governance section.

Principle 2: Product life cycle sustainability

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

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	Construction, Engineering and Infrastructure development activities
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.)	The Company is not engaged in the business of manufacturing goods and consumer products. The Company however takes necessary steps to ensure efficient use of raw materials and goods required for execution of projects including in relation to energy, water, raw material etc.
3	Does the Company have procedures in place for sustainable sourcing (including transportation)?	Yes
4	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes. The Company to the extent possible/permitted under the contracts being awarded to it, procures raw materials from local & small producers.
5	Does the Company have a mechanism to recycle products and waste?	Recycling of products is not applicable as the Company is not engaged in manufacturing activities. The Hazardous wastes are disposed in compliance with the Statutory Provisions.

Principle 3: Employee Wellbeing

Businesses should promote the wellbeing of all employees

1	Total number of employees as on 31.03.2020	6656
2	Total number of employees hired on temporary / contractual / casual basis	The Company engages employees on contractual basis depending upon the requirements of the projects being awarded to it
3	Number of permanent women employees	20
4	Number of permanent employees with disabilities	NIL
5	Employee association	NIL
6	What percentage of your permanent employees is members of this recognized employee association?	NIL
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	NIL
8	Brief details of training programme held for employees with respect to safety & skill up gradation training in the last year	Training Programmes in respect of Environment, Health & Safety were conducted at sites during the year. The Company also conducted health programme viz., Eye and General Check up etc

Principle 4: Stakeholder Engagement:

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

1	Has the Company mapped its internal and external stakeholders? Yes / No	Yes
2	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stake holders?	Yes, the Company has been identifying the disadvantaged, vulnerable and marginalized stakeholders

3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.	The Company endeavours to understand their concerns, defines purpose and scope of engagement, commits to engaging with them and resolves differences with stakeholders in a just, fair and equitable manner.

Principle 5: Human rights

Businesses should respect and promote human rights

1	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company values and respects the human rights and always remains committed for its protection. The Company's Code of Business Conduct, policy on sexual harassment at workplace and the human resource practices cover most of these aspects. The Company encourages all its suppliers, Subsidiary, vendors and contractors to adopt good practices in this regard
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	NIL

Principle 6: Environmental Management

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

1	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others	The Company's health, safety and environment (HSE) culture is driven by a high commitment. The Company's HSE commitment reconciles principles and knowledge distilled across the decades. The Company is recognized as one of the safest contractors in the country's engineering and construction sectors.
2	Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming and others? If yes, please give hyperlink for webpage etc	Yes. Issues such as climate change and global warming are addressed by the Company by conservation of natural resources. To protect the environment, hazardous wastes are disposed off in compliance with the statutory provisions.
3	Does the Company identify and assess potential environment risks? Y/N	Yes
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Wherever the projects awarded to the Company permit adoption of Clean Development Mechanism, the Company adheres to them.
5	Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	As part of the execution of projects, the Company undertook initiatives relating to clean technology, energy efficiency, renewable energy, etc.
6	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes, complied to the extent applicable.
7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	NIL

Principle 7 Policy Advocacy:

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

1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	**FTAPCCI**
2	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas	The Company is associated with above institution with an intention of mutual learning and contribution in development process.

Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development

1	Does the Company have specified programmes / initiatives /projects in pursuit of the policy related to Principle 8? If yes details thereof	Yes, the Company considers social development as an important aspect of its operations. It has aligned its thrust areas in line with the requirements of Schedule VII to the Companies Act, 2013. To oversee implementation of various initiatives, the Company has formed Corporate Social Responsibility Committee. The Company has adopted a policy on Corporate Social Responsibility to streamline its efforts towards Corporate Social Responsibility and support inclusive growth and equitable development of the region it is located in specified area and society in general.
2	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?	The projects are mostly undertaken through Company's NGO, Power Mech Foundation.
3	Has the Company done any impact assessment for its initiative?	Impact assessment is conducted on regular basis and is reviewed from time to time and collective action being taken to mitigate the perceived risk
4	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	The Company has spent an amount of ₹0.44 Cr in various CSR activities during the financial year 2019-20. Please refer Corporate Social Responsibility Report annexed to and forming part of this annual report.
5	Has the Company taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes

Principle 9 Value for customers

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

1	What percentage of customer complaints / consumer cases are pending as on the end of financial year	NIL
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A.	NA
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Not applicable

CMD / CFO CERTIFICATION TO THE BOARD

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

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

(a) We have reviewed the financial statements and the cash flow statement for the year 2019-20 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 2019-20, 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 2019-20

   (ii) Significant changes in accounting policies during the year 2019-20 and that the same have been disclosed in the notes to the financial statements;

   (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Sd/-
J Satish
Chief Financial Officer

Place: Hyderabad
Date: 27.06.2020

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the code of conduct of the Company for the financial year ended on 31st March, 2020 as envisaged in the Chapter IV of the Securities Exchange board of India (Listing Obligations and Disclosures Regulations) 2015.

Place: Hyderabad
Date: 15.09.2020

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

Certificate on Corporate Governance

To
The Members
Power Mech Projects Limited
Hyderabad

We have examined the compliance of the conditions of Corporate Governance by **Power Mech Projects Limited** (hereinafter referred to as "the Company") for the year ended 31st March, 2020, as stipulated in Chapter IV of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

Based on the procedures performed by us as mentioned above and according to the information and explanations provided to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended 31st March, 2020.

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

For P.S. Rao & Associates
Company Secretaries

Sd/-
D.S. Rao
Company Secretary
ACS No.: 12394
CP. No.: 14487
UDIN: A012394B000713116

Date : 15th September, 2020
Place : Hyderabad

Certificate on Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To
The Members,
POWER MECH PROJECTS LIMITED
Plot No. 77, Jubilee Enclave,
Opp: Hitex, Madhapur,
Hyderabad - 500 081.

We have examined the relevant records, forms, returns and disclosures received from the Directors of **POWER MECH PROJECTS LIMITED** having CIN: L74140TG1999PLC032156 and having registered office at plot no. 77, Jubilee Enclave, Opp: Hitex, Madhapur, Hyderabad, TG-500081 (hereinafter referred to as "the Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read sub-clause 10(i) of Para C of Schedule V to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and the explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ended 31st March, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority.

S. No.	Name of Director	Nature / Category of Directorship	DIN
1	Sajja Kishore Babu	Chairman, Managing Director	00971313
2	Thiagarajan Sankaralingam	Independent Director	00015954
3	Lakshmi Sajja	Non-Executive Director	00068991
4	Durgavaraprasada Rao Gorijala	Independent Director	02754904
5	Vivek Paranjpe	Independent Director	03378566
6	Rajiv Kumar Motihari	Non-Executive Director	07336483
7	Lasya Yerramneni*	Independent Director	03150397

* Co-opted as Additional Director in the Independent category w.e.f. 27th June, 2020.

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

For P.S. Rao & Associates
Company Secretaries

Sd/-
D.S. Rao
Company Secretary
ACS No.: 12394
C.P. No.: 14487
UDIN: A012394B000713105

Date : 15th September, 2020
Place : Hyderabad

Standalone Financials

Independent Auditors' Report

To the Members of

POWER MECH PROJECTS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **POWER MECH PROJECTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of affairs of the Company as at 31st March, 2020, the Profit and total comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No	Key Audit matter	How the matter was addressed in our audit
1	Revenue recognition of long term contracts The Company has revenue from construction contracts and long term operating and maintenance agreements. Revenue related to these construction contracts is recognised using the percentage completion method, where progress is determined with reference to completion of physical proportion of the work to the extent of work certified by the customer and revenue is also recognised in case of works pending certification as on date of balance sheet. The Company raised invoices on monthly basis based on the physical proportion of the work completed. We focussed this area because of significant management judgement required in: Estimation of the physical proportion of the contract work completed for the contracts and particularly in case of those works which were pending for certification by the customer as on date of balance sheet which may lead to over or understatement of revenues and profit.	As part of our audit, we obtained an understanding of the methodology applied, the internal process and controls used for determination of the physical proportion of work completed. We evaluated the process and systems used to record the quantum of work completed against which invoices were raised. In respect of construction projects, we obtained work completion certificates, measurement work sheets from project engineers and also obtained certificate of confirmations of work completed from customers to assess the appropriateness of management estimates of the physical proportion of work completed. Further we also examined the payment advices received subsequent to the balance sheet date which confirms the extent of work completed and certified for which revenue was recognised. In case of those works which were pending certification as on date of balance sheet, we obtained payment advices from the customers related to the said works, post balance sheet date.
2	Trade receivables The Company has significant amount of trade receivables (Including retention and security deposits) and their recoverability requires management judgement due to the specific risks associated with these receivables. There is an element of management judgement in assessment of extent of the recoverability of long outstanding trade receivables after the end of the contractual credit period. Management assessed the recoverability of trade receivables by reviewing customers ageing profile, credit history, nature and ownership of organisation and status of subsequent settlements and determined whether an impairment provision is required. We considered this matter to be significant to our audit due to the quantum of the receivables and their period of outstanding.	Our audit procedures in relation to the recoverability of trade receivables included • Understood and tested the Company's credit control procedures and tested key controls over granting credit to customers. • Tested ageing of trade receivables at the year ended on a sample basis. • Obtained list of long outstanding receivables and identified any debtors with financial difficulty through discussion with management. • Assessed the recoverability of these outstanding receivables through our discussion with management and with reference to detailed receivables listings for the subsequent period. • Also examined the arrangements/correspondences with customers to assess the payment arrangement agreed with the customers and assessed the recoverability of the significant outstanding receivables. • Assessed the recoverability of the balances by comparing the outstanding amounts as at year end against subsequent recoveries. • The status and their organisational structure was also examined with reference to the credit risk and their creditability in making payments since most of the customers are public sector organisations. Considering all these, we found that the judgment made by the management in assessment of recoverability of receivables are found to be appropriate.

Other matters

The Standalone financial statements of the Company for the year ended 31st March, 2019 were audited by another auditor who expressed an unmodified opinion on those statements vide report dt. 22.5.2019. Our opinion is not modified in respect of this matter.

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

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

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For K.S. Rao & Co
Chartered Accountants
(Firm Registration No. 003109S)

Sd/-
Gopikrishna Chowdary Manchinella
Partner
Membership No. 235528
UDIN: 20235528AAAABS8311

Place : Hyderabad
Date : 27.6.2020

Annexure-A to the Independent Auditor's Report

The Annexure referred to in paragraph 2 under "Report on other legal and regulatory requirements" section of our report to the members of POWER MECH PROJECTS LIMITED ("Company") for the year ended 31st March, 2020.

We report that:

1. In respect of its fixed assets:
    a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. However, the fixed assets register has not been updated with the location of assets when there was a change in movement of asset from one location to other. However, the said movement of assets has been noted in the registers maintained by the concerned departments.

    b) The Company has a programme of physical verification to cover all items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. However, the Company has not carried out physical verification of its fixed assets during the year which is not in accordance with its predefined programme.

    c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. In respect of its inventories:
    a) According to the information and explanations furnished to us, the Company has physically verified its inventories in some of the domestic project sites covered nearly 56% 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 during the year.

3. According to the information and explanations given to us, the Company has granted unsecured loans to the companies covered in the register maintained under Section 189 of the Companies Act, 2013. In respect of such loans, considering the business expediency and utilisation of such loans by borrower companies, we report that:

    a) The loans given by the Company are prima-facie, not prejudicial to the interests of the Company considering the relationship and business expedience of the companies.

    b) In the absence of terms of schedule of repayment, our report on regularity in repayment of loans does not arise.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the grant of loans, investments made and providing guarantees as applicable.

5. The Company has not accepted any deposits from the public within the meaning of section 73-76 of the Act and therefore the provisions of clause 3(V) of the Order are not applicable to the Company.

6. The central government has not prescribed the maintenance of cost records under section 148(1) of the Act read with Companies (Cost Records and Audit) Rules, 2014 and hence the reporting requirements in terms of clause 3(vi) of the Order does not apply.

7. a) According to the information furnished to us, the Company made delays in remittance of its statutory dues such as TDS, Provident fund, ESI, GST and is regular in depositing the other statutory dues.

    b) There were no undisputed statutory dues in arrears in respect of PF, ESI, Customs duty, GST, Income-tax and other material statutory dues as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.

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

₹ in Cr

Name of the Statute	Nature of Dues	(net of amounts paid under protest)	Period to which it relates	Forum where dispute is pending
VAT Acts of various states	VAT	2.94	2012-13	Petition filed before High court of Calcutta against rejection of admission of appeal by Addl. Comm. of Commercial taxes, West Bengal
		1.26 (net of payment of ₹0.55)	2014-15	Joint Commissioner of Commercial taxes, Patna

8. In our opinion and according to the information and explanations furnished to us by the Company, there were no defaults in repayment of dues to banks. However, the Company has not borrowed any loans from financial institutions, government or raised any funds by way of issue of debentures.

9. The Company has not raised any money by way of initial public offer (IPO) or further public offer. The term loans obtained during the year were applied for the purpose for which they were raised.

10. According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

11. According to the information and explanation given to us and based on examination of the records of the Company, the Company has provided remuneration for managerial personnel in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.

12. The Company is not a nidhi Company. Accordingly reporting under provisions of para 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on examination of records of the Company, transactions with the related parties are in compliance with the provisions of section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the Company.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For K.S. Rao & Co
Chartered Accountants
(Firm Registration No. 003109S)

Sd/-
Gopikrishna Chowdary Manchinella
Partner
Membership No. 235528
UDIN: 20235528AAAABS8311

Place : Hyderabad
Date : 27.6.2020

Annexure-B to the Independent Auditor's Report

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **POWER MECH PROJECTS LIMITED** ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.S. Rao & Co
Chartered Accountants
(Firm Registration No. 003109S)

Sd/-
Gopikrishna Chowdary Manchinella
Partner
Membership No. 235528
UDIN: 20235528AAAABS8311

Place : Hyderabad
Date : 27.6.2020

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

Balance Sheet as at 31st March, 2020

	Particulars		Note No.	As at 31st March, 2020	As at 31st March, 2019
	ASSETS				
1	**Non-Current Assets**				
	(a)	Property, Plant and Equipment	4.1	146.18	154.66
	(b)	Right-of-use assets	4.2	7.20	-
	(c)	Capital Work-in-progress	4.3	2.56	3.24
	(d)	Intangible Assets	5	0.28	0.35
	(e)	Financial Assets			
		(i) Investments	6	13.86	13.86
		(ii) Other financial assets	8	265.74	260.69
	(f)	Deferred Tax Asset (Net)	18	7.10	4.75
	(g)	Other Non-current Assets	9	1.91	12.58
		Total Non-Current assets		**444.83**	**450.13**
2	**Current Assets**				
	(a)	Inventories	10	115.23	79.26
	(b)	Financial Assets			
		(i) Trade receivables	11	467.87	388.57
		(ii) Cash and cash equivalents	12	24.10	13.75
		(iii) Other bank balances	12	44.58	71.51
		(iv) Loans	7	49.95	39.04
		(v) Other financial assets	8	528.91	355.96
	(c)	Other Current assets	9	475.38	387.37
	(d)	Current tax Asset (Net)	22	7.18	-
		Total Current assets		**1,713.20**	**1,335.46**
		Total Assets		**2,158.03**	**1,785.59**
	EQUITY AND LIABILITIES				
1	**Equity**				
	(a)	Equity Share Capital	13	14.71	14.71
	(b)	Other Equity	14	871.36	761.51
		Total Equity		**886.07**	**776.22**
		Liabilities			
2	**Non-current liabilities**				
	(a)	Financial Liabilities			
		(i) Long-term borrowings	15	29.64	52.98
		(ii) Lease liabilities	16	4.54	-
		(iii) Other financial liabilities	16	60.83	68.06
	(b)	Provisions	17	3.64	2.60
	(c)	Other non-current liabilities	19	6.38	19.80
		Total non-current liabilities		**105.03**	**143.44**
3	**Current liabilities**				
	(a)	Financial Liabilities			
		(i) Short-term borrowings	20	417.65	272.04
		(ii) Lease liabilities	16	2.43	-
		(iii) Trade payables	21		
		a) Total outstanding dues of micro enterprises and small enterprises		0.35	0.36
		b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		521.17	403.94
		(iv) Other financial liabilities	16	150.84	110.40
	(b)	Other current liabilities	19	73.56	57.49
	(c)	Provisions	17	0.93	0.23
	(d)	Current tax Liabilities (Net)	22	-	21.47
		Total current liabilities		**1,166.93**	**865.93**
		Total Liabilities		**1,271.96**	**1,009.37**
		Total Equity and Liabilities		**2,158.03**	**1,785.59**

Corporate Information	1
Basis of Preparation and Significant Accounting Policies	2-3

The accompanying notes 32-51 form an integral part of the financial statements.

As per our report of even date
For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(Gopikrishna Chowdary Manchinella)
Partner
Membership Number: 235528

Place: Camp: Hyderabad
Date: 27.06.2020
UDIN: 20235528AAAABS8311

For and on behalf of the Board

Sd/-
S. Kishore Babu
Chairman and Managing Director
DIN (00971313)

Sd/-
J Satish
CFO

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

Statement of Profit and Loss for the Year ended 31st March, 2020

	Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
I	Revenue from Operations	23	2,044.56	1,736.57
II	Other Income	24	9.12	14.36
III	**Total Income (I+II)**		**2,053.68**	**1,750.93**
IV	**Expenses**			
	Cost of Material Consumed	25	297.42	289.74
	(Increase) / Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	26	(12.06)	(0.33)
	Contract execution expense	27	1,182.95	947.95
	Employee benefits expense	28	305.28	247.05
	Finance cost	29	71.79	50.17
	Depreciation and Amortization expense	30	36.15	38.56
	Other expense	31	24.06	26.80
	Total Expenses (IV)		**1,905.59**	**1,599.94**
V	**Profit before exceptional items and tax (III-IV)**		**148.09**	**150.99**
VI	Exceptional Items		-	-
VII	**Profit before tax (V-VI)**		**148.09**	**150.99**
VIII	**Tax expense:**			
	Current tax		39.77	58.18
	Deferred tax charge / (credit)		(2.35)	(2.93)
IX	**Profit after tax for the Period (VII-VIII)**		**110.67**	**95.74**
X	**Other Comprehensive Income**			
	A. Items that will not be re-classified to statement of Profit and loss (net of tax)			
	a) Changes in fair value of investments		(0.01)	(0.00)
	b) Remeasurement of defined employee benefit plans		0.96	1.00
	Total Other Comprehensive income		0.95	1.00
XI	**Total Comprehensive Income for the year (IX+X)**		**111.62**	**96.74**
XII	Earnings per Share - Basic and Diluted		75.23	65.08

Corporate Information 1
Basis of Preparation and Significant Accounting Policies 2-3
The accompanying notes 32-51 form an integral part of the financial statements.

As per our report of even date
For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

For and on behalf of the Board

Sd/-
S. Kishore Babu
Chairman and Managing Director
DIN (00971313)

Sd/-
(Gopikrishna Chowdary Manchinella)
Partner
Membership Number: 235528

Sd/-
J Satish
CFO

Place: Camp: Hyderabad
Date: 27.06.2020
UDIN: 20235528AAAABS8311

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

Cash Flow Statement for the Year ended 31st March, 2020

	Particulars		2019-20	2018-19
I.	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit before tax		148.09	150.99
	Add / (Less): Adjustments for :			
	Depreciation		36.15	38.56
	Interest and Finance charges		71.79	50.17
	Loss on sale of assets		0.06	0.12
	Net loss arising on financial assets measured at FVTPL		(0.09)	(0.07)
	Interest income		(6.57)	(6.98)
	Profit on sale of assets		(0.64)	(1.89)
	Profit on disposal of investment in Joint venture Company		-	(0.70)
	Amortisation of Deferred Government grants		(0.10)	(0.08)
	Remeasurement benefits on defined benefit Plans / Obligations considered in Other Comprehensive Income		0.96	1.00
	Operating profit before working capital changes		**249.65**	**231.11**
	Movements in Working Capital			
	Adjustments for (increase) / decrease in operating assets:			
	- Trade Receivables		(79.30)	(73.55)
	- Inventories		(35.97)	(45.87)
	- Other Assets		(261.83)	(207.10)
	Adjustments for increase / (decrease) in operating liabilities:			
	- Trade Payables		117.21	115.99
	- Other Liabilities and Provisions		16.51	38.71
	Cash generated from operations		**6.27**	**59.28**
	Less: Direct taxes paid		(69.18)	(46.89)
	Net cash from / (used in) Operating activities	**(A)**	**(62.91)**	**12.39**
II.	CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of fixed assets / Capital work in progress		(26.41)	(47.04)
	Proceeds from sale of fixed assets		1.70	6.24
	Investment in equity shares of Subsidiary Company		(0.01)	(2.09)
	Disposal of Investment in Subsidiary / Joint venture Company		-	0.70
	Margin money deposits with banks and other balances		22.41	(25.19)
	Interest received		6.57	6.98
	Net cash from / (used in) Investing activities	**(B)**	**4.26**	**(60.39)**
III.	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from/(Repayment of) borrowings		143.45	82.84
	Interest and Finance charges paid		(70.26)	(50.17)
	Lease Rent Paid		(2.43)	-
	Dividends and dividend tax paid		(1.77)	(1.77)
	Net cash from financing activities	**(C)**	**68.99**	**30.90**
	Net Increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**10.34**	**(17.10)**
	Cash and cash equivalents at the beginning of the period		13.75	30.85
	Cash and cash equivalents at the end of the period		24.10	13.75
	Net Increase / (decrease) in cash and cash equivalents		10.34	(17.10)

Note: The above cash flow statement has been prepared under "Indirect method" as set out in the Indian Accounting Standard (IND AS 7) Statement of Cash flows.

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

Cash Flow Statement for the Year ended 31st March, 2020

Components of cash and cash equivalents

Particulars	2019-20	2018-19
Cash on hand	1.46	1.39
In Current accounts	20.23	12.21
Deposits having maturity period for less than 3 months	2.41	0.15
	24.10	**13.75**

Reconciliation of Changes in Liability arising from Financing activities for the year ending 31st March, 2020

Particulars	Opening	Ind as 116 adoption	Cash flows	Non-Cash changes (forex)	Net Cash flow	Closing
Long term borrowings	92.92	-	-	1.06	(3.21)	90.77
Short term borrowings	272.04	-	-	-	145.60	417.65
Lease Liabilities (Refer Note no.46)	-	8.64	(2.43)	0.75	(1.67)	6.96

Reconciliation of Changes in Liability arising from Financing activities for the year ending 31st March, 2019

Particulars	Opening	Non-Cash changes (forex)	Net Cash flow	Closing
Long term borrowings	43.14	0.87	48.91	92.92
Short term borrowings	239.12	-	32.92	272.04

Corporate Information 1

Basis of Preparation and Significant Accounting Policies 2-3

The accompanying notes 32-51 form an integral part of the financial statements.

As per our report of even date
For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(Gopikrishna Chowdary Manchinella)
Partner
Membership Number: 235528

Place: Camp: Hyderabad
Date: 27.06.2020
UDIN: 20235528AAAABS8311

For and on behalf of the Board

Sd/-
S. Kishore Babu
Chairman and Managing Director
DIN (00971313)

Sd/-
J Satish
CFO

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

Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity share capital

Particulars	No's	INR
As at 31st March, 2018	1,47,10,764	**14.71**
Changes in equity during the year	-	-
As at 31st March, 2019	1,47,10,764	**14.71**
Changes in equity during the year	-	-
As at 31st March, 2020	1,47,10,764	**14.71**

B. Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Total
	Securities Premium	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Re-Measurement of defined employee benefit plans	
Balance as at 31st March, 2018	**160.93**	**36.96**	**467.97**	**0.01**	**0.67**	**666.54**
Profit for the year	-	-	95.74	-	-	**95.74**
Other Comprehensive Income	-	-	-	(0.00)	1.00	**1.00**
Total Comprehensive Income for the year	160.93	36.96	563.71	0.01	1.67	**763.28**
Less: Appropriations						
Final Dividend and tax thereon for the Financial year 2017-18 proposed & paid during the year	-	-	1.77	-	-	**1.77**
Balance as at 31st March, 2019	**160.93**	**36.96**	**561.94**	**0.01**	**1.67**	**761.51**
Profit for the year	-	-	110.67	-	-	**110.67**
Other Comprehensive Income	-	-	-	(0.01)	0.96	**0.95**
Total Comprehensive Income for the year	160.93	36.96	672.61	0.00	2.63	**873.13**
Less: Appropriations						
Final Dividend and tax thereon for the Financial year 2018-19 proposed & paid during the year	-	-	1.77	-	-	**1.77**
Balance as at 31st March, 2020	**160.93**	**36.96**	**670.84**	**0.00**	**2.63**	**871.36**

Corporate Information 1
Basis of Preparation and Significant Accounting Policies 2-3
The accompanying notes 32-51 form an integral part of the financial statements.

As per our report of even date
For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

For and on behalf of the Board

Sd/-
S. Kishore Babu
Chairman and Managing Director
DIN (00971313)

Sd/-
(Gopikrishna Chowdary Manchinella)
Partner
Membership Number: 235528

Sd/-
J Satish
CFO

Place: Camp: Hyderabad
Date: 27.06.2020
UDIN: 20235528AAAABS8311

Company Overview and Significant Accounting Policies

Note 1. CORPORATE INFORMATION

Power Mech Projects Limited is incorporated in the year 1999 and is an engineering and construction Company providing integrated service in erection, testing and commissioning (ETC) of boilers, turbines and generators and balance of plant (BOP), civil works and operation and maintenance (O&M). The Company is undertaking projects of all types, sizes and in all environments in India and abroad which include ultra mega power projects, super critical thermal power projects, sub critical power projects, heat recovery steam generator, waste heat recovery steam generator, circulating fluidized bed combustion steam generator, gas turbine generator, hydro electric plants, maintenance, renovation, modernization and annual maintenance of running plants and complete civil works in India and abroad. Power Mech is now engaged in several power projects ranging from 135 MW to 800 MW, besides many projects in lower segment also.

The Company is entering other related fields including railway projects and executing major railway project of doubling of tracks including electrification, signaling, culverts, platforms etc., The Company has made its latest entry into transmission and distribution portfolio, a new venture of diversification and the Company has already undertaken some major projects. Thus, Power Mech is proud to be a vital part of India's Power generation capacity augmentation.

Note 2. BASIS OF PREPARATION

2.1 a) **Basis of preparation of financial statements**

These financial Statements are the separate financial statements of the Company (called Standalone financial statements). These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention and on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) **Use of estimates and Judgements**

The preparation of the Company's financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements and estimates that have been made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

i) **Depreciation / amortisation and useful lives of property plant and equipment / intangible assets:**

Property, plant and equipment / intangible assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is revised if there are significant changes from previous estimates.

ii) **Recoverability of trade receivable:**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, past history of receivables, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iii) **Fair value measurement of financial instruments:**
Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Company also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

iv) **Provisions:**
Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

v) **Impairment of non-financial assets:**
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

vi) **Impairment of financial assets:**
The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii) **Income Taxes:**
The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

viii) **Defined benefit obligations:**
The Company uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine such employee benefit obligations.

ix) **Revenue recognition:**
The Company uses the percentage of completion method in accounting for its fixed price contracts and is measured with reference to actual completion of physical proportion of the work to the extent of work certified by the customer. Measurement of physical quantum of work completed is based on estimates at the reporting date.

x) **Other estimates:**
The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends.

If the financial condition of a customer deteriorates, additional allowances may be required.

xi) Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets, receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact assessment of COVID-19 is a continuous process given the uncertainty associated with its nature and durations and accordingly the eventual outcome may be different from those estimates as on the date of approval of these Financial Statements.

Note 3. Significant accounting policies

a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The cost of Property, plant and equipment comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use.

For transition to Ind AS, the Company has elected to adopt carrying value of PPE measured as per previous GAAP, as deemed cost as on 1st April, 2015.

Advances paid for acquisition of Property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Cost of the assets not put to use before such date are disclosed under 'Capital Work-in-progress'. Any subsequent expenditure relates to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. Items of spare parts are recognized as Property, plant and equipment when they meet the definition of Property, plant and equipment. The cost and related depreciation are eliminated from the property, plant and equipment upon sale or retirement of the asset and the resultant gain or losses are recognized in statement of profit and loss.

b) Intangible assets

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

c) Depreciation and Amortization

The depreciation on property, plant and equipment is provided under the Straight-line method over the useful lives of the assets estimated by the management. The management based on internal assessment, taking into account the nature of the asset, estimated usage of the asset, operating conditions of the asset, past history of replacement, anticipated technical changes and independent technical evaluation carried out by external valuers, believes that the useful lives given below best represent the period over which the management expects to use these assets.

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

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

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

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

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

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

d) Government Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. When the grant relates to an asset, it is recognized as deferred revenue in the Balance sheet and transferred to the statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

e) Impairment of Assets

i) Financial assets (other than at fair value)

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount (i.e higher of the fair value less cost of sale and value in use) is determined on an individual asset basis unless the asset does not generates cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount and the carrying amount of the asset is increased to its revised recoverable amount subject to maximum of carrying amount.

f) Borrowing Costs

Borrowing Costs, that are directly attributable to the acquisition or construction of assets, that necessarily take a substantial period of time to get ready for its intended use, are capitalized as part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

g) Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amount are recognized in the statement of profit and loss.

h) Inventories

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

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

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

i) Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Identifying Performance Obligation:
A performance obligation is identified in the construction projects that the Company engages in, owing to the high degree of integration and customization of the various goods and services to provide a combined output which is transferred to the customer over time and not at a specific point in time. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time.

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

Recognition of Revenue:

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

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

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

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

In case of other Income:
Interest income is recognized using the effective interest method.

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

J) **Employee Benefits**

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

ii) Defined Benefit Plans

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

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

k) **Foreign Currency Transactions**
The functional currency of the Company, including of its foreign projects, is Indian rupee and the financial statements are presented in Indian rupee.

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

At each Balance Sheet date

i) Foreign currency denominated monetary items are translated into the relevant functional currency at exchange rate at the balance sheet date. The gains and losses resulting from such translations are included in net profit in the statement of profit and loss.

ii) Foreign currency denominated non-monetary items are reported using the exchange rate at which they were initially recognized.

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

l) Income-Taxes

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

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

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

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

m) Provisions, Contingent Liabilities and Contingent assets

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

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

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

n) Dividends

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

o) Earnings per share

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

p) Leases

The Company's leased assets primarily consist of buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

On transition to Ind AS 116 "Leases", the Company has applied the standard using the modified retrospective approach. Right-of-use assets as at 1st April, 2019 for leases previously classified as operating leases were recognized and measured at an amount equal to the lease liability. As a result, the comparative information has not been restated. The Company has discounted the lease payments using the incremental borrowing rate as at 1st April 2019 for measuring the lease liability.

On transition, the Company has recognized and reclassified Right-of-use asset amounting to ₹9.39 Cr and a lease liability of ₹8.63 Cr as on date of balance sheet. The Company has recognized interest expenses on leases amounting to ₹0.75 Cr and depreciation on Right-of-use of asset amounting to ₹2.19 Cr for the financial year ended 31.3.2020. Consequent to the said recognition, the actual rent paid on leased assets was reduced by ₹2.42 Cr for the year then ended.

q) Cash flow statement

Cash flows are reported using the indirect method, whereby the profit before tax is adjusted for the effects of transactions of non-cash nature and items of income or expenses associated with investing and financing activities. The cash flows are segregated into Operating, investing and financing activities.

r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition:

The Company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than the financial assets and liabilities at fair value through profit and loss) are added to or deducted from the fair value of financial assets and liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities at fair value through profit or loss are recognized immediately in profit or loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

(i) Financial assets carried at amortized cost:
A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income.
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss
A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

De-recognition of financial asset
The Company de-recognises financial assets when the contractual right to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Impairment of financial assets:
The Company applies expected credit loss (ECL) model for measurement and recognition of loss assets in case of trade receivables and other financial assets. In case of trade receivables, the Company follows a simplified approach wherein an amount equal to life time ECL is measured and recognized as loss allowance. In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk has not increased significantly, an amount equal to 12-month ECL is measured and recognized as a loss allowance. However, if the credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as a low allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reversed the impairment loss recognized earlier.

(iv) Financial liabilities
Financial liabilities are subsequently carried at amortized cost using the effective interest method. The effective method is a method of calculating the amortization cost of a financial liability and of allocating interest expense over the relevant period. The effective interest is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

De-recognition of financial liability
The Company de-recognises financial liabilities when the Company's obligations are discharged, cancelled or expired. The difference between the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit and loss over the contractual terms using the effective interest method.

Notes to the Financial Statements

Note 4.1. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Carrying Amounts of:		
Land	3.60	3.60
Lease hold land and Improvements	-	0.55
Office Buildings	17.88	17.69
Plant and Equipment	13.02	13.26
Furniture and Fixtures	2.72	3.64
Computers	1.23	1.23
Office Equipment	3.18	3.25
Motor vehicles	12.82	14.83
Cranes	82.68	88.49
Temporary Sheds	9.05	8.12
	146.18	**154.66**
Capital Work-in-progress	**2.56**	**3.24**

Notes to the Financial Statements

Note 4.1. Property, Plant and Equipment

Particulars	Land	Lease Hold Land and Improvements	Office Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Motor vehicles	Cranes	Temporary Sheds	Total
Gross Block											
As at 31st March, 2018	3.60	0.55	14.47	32.06	8.21	3.02	8.19	34.25	120.87	31.82	257.04
Additions	-	-	6.35	6.43	0.62	0.59	1.14	4.06	25.34	4.70	49.23
Disposals	-	-	-	0.69	-	-	0.00	0.36	6.87	0.04	7.96
As at 31st March, 2019	**3.60**	**0.55**	**20.82**	**37.80**	**8.83**	**3.61**	**9.33**	**37.95**	**139.34**	**36.48**	**298.31**
Additions	-	-	1.15	3.98	0.78	0.41	1.40	3.09	10.81	5.47	27.09
Reclassification on account of adoption of Ind AS- 116 (Refer Note 4.2)	-	0.55	-	-	-	-	-	-	-	-	0.55
Disposals	-	-	-	0.14	-	-	0.02	0.07	3.08	7.44	10.75
As at 31st March, 2020	**3.60**	**-**	**21.97**	**41.64**	**9.61**	**4.02**	**10.71**	**40.97**	**147.07**	**34.51**	**314.10**
Accumulated Depreciation											
As at 31st March, 2018	-	-	2.26	20.07	3.58	1.86	4.66	17.58	38.78	19.91	108.70
Depreciation charge for the year	-	-	0.87	4.93	1.61	0.52	1.42	5.86	14.79	8.45	38.45
On disposals	-	-	-	0.46	-	-	-	0.32	2.72	-	**3.50**
As at 31st March, 2019	**-**	**-**	**3.13**	**24.54**	**5.19**	**2.38**	**6.08**	**23.12**	**50.85**	**28.36**	**143.65**
Depreciation charge for the year	-	-	0.96	4.21	1.70	0.41	1.47	5.09	15.89	4.17	33.90
On disposals	-	-	-	0.13	-	-	0.02	0.06	2.35	7.07	9.63
As at 31st March, 2020	**-**	**-**	**4.09**	**28.62**	**6.89**	**2.79**	**7.53**	**28.15**	**64.39**	**25.46**	**167.92**
Net Block											
As at 31st March, 2020	**3.60**	**-**	**17.88**	**13.02**	**2.72**	**1.23**	**3.18**	**12.82**	**82.68**	**9.05**	**146.18**
As at 31st March, 2019	**3.60**	**0.55**	**17.69**	**13.26**	**3.64**	**1.23**	**3.25**	**14.83**	**88.49**	**8.12**	**154.66**

Notes:

1) Term loans taken by the Company for purchase of Fixed assets are secured by way of hypothecation on respective assets for which loans were availed.
2) Working Capital Loans from banks are secured by way of first charge on Property, Plant and Equipment of the Company both present and future, excluding those assets against which charge was given to equipment financiers.
3) Additions to office Buildings made during the year are constructed on Land taken on Lease.

Notes to the Financial Statements

Note 4.2. RIGHT-OF-USE ASSET

Particulars	As at 31st March, 2020	As at 31st March, 2019
Right-of-use asset	7.20	-
	7.20	-

Particulars	Lease hold land & Improvements	Buildings	Total
(A) Cost or deemed cost			
Balance at 1st April, 2019			
Re-classification and Transition impact on account of adoption of Ind AS-116 (Refer Note 4.1 and 46)	0.55	8.84	9.39
Additions	-	-	-
Disposals / adjustments	-	-	-
As at 31st March, 2020	**0.55**	**8.84**	**9.39**
(B) Accumulated amortisation and impairment			
Balance at 1st April, 2019			
Amortization expense	0.01	2.18	2.19
Eliminated on disposal	-	-	-
As at 31st March, 2020	**0.01**	**2.18**	**2.19**
(C) Carrying amount			
As at 31st March, 2020	**0.54**	**6.66**	**7.20**

Note 4.3. CAPITAL WORK-IN-PROGRESS

Particulars	Amount
At Cost	
As at 31st March, 2018	5.65
Additions	0.47
Capitalised during the year	(2.88)
As at 31st March, 2019	**3.24**
Additions	0.21
Capitalised during the year	0.89
As at 31st March, 2020	**2.56**

Notes to the Financial Statements

Note 5. INTANGIBLE ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Power Mech Brand	0.00	0.00
Computer Software	0.28	0.35
Total	0.28	**0.35**

Particulars	Power Mech Brand	Computer Software	Total
Gross Block			
As at 31st March, 2018	**0.00**	**1.22**	**1.22**
Additions	-	0.21	0.21
Disposals	-	-	-
As at 31st March, 2019	**0.00**	**1.43**	**1.43**
Additions	-	-	-
Disposals	-	-	-
As at 31st March, 2020	**0.00**	**1.43**	**1.43**
Accumulated Amortization			
As at 31st March, 2018	**0.00**	**0.97**	**0.97**
Amortization expense	-	0.11	0.11
On disposals	-	-	-
As at 31st March, 2019	**0.00**	**1.08**	**1.08**
Amortization expense	-	0.07	0.07
On disposals	-	-	-
As at 31st March, 2020	**0.00**	**1.15**	**1.15**
Net Block			
As at 31st March, 2020	**0.00**	**0.28**	**0.28**
As at 31st March, 2019	**0.00**	**0.35**	**0.35**

Notes to the Financial Statements

Note 6. INVESTMENTS (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019
A. Investment in Equity Instruments		
(a) (i) Quoted - Trade (Carried at fair value through OCI)		
a) 24 (24) Equity shares of ₹10/ each in Reliance Power Limited*	0.00	0.00
(ii) Quoted - Non Trade (Carried at fair value through OCI)		
a) 200 (200) Equity shares of ₹10/ each in Assam Company Limited*	0.00	0.00
Total Investment in Quoted Equity Instruments (a)	0.00	0.00
(b) (i) Unquoted - Trade		
Investment in Subsidiaries (Carried at cost) :		
a) 1,85,000 (1,85,000) Equity shares of ₹10 each in Hydro Magus Private Limited	2.94	2.94
b) 18,937 (18,937) Equity shares of ₹10 each in Power Mech Industri Private Limited (Wholly owned subsidiary)	4.31	4.31
c) 1,75,000 (1,75,000) ordinary shares of RO 1 each in Power Mech Projects Limited LLC	3.02	3.02
d) 5,100 (5,100) Equity shares of ₹10 each in Power Mech BSCPL Consortium Private Limited	0.01	0.01
e) 1,00,000 (1,00,000) Equity shares of ₹10 each in Power Mech SSA Structures Private Limited (Wholly owned subsidiary)	0.10	0.10
f) 1,00,000 (1,00,000) Equity shares of ₹10 each in Aashm Avenues Private Limited (Wholly owned subsidiary)	0.10	0.10
g) 1,00,000 (1,00,000) Ordinary shares of USD 1 each in Power Mech Projects (BR) FZE (Wholly owned subsidiary) (Investment by way of subscription of assets)	0.69	0.69
h) 10,000(Nil) Equity shares of ₹10 each in Power Mech Environmental Protection Private Limited (Wholly owned subsidiary)	0.01	-
Investment in Joint Venture (Carried at cost):		
a) 1,50,00,000 (1,50,00,000) equity shares of 1 Naira each in GTA Power Mech Nigeria Limited	0.32	0.32
b) 50 (50) Equity shares of AED 1000 each in GTA Power Mech DMCC (Company with limited liability)	0.09	0.09
c) Investment in PMPL-ACPL JV (Capital introduced Nil)**	-	-
d) Investment in PMPL-STS JV (Capital introduced Nil)**	-	-
e) Investment in PMPL-KHILARI Consortium JV (Capital introduced Nil)**	-	-
Investment in Associate (Carried at cost):		
a) 332 (332) Equity shares of SR 1000 each in MAS Power Mech Arabia (MASPA)	2.25	2.25
	-	-
Total Investment in Un-Quoted Equity Instruments (b)	13.84	**13.83**
Total Investment in Equity Instruments (A)= (a+b)	**13.84**	**13.83**

Notes to the Financial Statements

Particulars	As at 31st March, 2020	As at 31st March, 2019
B. Investment in Mutual Funds - Quoted: (Carried at fair value through OCI)		
a) Investments in mutual funds 20,000 (20,000) units of SBI Infra structure fund - I - Growth ₹10/- each	0.02	0.03
Total Investment in Mutual Funds (B)	0.02	0.03
Total (A+B)	**13.86**	**13.86**
Aggregate amount of : Quoted investments -		
- At cost	0.02	0.02
- Market value	0.02	0.03
Aggregate amount of unquoted investments	13.84	13.83

* Amount below ₹1 Lakh

** The Company has become a venturer in Joint Ventures incorporated during the Financial year 18-19. However no investment has been made in the said JV's as on date of Balance Sheet.

Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised
Investments measured at:				
(i) Fair value through Other Comprehensive Income				
a) 24 Equity shares of ₹10/- each in Reliance Power Limited	0.00	-	0.00	-
b) 200 Equity shares of ₹10/- each in Assam Company Limited	0.00	-	0.00	-
c) Investments in mutual funds 20,000 units of SBI Infra structure fund - I - Growth ₹10/- each	0.02	-	0.03	-
(ii) Investment in Subsidiary Companies, Joint Ventures and Associates (Carried at cost)	13.84	-	13.83	-
Total	**13.86**	-	**13.86**	-

Notes to the Financial Statements

Note 7. LOANS

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Unsecured, Considered Good				
a) Employee related advances	-	-	4.52	3.87
b) Advances to related parties				
- Subsidiary Companies				
- Power Mech Industri Private Limited	-	-	42.67	32.36
- Power Mech SSA Structures Private Limited	-	-	2.21	2.26
c) Loans to Others - GTA Power Mech FZE (Subsidiary to GTA Power Mech Nigeria, a JV)	-	-	0.55	0.55
Total	-	-	**49.95**	**39.04**
The above Loans Receivables are sub-classified as:				
a) Loans Receivables considered good - Secured	-	-	-	-
b) Loans Receivables considered good - Unsecured	-	-	49.95	39.04
c) Loans Receivables which have significant increase in Credit Risk	-	-	-	-
d) Loans Receivables - credit impaired	-	-	-	-
	-	-	**49.95**	**39.04**

Note: 1) No loans are due from directors or other officers of the Company either severally or jointly with any other person nor any other loans are due from firms in which any director is a partner, a director or a member.

2) All the above advances given to subsidiaries / joint ventures are utilised for their business purposes.

Note 8. OTHER FINANCIAL ASSETS

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
a) Security deposits with Govt. authorities and others	13.35	10.85	-	-
b) EMD with customers	82.76	9.65	-	-
c) Earmarked balances with banks held as margin money against LC's and guarantees having a maturity period for more than 12 months from the date of balance sheet	44.22	39.70	-	-
d) Retention Money and Security Deposit with customers - Unsecured	128.75	202.64	147.92	86.33
e) Uncertified Revenue	-	-	380.99	269.63
Total	**269.08**	**262.84**	**528.91**	**355.96**
Less: Provision for doubtful receivables (Retention Money and Security Deposit with customers)	(3.34)	(2.15)	-	-
	265.74	**260.69**	**528.91**	**355.96**

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

Notes to the Financial Statements

Note 9. OTHER ASSETS

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Unsecured, Considered Good				
a) Advances for capital goods	1.91	7.35	-	-
b) Mobilisation advances to sub-contractors	-	5.23	9.32	4.95
c) Advances to creditors against supplies	-	-	20.55	21.19
d) Advances to sub-contractors against works Unsecured	-	-	352.93	336.84
e) Prepaid royalty and other expenses	-	-	64.56	4.83
f) Balances with Statutory authorities:				
GST and other taxes receivable	-	-	21.47	8.86
Works contract tax (TDS)	-	-	1.11	5.86
Taxes paid under protest	-	-	0.54	0.54
Sales Tax refund receivable	-	-	0.14	0.23
Duty credit scrip on hand	-	-	0.13	0.19
g) Other advances	-	-	5.85	4.32
h) Balance in Gratuity Fund (net of obligations)	-	-	-	0.78
Total	**1.91**	**12.58**	**476.60**	**388.59**
Less: Provision for doubtful advances (Advance to sub-contractors against works)	-	-	(1.22)	(1.22)
	1.91	**12.58**	**475.38**	**387.37**

Note: No advances are due from directors or other officers of the Company either severally or jointly with any other person nor any other loans are due from firms or private Company in which any director is a partner, a director or a member.

Note 10. INVENTORIES

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Stores and spares	100.46	76.55
b) Work-in-progress	14.77	2.71
Total	**115.23**	**79.26**

Note:

(i) The mode of valuation of inventories has been stated in Note 2(h) in Accounting Policies.

(ii) The cost of inventories recognised as an expense for the year ended 31st March, 2020 was ₹ 297.42 Cr (for the year ended 31st March, 2019: ₹ 289.74 Cr)

(iii) All the above inventories are offered as security in respect of working capital loans availed by the Company from all the banks.

(iv) There are no inventories expected to be liquidated after more than twelve months.

Notes to the Financial Statements

Note 11. TRADE RECEIVABLES

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	470.40	388.57
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables -credit impaired	-	-
Less: Allowance for doubtful receivables	(2.53)	-
Total	**467.87**	**388.57**
*Includes receivables from Subsidiary Companies / Joint ventures :		
- Hydro Magus Private Limited	3.74	0.98
- Power Mech Industri Private Limited	-	0.18
- Power Mech BSCPL Consortium Private Limited	21.04	-
- M/s. PMPL – M/s. ACPL JV	1.92	7.67
- PMPL – STS JV	14.68	2.50
- Power Mech Projects Limited LLC	5.71	5.30
- MAS Power Mech Arabia (MASPA)	13.05	9.73
- GTA Power Mech NIGERIA Limited	0.15	0.15
- Power Mech Projects (BR) FZE	17.21	0.78

a) The average credit period is 30 days which is due from the date of certification of RA Bill. No interest is charged on overdue receivables.

b) Of the trade receivables balance, ₹137.09 Cr (as at March 31, 2019 : ₹109.86 Cr) is due from one of the Company's largest customer. Further, an amount of ₹Nil (as at March 31, 2019 : ₹40.63 Cr) is due from customers who represent more than 5% of the total balance of trade receivables.

c) In determining the provision for trade receivables, the Company has used practical expedients based on the financial conditions of the customer, historical experience of collections from customers, possible outcome of negotiations with customers etc., The concentration of risk with respect to trade receivables is reasonably low as most of the receivables are from Government organisations, high profile and net worth companies though there may be normal delay in collection. The expected credit loss allowance is based on the ageing of the receivables which are due and at a rate estimated by the management.

Note 12. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2020	As at 31st March, 2019
i) Balances with banks in Current accounts		
a. In Current accounts	20.23	12.21
ii) Cash on hand	1.46	1.39
iii) Fixed Deposits with original maturity period of less than 3 months	2.41	0.15
Total	**24.10**	**13.75**

Notes to the Financial Statements

OTHER BANK BALANCES

Particulars	As at 31st March, 2020	As at 31st March, 2019
a. Earmarked balances with banks held as margin money against LC and guarantees falls due for maturity within 12 months from the date of Balance sheet	44.56	71.50
b. Earmarked balances with banks towards unclaimed dividends	0.02	0.01
Total	**44.58**	**71.51**

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

Note 13. SHARE CAPITAL

a) **Authorised Share Capital**

Particulars	Equity	
	No's	INR
As at 31st March, 2018	**2,60,00,000**	**26.00**
Changes during the year	-	-
As at 31st March, 2019	**2,60,00,000**	**26.00**
Changes during the year		
As at 31st March, 2020	**2,60,00,000**	**26.00**

b) **Issued Share Capital**
Equity shares of ₹10/- each issued, subscribed and fully paid

Particulars	No's	INR
As at 31st March, 2018	**1,47,10,764**	**14.71**
Increase / (Decrease) during the year	-	-
As at 31st March, 2019	**1,47,10,764**	**14.71**
Increase / (Decrease) during the year	-	-
As at 31st March, 2020	**1,47,10,764**	**14.71**

c) **Rights, Preferences and restrictions attached to Equity shares**
The Company has only one class of Equity shares having a face value of ₹10/- each. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

Notes to the Financial Statements

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

Name of the Share Holder	As at 31st March, 2020		As at 31st March, 2019	
	No of Shares held	% out of total number of shares of the Company	No of Shares held	% out of total number of shares of the Company
S Kishore Babu	36,34,942	24.71%	36,34,942	24.71%
S Kishore Babu (HUF)	12,44,000	8.46%	12,44,000	8.46%
S Lakshmi	31,28,626	21.27%	24,03,626	16.34%
S Rohit	8,49,413	5.77%	15,74,413	10.70%
HDFC Small Cap Fund	10,03,216	6.82%	8,94,852	6.08%
	98,60,197	67.03%	**97,51,833**	66.29%

e) The Company is not a subsidiary Company to any of the Company. The Company had 6 Indian subsidiary companies Hydro Magus Private Limited, Power Mech Industri Private Limited, Power Mech BSCPL Consortium Private Limited, Aashm Avenues Private Limited, Power Mech SSA Structures Private Limited and Power Mech Environmental Protection Private Limited and 2 foreign subsidiary companies Power Mech Projects (BR)FZE and Power Mech Projects Limited LLC. None of the shares of the Company are held by its subsidiary companies.

The Company had 3 Indian Joint venture companies M/s. PMPL - M/s. ACPL JV, PMPL - STS JV, Power Mech - KHILARI Consortium JV and 2 foreign Joint venture companies GTA Power Mech Nigeria Limited and GTA Power Mech DMCC. None of the shares of the Company are held by its joint venture companies.

The Company also had 1 Foreign Associate Company MAS Power Mech Arabia (MASPA). None of the shares of the Company are held by its associate Company.

f) Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:
No Bonus shares were issued during the period of five immediately preceding financial Years.

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

Note 14. OTHER EQUITY

Securities Premium

Particulars	Amount
As at 31st March, 2018	**160.93**
Changes during the year	-
As at 31st March, 2019	**160.93**
Changes during the year	-
As at 31st March, 2020	**160.93**

General Reserve

Particulars	Amount
As at 31st March, 2018	**36.96**
Transfers during the year	-
As at 31st March, 2019	**36.96**
Transfers during the year	-
As at 31st March, 2020	**36.96**

Notes to the Financial Statements

Retained Earnings

Particulars	Amount
As at 31st March, 2018	468.65
Add: Total comprehensive income for the year transferred from statement of profit and loss	96.74
Less: Final Dividend and tax thereon for the Financial year 2017-18 proposed & paid during the year	1.77
As at 31st March, 2019	**563.62**
Add: Total comprehensive income for the year transferred from statement of profit and loss	111.62
Less: Final Dividend and tax thereon for the Financial year 2018-19 proposed & paid during the year	1.77
As at 31st March, 2020	**673.47**

Summary of Other Equity

Particulars	As at 31st March, 2020	As at 31st March, 2019
Securities Premium	160.93	160.93
General Reserve	36.96	36.96
Retained Earnings	673.47	563.62
	871.36	**761.51**

Nature of reserves:

a) Securities premium
Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of Companies Act, 2013.

b) General reserve
The general reserve is created by way of transfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

c) Retained Earnings:
Retained earnings are the profits that the Company has earned till date less transfers to general reserves and dividends paid to share holders.

Note 15. LONG TERM BORROWINGS

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
A. Secured				
i. Term loans				
a) From banks:				
i) Axis Bank	16.66	18.16	22.25	14.29
ii) HDFC Bank	1.64	0.91	1.26	2.14
iii) ICICI Bank	0.71	-	2.40	-
iv) Standard Chartered Bank	-	-	-	0.01
v) Kotak Mahendra Bank	1.56	6.22	4.66	4.22
vi) Yes Bank	0.17	-	0.20	-
vii) Emirates Islamic Bank	0.53	0.20	0.37	0.13

Notes to the Financial Statements

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
b) From Others :				
i) HDB Financial Services	0.13	2.31	2.18	4.00
ii) TATA Capital	8.03	16.45	14.86	15.15
iii) Mahindra finance	0.21	-	0.12	-
Total (a)	**29.64**	**44.25**	**48.30**	**39.94**
B. Unsecured				
a) Deferred payment liabilities				
Due to suppliers on deferred credit basis	-	8.73	12.83	-
Total (b)	**-**	**8.73**	**12.83**	**-**
Total (a+b)	**29.64**	**52.98**	**61.13**	**39.94**

1) The term loans from banks and companies are secured by way of hypothecation of assets funded under the said facility. Further, the loans are guaranteed by Managing Director and a Director in their personal capacities.
2) The above loans carries interest varies from 1.49% to 12.50%
3) The above loans are repayable in monthly / quarterly installments.
4) Maturity pattern of above term loans (Non-Current) is as follows.
   Banks : 2021-22 - ₹17.66 Cr & 2022-23 - ₹3.61 Cr
   Companies : 2021-22 - ₹8.04 Cr & 2022-23 - ₹0.33 Cr
5) No defaults were made in repayment of above term loans

Note 16. OTHER FINANCIAL LIABILITIES

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
a) Retention Money & Security deposits recovered from Sub-Contractors	60.83	68.06	13.91	5.51
b) Current maturities of long-term debt	-	-	61.13	39.94
c) Creditors for capital goods	-	-	1.22	2.16
d) Interest accrued and due	-	-	1.11	0.25
e) Interest accrued but not due	-	-	-	0.03
f) Unclaimed dividend	-	-	0.02	0.01
g) Employee related payments	-	-	40.31	34.55
h) Share application money refundable	-	-	0.11	0.11
i) Other Liabilities	-	-	33.03	27.84
	60.83	**68.06**	**150.84**	**110.40**
a) Lease liability as per Ind as 116 (Refer Note No. 46)	4.54	-	2.43	-
Total	**65.37**	**68.06**	**153.27**	**110.40**

Note: (i) The segregation of above Retention Money & Security deposits are made based on the time schedule in execution of works, estimated works undertaken in next year and terms of release as agreed with sub-contractors.

Notes to the Financial Statements

Note 17. PROVISIONS

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	1.64	-	0.48	-
- Leave Encashment (Unfunded)	2.00	2.60	0.45	0.23
Total	**3.64**	**2.60**	**0.93**	**0.23**

EMPLOYEE BENEFITS

a. Defined contribution plans

The Company makes Provident Fund and Employees' State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. The Company recognised ₹11.18 Cr (Year ended 31st March, 2019: ₹8.93 Cr) for provident fund contributions, and ₹1.02 Cr (Year ended 31st March, 2019: ₹1.11 Cr) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

b. Defined benefit plans

The Company provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is 31st March.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Risk Management:

Investment risk – The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest rate risk – The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity risk – The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk – The present value of the defined benefit plan is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

(i) Balance Sheet

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Present value of obligation	9.62	6.61
Fair Value of plan assets	7.50	7.39
Net Liability/(Asset) recognised in the Balance Sheet	**2.12**	**(0.78)**

Notes to the Financial Statements

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

Particulars	Plan Obligation	Plan Assets	Deficit / (Surplus)
As at 31st March, 2018	6.28	5.79	0.49
Current service cost	1.30	0.00	1.30
Interest cost	0.49	0.00	0.49
Interest Income	0.00	0.49	(0.49)
Actuarial gain arising from changes in experience adjustments	(0.47)	0.00	(0.47)
Actuarial gain arising from changes in financial assumptions	(0.69)	0.00	(0.69)
Contributions by employer	0.00	1.57	(1.57)
Benefit payments	(0.30)	(0.30)	0.00
Return on plan assets, excluding interest income	0.00	(0.16)	0.16
As at 31st March, 2019	**6.61**	**7.39**	**(0.78)**
Current service cost	3.99	0.00	3.99
Interest cost	0.49	0.00	0.49
Interest Income	0.00	0.55	(0.55)
Actuarial gain arising from changes in experience adjustments	0.89	0.00	0.89
Actuarial gain arising from changes in financial assumptions	(1.86)	0.00	(1.86)
Contributions by employer	0.00	0.07	(0.07)
Benefit payments	(0.49)	(0.49)	0.00
Return on plan assets, excluding interest income	0.00	(0.01)	0.01
As at 31st March, 2020	**9.63**	**7.51**	**2.12**

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

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

Notes to the Financial Statements

Particulars	Year ended 31st March, 2020
Employee Benefit Expenses	
Current service cost	2.32
Past Service cost	1.68
Interest cost	0.49
Interest Income	(0.55)
Net impact on profit before tax	**3.93**
Remeasurement of the net defined benefit plans:	
Actuarial gain arising from changes in Financial assumptions	(1.86)
Actuarial (gain)/loss arising from changes in Experience adjustments	0.89
Return on plan assets, excluding interest income	0.01
Net impact on other comprehensive income	**(0.96)**

(iv) Assets

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Funded with Life Insurance Corporation of India	100%	100%

(v) Investment details

Particulars	As at 31st March, 2020	As at 31st March, 2019
Insurance Policies	7.50	7.38

(vi) Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet date, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31st March, 2020	As at 31st March, 2019
Discount rate	6.79	7.65
Salary escalation rate	3.00	5.00

(vii) Sensitivity analysis :

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below have been determined based on the reasonably possible changes of the assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in key assumption while holding all other assumptions constant. The result of sensitivity analysis is given below.

Notes to the Financial Statements

Particulars	Defined benefit obligation As at 31st March, 2020
Salary Escalation - Up by 1%	11.17
Salary Escalation - Down by 1%	8.35
Withdrawal Rates - Up by 1%	10.19
Withdrawal Rates - Down by 1%	8.95
Discount Rates - Up by 1%	8.44
Discount Rates - Down by 1%	11.07

viii) **Maturity profile of Defined Benefit Obligation**

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non Current
Defined Benefit Obligation	0.47	2.04	2.60

Note 18. DEFERRED TAX

The following is the analysis of deferred tax Assets / (Liabilities) presented in the Balance Sheet

Particulars	Components	
	As at 31st March, 2020	As at 31st March, 2019
Liability:		
Towards depreciation	-	-
Asset:		
Disallowances under Income-tax	3.33	1.82
Towards depreciation	3.77	2.93
Total	**7.10**	**4.75**

Movement in Deferred Tax (Assets) / Liabilities

Component	As at 31st March, 2018	Credit/ (Charge) to Statement of P&L	As at 31st March, 2019	Credit/ (Charge) to Statement of P&L	As at 31st March, 2020
Deferred tax Liability / (Asset) in relation to:					
Depreciation	(0.93)	(2.00)	(2.93)	(0.84)	(3.77)
Expenses allowable under Income tax when paid	(0.89)	(0.93)	(1.82)	(1.51)	(3.33)
	(1.82)	**(2.93)**	**(4.75)**	**(2.35)**	**(7.10)**

Notes to the Financial Statements

Note 19. OTHER LIABILITIES

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
a) Mobilisation advances received from customers	5.82	19.16	32.36	20.55
b) Advances received from customers against supplies or works	-	-	7.14	0.02
c) Statutory Liabilities	-	-	34.06	36.92
d) Deferred government grants (Refer note)	0.56	0.64	-	-
Total	**6.38**	**19.80**	**73.56**	**57.49**

Note: i) a) The Company received government grants in the nature of export incentives and the same is utilised against import of Capital goods and capitalised to Property, Plant and Equipment.

b) The deferred government grant will be recognised in statement of profit and loss over the period in proportion to the depreciation expense on the assets to which such grant is utilized is recognised.

ii) The segregation of mobilisation advances received from customers has been made based on the estimated work to be completed in next year and as per the terms of agreement entered with customers, turnover, terms of release of amount and estimates of the management.

Note 20. SHORT TERM BORROWINGS

Particulars	As at 31st March, 2020	As at 31st March, 2019
A. Secured		
1. Loans repayable on demand:		
a) Working capital loans from banks		
i) State Bank of India	134.94	111.48
ii) Standard Chartered bank	30.00	29.76
iii) Ratnakar bank	26.37	17.88
iv) Axis bank	0.73	4.96
v) IDFC bank	19.18	20.16
vi) PNB	20.92	0.02
vii) Bank of India	24.47	-
viii) IndusInd bank	7.40	-
b) Over Draft from banks:		
i) State Bank of India	-	12.95
2. Term loans		
i) State bank of India	13.50	-
ii) HERO Fin Corp	23.07	-

Notes to the Financial Statements

Particulars	As at 31st March, 2020	As at 31st March, 2019
B. Un Secured		
Loans repayable on demand:		
a) Working capital loans from banks		
i) HDFC Bank	45.00	44.83
ii) Bank of Bahrain & kuwait	60.00	30.00
iii) Oxyzo Financial Services Pvt Ltd	5.57	-
b) Short term loans:		
i) From Pennar Industries Limited	6.50	-
Total	**417.65**	**272.04**

Note:

a) Working capital loans from SBI, Standard Chartered Bank, Axis, IDFC, Ratnakar Bank, PNB, Bank of India, IndusInd Bank are secured by way of first charge on entire current assets of the Company on pari passu basis. Further these loans are secured by way of first charge on fixed assets both present and future, excluding those assets against which charge was given to equipment financiers.

The said loans are collaterally secured by way of equitable mortgage of immovable properties belonging to the Company, Managing director, director and a firm.

b) Overdraft facility from banks is secured against fixed deposits with banks.

c) All the above loans are guaranteed by Managing Director and a director in their personal capacities.

d) The above loans carries interest varies from 8.25% to 11.90%.

Note 21. TRADE PAYABLES

Particulars	As at 31st March, 2020	As at 31st March, 2019
Dues to : Small and Micro Enterprises	0.35	0.36
: Other than Small and Micro Enterprises ((Including Acceptances)*	521.17	403.94
Total	**521.52**	**404.30**

* Acceptances include arrangements where suppliers of goods and services are initially paid by banks / financiers

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

Based on and to the extent of information obtained and available with the Company with regard to the status of their suppliers under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT), on which the auditors have relied, the disclosure requirement with regard to the payment made / due to Micro, Small and Medium Enterprises are given below.

Notes to the Financial Statements

Particulars	As at 31st March, 2020	As at 31st March, 2019
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	0.35	0.36
(b) Interest due there on	0.04	0.05
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date Interest there on in terms of Sec 16 of the Act	-	-
(b) Interest paid along with such payments during the year	0.14	0.18
(c) Interest due and payable at the end of the year on such payments made during the year.	-	-
3. Amount of Interest for the year u/s 16 of the Act accrued and remaining un-paid at the end of the year	0.04	0.05
4. Total amount of interest u/s 16 of the Act including that arising in earlier years, accrued and remaining unpaid at end of the year.	0.46	0.56

Note 22. CURRENT INCOME-TAX LIABILITIES (Net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Income-tax	215.99	175.44
Less: Advance Income-tax and TDS	223.17	153.97
Current tax (Asset) / Liabilities	**(7.18)**	**21.47**

Income-tax recognised in profit or loss

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Current Tax		
Tax expense in respect of current year Income	39.77	58.18
Total	**39.77**	**58.18**
Deferred Tax		
Deferred Tax credit in respect of Current year	(2.35)	(2.93)
Total	**(2.35)**	**(2.93)**
Total income tax expense recognised	37.42	55.25

The current income-tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit before tax	149.04	151.99
Enacted Tax Rates in India	*25.168%	34.944%
Computed Tax expense	37.51	53.11
Add: Tax effects of expenses which are not deductible in determining taxable profit		
- Depreciation difference	1.35	3.20
- Expenses(net of Income) not deductible for tax purposes	1.15	2.22

Notes to the Financial Statements

Particulars		Year ended 31st March, 2020	Year ended 31st March, 2019
Tax on Ind AS adjustments		(0.24)	(0.35)
Excess provision of income tax relating to earlier years		-	-
Current Tax Provision	**(A)**	**39.77**	**58.18**
Decrease of Deferred tax liability on account of Fixed Assets		(0.84)	(2.00)
Increase of Deferred tax Asset on account of Other Assets		(1.51)	(0.93)
Deferred Tax Credit	**(B)**	**(2.35)**	**(2.93)**
Total Tax Expense	**(A+B)**	37.42	55.25

* During the current year, the Company elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and re-measured its deferred tax liabilities (net) based on the rate prescribed in the said Act. The full impact of this change relating to the deferred tax as at March 31, 2020 has been recognised in the statement of profit and loss during the current year.

Note 23. REVENUE FROM OPERATIONS

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Contract receipts:		
Income from contracts and services	2,040.90	1,729.48
Other operating revenue:		
Crane and equipment hire charges received	3.66	7.09
TOTAL	**2,044.56**	**1,736.57**

Note 24. OTHER INCOME

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest from banks and others (at amortized cost)	6.57	6.98
Interest on unwinding portion of Rental Deposits (at amortized cost)	0.09	0.08
Profit on sale of assets	0.64	1.89
Profit on sale of investments	-	0.70
Gain on exchange fluctuations	1.57	3.24
Sale of Duty credit scrip and deferment of govt. grants	0.25	1.47
TOTAL	**9.12**	**14.36**

Notes to the Financial Statements

Note 25. COST OF MATERIALS CONSUMED

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening Stock	76.55	31.01
Add: Purchases	321.33	335.28
	397.88	**366.29**
Less : Closing Stock	100.46	76.55
TOTAL	**297.42**	**289.74**

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

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening work-in-progress	2.71	2.38
	2.71	**2.38**
Closing work-in-progress	14.77	2.71
	14.77	**2.71**
Increase / (Decrease) in inventories	12.06	0.33

Note 27. CONTRACT EXECUTION EXPENSE

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Sub-contract expenses	992.34	785.81
Radiography charges	16.35	16.03
Royalty Charges	1.89	-
Hire charges	48.52	39.27
Rent at Project sites	19.72	15.67
Power and fuel	6.50	5.99
Insurance	2.82	2.30
Vehicles movement and other freight expenses	30.22	25.45
Repairs and maintenance: Plant and machinery	9.83	8.83
Other assets	2.72	2.36
Fuel and vehicle maintenance	35.84	31.90
Travelling expenses at projects	16.20	14.34
TOTAL	**1,182.95**	**947.95**

Notes to the Financial Statements

Note 28. EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries and Wages	261.05	207.40
Remuneration to managerial personnel	5.25	8.22
Contribution to provident and other funds	12.20	10.04
Staff welfare expenses	22.85	20.09
Contribution towards group gratuity (Refer Note No. 17)	3.93	1.30
TOTAL	**305.28**	**247.05**

Note 29. FINANCE COST

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest paid to banks and others	62.39	46.17
Loan Processing charges	5.40	2.62
Interest on Income-tax	2.19	0.51
Exchange fluctuations on deferred credit payment	1.06	0.87
Finance cost on lease liability (Refer Note No. 46)	0.75	-
TOTAL	**71.79**	**50.17**

Note 30. DEPRECIATION AND AMORTISATION

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation	33.89	38.45
Amortisation	0.07	0.11
Amortization of Right-to-use assets (Refer Note No. 46)	2.19	-
TOTAL	**36.15**	**38.56**

Refer note no 1(2)(c) given under Significant accounting policies for method of providing depreciation.

Notes to the Financial Statements

Note 31. OTHER EXPENSE

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Rents - Office	-	2.41
Directors Sitting Fee	0.10	0.08
Donations	-	0.06
Payments to auditors		
Towards Statutory audit	0.12	0.12
Towards tax audit and taxation matters	0.01	0.01
Rates and taxes	3.89	5.11
Miscellaneous expenses	15.72	14.14
Provision towards doubtful debts and advances	3.72	3.37
CSR expenses	0.44	1.38
Loss on sale of assets	0.06	0.12
TOTAL	**24.06**	**26.80**

Note 32. Categories of Financial instruments

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2020 and 31st March, 2019 are as follows:

Particulars	Carrying value		Fair value	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Financial assets				
Measured at Amortised cost				
(i) Other financial assets	794.81	616.90	794.65	616.65
(ii) Loans and advances	49.95	39.04	49.95	39.04
Measured at FVTOCI				
(i) Investments in equity instruments	0.02	0.02	0.02	0.03
Measured at cost				
(i) Investment in Subsidiaries, Joint ventures & Associates	13.84	13.83	13.84	13.83
Total assets	**858.62**	**669.79**	**858.46**	**669.55**
Financial liabilities				
Measured at amortised cost				
(i) Borrowings (including current maturities of Long term borrowings)	90.77	92.92	90.77	92.92
(ii) Other financial liabilities	150.54	138.52	150.54	138.52
(iii) Lease liabilities	6.96	-	6.96	-
Total liabilities	**248.27**	**231.44**	**248.27**	**231.44**

Notes to the Financial Statements

Note 33. Fair value hierarchy

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]
The categories used are as follows:
Level 1: Quoted prices for identified instruments in an active market**.**
Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data.
This note provides information about how the Company determines fair values of various financial assets and financial liabilities.
Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.
Some of the Company's financial assets are measured at the fair value at the end of each reporting period.
The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique and other inputs used).

Financial Assets / Financial Liabilities	Fair Value as at		Fair Value hierarchy	Valuation technique and key input
	31st March, 2020	31st March, 2019		
1) Investments in Quoted Mutual Funds	0.02	0.03	Level I	Quoted bid prices in an active market
2) Investments in Quoted Equity Instruments	0.00	0.00	Level I	Quoted bid prices in an active market

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and short term borrowings at carrying value because their carrying amounts approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of bank borrowings, other financial assets and financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

Note 34. Financial Risk Management

The Company financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company financial assets comprise mainly of investments, cash and cash equivalents, trade and other receivables.

The Company's business activities are exposed to a variety of financial risks namely credit risk, liquidity risk and foreign currency risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of Directors of the Company.

A. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligation. Credit risk encompasses of both the direct risk of default and the risk of deterioration of credit worthiness. Credit risk is controlled by monitoring and interaction with the customers on a continuous basis.

Financial instruments that are subject to concentrations of credit risk principally consists of trade receivables, retentions, deposits with customers and unbilled revenue.

Receivables from customers

Concentration of credit risk with respect to trade receivables are limited since major customers of the Company are from

Notes to the Financial Statements

public sector and accounts more than 39% of its trade receivables. All trade receivables are reviewed and assessed for default on a monthly basis. On historical experience of collecting receivables credit risk is low.

The following table gives details in respect of dues from trade receivables including retentions and deposits.

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Turnover from top Customer	420.48	321.48
Dues from top customer	252.97	239.10
Turnover from other top 4 customers	493.55	249.00
Dues from other top 4 customers	79.97	102.98

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks held as margin money against guarantees and retention money and security deposits with customers which are to be released on fulfillment of conditions as specified in the work orders.

The Company's maximum exposure of credit risk as at 31st March, 2020, 31st March, 2019 is the carrying value of each class of financial assets.

B. Foreign currency risk management

Foreign currency risk is the risk that the Fair value or Future cashflows of an exposure will fluctuate due to changes in foreign currency rates. Exposures can arise on account of various assets and liabilities which are denominated in currencies other than Indian rupee. The Company has not entered in to any forward exchange contract to hedge against currency risk.

a) The Company, in addition to its Indian operations, operates outside India through its project centres.

Particulars of Unhedged foreign currency exposures of Indian operations as at Balance sheet date:

Particulars	Currency	As at 31st March, 2020	As at 31st March, 2019
Letter of Credit	USD	12.83	8.73

b) The Income and expenditure of the foreign projects are denominated in currencies other than Indian Currency. Accordingly the Company enjoys natural hedge in respect of its assets and liabilities of foreign projects. The Company's unhedged foreign currency exposure in respect of these project centres is limited to uncovered amount, the particulars of which are given below.

Particulars	As at 31st March, 2020	As at 31st March, 2019
Net Investment in		
USD - US Dollars	12.95	11.93
SAR - Saudi Arabian Riyals	4.28	4.19
AED - Arab Emirates Dirham	10.02	13.17
BDT - Bangladeshi Taka	95.04	19.74
LYD - Libyan Dinars	4.01	4.16
KWD - Kuwaiti Dinar	(0.10)	2.78
	126.19	**55.97**

Notes to the Financial Statements

The Company does not have any risk of currency fluctuation since it's entire liability in foreign currency is covered by its receivables.

The unhedged exposures are naturally hedged by future foreign currency earnings linked to foreign currency.

The uncovered amount if any, is subject to foreign currency fluctuations.

C. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has availed credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2020 and 31st March, 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Company regularly maintains the rolling forecasts to ensure that it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits.

The Company is repaying its borrowings as per the schedule of repayment and no amount was pending for remittance beyond its due date.

All the amounts due to trade payables falls due within one year and the Company is able to meet its obligations within the due dates.

In case of borrowings from banks, the maturity pattern has been given under Note no. 15.

D. Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on Management's judgment of its strategic day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary, adjust its capital structure.

The following table summarises the capital of the Company.

Particulars	As at 31st March, 2020	As at 31st March, 2019
Equity	886.07	776.22
Short Term Borrowings	417.65	272.04
Long Term Borrowings (including Current maturities of Long term debt)	90.77	92.92
Cash and Cash Equivalents (including other bank balances)	(112.90)	(124.96)
Net Debt	395.52	**240.00**
Total Capital (Equity+Net Debt)	1,281.58	1,016.22
Gearing Ratio (Net Debt / Equity)	44.64%	**30.92%**

Notes to the Financial Statements

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

Note	Particulars	31.03.2020	31.03.2019
35	**Contingent Liabilities and Commitments**		
A.	Contingent Liabilities		
	a) Claims against the Company not acknowledged as debts		
	VAT	4.75	4.75
	b) Other contingent liabilities		
	(i) Corporate guarantee given to bank in respect of limits sanctioned to subsidiary companies to the extent of balance outstanding (Guarantees given for their business activities)		
	- Hydro Magus Private Limited	11.48	11.00
	- Power Mech Industri Private Limited	-	8.48
B.	**Commitments**		
	Estimated amount of contracts remaining to be Executed on capital account and not provided for	1.95	11.58
36	Guarantees given by the Company's bankers and outstanding. The said guarantees were covered by way of pledge of Fixed Deposit receipts with the bankers.	663.50	791.16
37	**CIF value of Imports made by the Company during the year**		
	a) Consumables & Spare parts	0.18	4.76
	b) Capital goods	3.84	13.17
38	**Earnings in foreign currency**		
	a) Contract receipts (Projects executed outside India)		
	Abu Dhabi	79.76	42.77
	Bangladesh	209.20	53.96
	Kuwait	48.17	52.81
	Libya	0.36	-
	IBRI	0.68	7.53
	Saudi	2.61	9.21
	Nigeria	38.98	0.75
	b) Consideration received on sale of shares		
	In MAS Power Mech Arabia (MASPA)	-	0.72
	c) Consideration received from sale of assets		
	In Shuqaiq	0.49	-
39	**Expenditure in foreign currency**		
	a) Expenditure on contracts executed outside India (Including Consumables and Spares)		

Notes to the Financial Statements

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

Note	Particulars	31.03.2020	31.03.2019
	Yemen	-	1.67
	Abu Dhabi	72.38	37.78
	Bangladesh	155.31	54.65
	Kuwait	49.16	50.49
	Shuqaiq	-	0.02
	Libya	0.01	0.86
	b) Foreign travel	0.06	0.08

40. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
a) Gross amount required to be spent by the Company during the year	2.26	1.65
b) Amount spent during the year (Contribution paid to Power Mech Foundation)	0.44	1.38

41. Particulars disclosed pursuant to IND AS-24 "Related party transactions"

A)	i) Key Managerial personnel	S Kishore Babu, Chairman and Managing director
	ii) Relatives of Key Managerial personnel	S Lakshmi - Director W/o S Kishore Babu S Rohit S/o S Kishore Babu S Kishore Babu (HUF)
	iii) Companies controlled by KMP / Relatives of KMP	Power Mech Infra Limited Bombay Avenue Developers Private Limited True Rrav Marketing Private Limited Power Mech Foundation Lakshmi Agro Farms
	iv) Subsidiary companies	Hydro Magus Private Limited Power Mech Industri Private Limited Power Mech Projects Limited LLC Power Mech BSCPL Consortium Private Limited Power Mech SSA Structures Private Limited Aashm Avenues Private Limited Power Mech Projects (BR) FZE Power Mech Environmental Protection Private Limited
	v) Joint Venture	GTA Power Mech Nigeria Limited M/S POWER MECH-M/S ACPL JV PMPL-STS-JV Power Mech-Khilari Consortium JV GTA Power Mech DMCC
	vi) Associate companies	MAS Power Mech Arabia
	vii) Wholly Owned Subsidiary of a Joint Venture Company	GTA Power Mech FZE

Notes to the Financial Statements

B) Transactions with related parties

Sl No.	Particulars		KMP	Relatives of KMP	Companies controlled by KMP / Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
i) Rent Paid (Excluding GST)								
a)	S Kishore Babu		0.20					
			(0.20)					
b)	S Lakshmi			0.07				
				(0.07)				
c)	S Kishore Babu (HUF)			0.08				
				(0.08)				
d)	S Rohit			0.12				
				(0.11)				
e)	Power Mech Infra Limited				1.66			
					(1.60)			
ii) Remuneration Paid								
a)	S Kishore Babu		5.25					
			(8.04)					
b)	S Rohit			0.35				
				(0.16)				
iii) Sub-Contract Expenses & Hire charges Paid								
a)	Power Mech Infra Limited				-			
					(0.48)			
b)	Hydro Magus Private Limited					6.70		
						(1.15)		
c)	Power Mech Industri Private Limited					0.10		
						(2.34)		
iv) Stores Material Purchased from								
a)	Power Mech Industri Private Limited					5.25		
						(1.40)		
b)	Hydro Magus Private Limited					0.70		
						-		
v) Assets purchased from								
a)	Power Mech Infra Limited				-			
					(9.52)			
b)	Hydro Magus Private Limited					0.21		
						-		
c)	Power Mech Projects Limited LLC					0.21		
						-		
vi) Receipts from Sale of assets								
a)	Power Mech Industri Private Limited					-		
						(0.03)		
b)	Power Mech Projects Limited LLC					-		
						(1.50)		
c)	Power Mech (BR) FZE					-		
						(0.24)		
d)	GTA Power Mech FZE						1.09	
							(1.21)	

Notes to the Financial Statements

Sl No.	Particulars		KMP	Relatives of KMP	Companies controlled by KMP / Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
vii) Contract receipts from sale of services								
a)	Power Mech Infra Limited				0.18			
					0.00			
b)	Power Mech Projects Limited LLC					0.68		
						(4.87)		
c)	MAS Power Mech Arabia (MASPA)							2.61
								(6.61)
d)	Power Mech BSCPL Consortium Private Limited					9.86		
						(144.81)		
e)	M/s. Power Mech - M/s. ACPL JV						55.96	
							(43.47)	
f)	Power Mech-STS-JV						103.03	
							(38.98)	
g)	GTA Power Mech FZE						-	
							(0.51)	
h)	Power Mech Projects (BR) FZE					54.88		
						(0.75)		
viii) Contract receipts from supply of material								
a)	Power Mech Projects Limited LLC					-		
						(0.19)		
b)	MAS Power Mech Arabia (MASPA)							-
								(2.59)
c)	Hydro Magus Private Limited					4.81		
						(6.19)		
d)	GTA Power Mech FZE						-	
							(1.25)	
ix) Crane hire charges received								
a)	Power Mech Projects Limited LLC					-		
						(2.47)		
x) Donations / CSR Contribution paid								
a)	Power Mech Foundation				0.44			
					(1.38)			
xi) Sitting fee paid to directors								
a)	G D V Prasada Rao	0.04						
		(0.03)						
b)	T Sankaralingam	0.03						
		(0.03)						
c)	Vivek Paranjpe	0.03						
		(0.02)						

Notes to the Financial Statements

C) Balances outstanding as on 31.03.2020

Sl No.	Particulars		KMP	Relatives of KMP	Companies controlled by KMP/ Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
i)	Investment in Hydro Magus Private Limited					2.94		
						(2.94)		
ii)	Investment in Power Mech Industri Private Limted					4.31		
						(4.31)		
iii)	Investment in MAS Power Mech Arabia (MASPA)							2.25
								(2.26)
iv)	Investment in Power Mech Projects Limited LLC					3.02		
						(3.02)		
v)	Investment in Power Mech BSCPL consortium Private Limited					0.01		
						(0.01)		
vi)	Investment in Power Mech SSA Structures Private Limited					0.10		
						(0.10)		
vii)	Investment in Aashm Avenues Private Limited					0.10		
						(0.10)		
viii)	Investment in Power Mech Power Mech Projects (BR) FZE					0.69		
						(0.69)		
ix)	Investment in Power Mech Environmental Protection Private Limited					0.01		
						0.00		
x)	Investment in GTA Power Mech Nigeria Limited						0.32	
							(0.32)	
xi)	Investment in GTA Power Mech DMCC (Company with limited liability)						0.09	
							(0.09)	
xii)	Due to Power Mech Infra Limited				0.21			
					(0.33)			
xiii)	Rental Deposit with Power Mech Infra Limited				0.89			
					(0.89)			
xiv)	Remuneration Payable							
	S Kishore Babu		0.57					
			(2.63)					
xv)	Rent Payable							
	S. Kishore Babu		0.06					
			(0.03)					

Notes to the Financial Statements

Sl No.	Particulars		KMP	Relatives of KMP	Companies controlled by KMP/ Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
	S Lakshmi			0.02				
				(0.01)				
	S Kishore Babu (HUF)			0.03				
				(0.01)				
	S Rohit			0.03				
				(0.01)				
xvi)	Due from Power Mech Industri Private Limited					42.67		
						(32.36)		
xvii)	Due from Power Mech SSA Structures Private Limited					2.21		
						(2.26)		
xviii)	Due from GTA Power Mech FZE						0.55	
							(0.55)	
xix)	Trade Receivable - Hydro Magus Private Limited					4.92		
	(including Retention money and Security Deposits)					(2.17)		
xx)	Trade Receivable - Power Mech Industri Private Limited					-		
						(0.15)		
xxi)	Trade Receivable - Power Mech Projects Limited LLC					5.71		
						(5.30)		
xxii)	Trade Receivable - Power Mech BSCPL Consortium Private Limited					38.52		
	(including Retention money and Security Deposits)					(14.00)		
xxiii)	Trade Receivable - MAS Power Mech Arabia (MASPA)							13.05
								(9.63)
xxiv)	Trade Receivable - GTA Power Mech Nigeria Limited						0.15	
							(0.15)	
xxv)	Trade Receivable - GTA Power Mech FZE						-	
							(0.34)	
xxvi)	Trade Receivable - Power Mech Projects (BR) FZE					17.21		
						(0.78)		
xxvii)	Trade Receivable - ACPL JV						3.79	
	(including Retention money and Security Deposits)						(10.55)	
xxviii)	Trade Receivable - STS JV						26.67	
	(including Retention money and Security Deposits)						(6.13)	
xxix)	Trade Receivable - Power Mech Infra Limited				0.02			
	(including Retention money and Security Deposits)				0.00			
xxx)	Mobilisation advance to Hydro Magus Private Limited					-		

Notes to the Financial Statements

Sl No.	Particulars		KMP	Relatives of KMP	Companies controlled by KMP/ Relatives of KMP	Subsidiary Company	Joint Venture	Associate Company
						(0.12)		
xxxi)	Mobilisation advance from Power Mech Projects (BR) FZE					-		
						(5.22)		
xxxii)	Mobilisation advance from GTA Power Mech FZE					13.80		
						0.00		
xxxiii)	Advance from GTA Power Mech FZE					1.04		
						0.00		
xxxiv)	Trade Payable to Hydro Magus Private Limited					-		
	(including Retention money and Security Deposits)					(0.41)		
xxxv)	Trade Payable to Power Mech Industri Private Limited					0.20		
						(0.04)		
xxxvi)	Security Deposit - Power Mech BSCPL Consortium Private Limited					2.00		
						(2.00)		

42. Balances with some of the customers and suppliers accounts are subject to confirmation and reconciliation.

43. The Company has claimed an amount of ₹1.11 Cr (As on 31.03.2019 ₹5.86 Cr) being the Works contract tax deducted by the customers under local sales tax laws and outstanding as on 31.03.20 in respect of works carried out in some of the states. The Company's management is of opinion that there is no sales tax liability in respect of the said works carried out and hence claimed as refund due and grouped under other current assets. Sales tax liability, if any has arisen, on completion of assessments will be charged to Profit and Loss account.

44. Segment reporting:

Business Segment: The Company prodominently operates only in construction and maintenance activities. This in the context of IND AS-108 "Operating Segments" is considered to constitute only one business segment.

Geographical Segment: The Company has operations within India and outside India and as per ind as 108 - "operating segment", the Segment information has been presented under the notes to consolidated financial statements.

45. Calculation of Earnings per Share:

Sl. No	Particulars	2019-20	2018-19
1)	**Basic and Diluted Earning per share**		
	No. of shares at the beginning of the year	1,47,10,764	1,47,10,764
	Change in equity during the year	-	-
	Total Weighted average number of shares	1,47,10,764	1,47,10,764
	Face value per share (in ₹)	10.00	10.00
	Profit after tax	110.67	95.74
	Basic and diluted Earning per share (in ₹)	75.23	**65.08**

Notes to the Financial Statements

46. Leases

The Company has adopted Ind AS 116 'Leases' effective April 1, 2019 and applied the Standard to its leases. Ind AS 116 replaces Ind AS 17 - Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, Right-of-use assets at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to the lease liability (adjusted for any prepayments/accruals). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring lease liability. In respect of leases, previously classified as finance leases, the right-of-use asset was measured at the carrying amounts of the related finance lease asset and re-classified.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability

Accordingly, on transition to Ind AS 116, the Company recognised right-of-use assets amounting to ₹9.39 Cr (including previously classified as finance lease) and a lease liability of ₹8.65 Cr.

Particulars	As at 31st March, 2020
(i) The following is the breakup of current and non-current lease liabilities	
Current liabilities	2.43
Non-current liabilities	4.54
Total	**6.97**
(ii) The following is the movement of lease liabilities during the year ended March 31, 2020	
Balance at the Transition date	8.65
Additions during the year	-
Finance cost accrued during the year	0.75
Payment of lease liabilities	(2.43)
Balance at the end	6.97
(iii) Maturity analysis of lease liabilities	
Less than one year	2.43
One to five years	4.54
More than five years	-
Total	**6.97**

(iv) The impact of change in accounting policy on account of adoption of Ind AS 116 is as follows

Particulars	For the year ended March 31, 2020
Interest on lease liabilities (Refer Note 29)	0.75
Depreciation of Right-of-use assets (Refer Note 4.2)	2.19
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	2.43

(v) The impact on the profit for the year is not material.

Notes to the Financial Statements

47. Disclosure pursuant to Ind AS 115 "Revenue from contracts with customers"

a) Movement in expected credit losses:

Particulars	Provision on contract assets	
	Retention money & security deposits with customers & Debtors	Advances given to sub contractors against works
Opening balance as at 01.04.2019	2.15	1.22
Changes in allowance for expected credit loss		
- Provision for expected credit loss	3.72	-
- Reversal of Provision for expected credit loss	-	-
Write off as baddebts	-	-
Closing balance as at 31.03.2020	**5.87**	**1.22**

b) Movement in contract balances:

Particulars	31.03.2020	31.03.2019	Net increase / Decrease
Contract Receivables			
Dues from customers	470.40	388.57	81.83
Contract assets			
Retention & SD amounts due from customers	276.66	288.97	(12.31)
Contract payables			
Due to Sub Contractors	278.45	234.95	43.50
Contract Liabilities			
Retention & SD amount due to Sub Contractors	74.74	73.57	1.17

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

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

d) Performance obligation:

The transaction price allocated to the remaining performance obligations is ₹4,360.89 Cr which will be recognized as revenue over the respective project durations. Generally the project duration of contracts with customers will be 1-3 years.

48. Dividend:

The board of Directors at its meeting held on 27.06.2020 have recommended a dividend of ₹1/- each per share of face value of ₹10/- each for the financial year ended 31st March, 2020. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as a liability.

Notes to the Financial Statements

49. Disclosure as per Regulation 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

(i) Loans and advances in the nature of advances given to Subsidiary/Joint Venture Companies:

Name of the Company and relationship	Balance as on 31st March, 2020	Maximum Balance Outstanding for the year 2019-20	Balance as on 31st March, 2019	Maximum Balance Outstanding for the year 2018-19
Subsidiaries				
Power Mech Industri Private Limited	42.67	44.03	32.36	32.36
Power Mech SSA Structures Private Limited	2.21	2.42	2.26	2.26
Wholly owned subsidiary of Joint ventures				
GTA Power Mech FZE	0.55	0.55	0.55	0.55

(ii) Details of investments made and guarantees given under Section 186 of the Companies Act, 2013 are disclosed in Note 6 and Note 35 respectively.

(iii) All the above loans and guarantees were given for carrying on their business activities.

50. The Ministry of Home Affairs vide order no. 40-3/2020-DM-I(A) dated March 24, 2020 announced a nationwide lockdown as a measure to contain the spread of COVID-19 which was declared a global pandemic by the World Health Organisation. Owing to the lockdown, the operations of the Company were impacted due to shutting down of all plants and offices. The Company has resumed operations in a phased manner as per directives issued by the Government and is closely monitoring the impact of the pandemic on all aspects of its business. The Company is taking appropriate measures to ensure the safety and well-being of all its employees and ensuring full compliance with the directives issued by the Government in this regard.

The Management has exercised due care, in concluding on significant accounting judgements and estimates, interalia, recoverability of assets, receivables and unbilled revenues based on the information available to date, both internal and external, to the extent relevant, while preparing these financial statements as of and for the year ended March 31, 2020. Based on the assessment of current indicators of future economic conditions, the Management does not envisage any significant impact on its financial statements as on March 31, 2020. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration, and accordingly, the eventual outcome may be different from those estimated as on the date of approval of these financial statements.

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

As per our report of even date
For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(Gopikrishna Chowdary Manchinella)
Partner
Membership Number: 235528

Place: Camp: Hyderabad
Date: 27.06.2020
UDIN: 20235528AAAABS8311

For and on behalf of the Board

Sd/-
S. Kishore Babu
Chairman and Managing Director
DIN (00971313)

Sd/-
J Satish
CFO

Consolidated Financials

INDEPENDENT AUDITORS' REPORT

To The Members of

POWER MECH PROJECTS LIMITED

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of **POWER MECH PROJECTS LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Jointly controlled entities and associates comprising of the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of affairs of the Group and its JV and associate as at 31st March, 2020 and its Profit, total comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No	Key Audit matter	How the matter was addressed in our audit
1	Revenue recognition of long term contracts of the Holding Company The holding Company has revenue from construction contracts and long term operating and maintenance agreements. Revenue related to these construction contracts is recognised using the percentage completion method, where progress is determined with reference to completion of physical proportion of the work to the extent of work certified by the customer and revenue is also recognised in case of works pending certification as on date of balance sheet. The holding Company raised invoices on monthly basis based on the physical proportion of the work completed. We focussed this area because of significant management judgement required in: Estimation of the physical proportion of the contract work completed for the contracts and particularly in case of those works which were pending for certification by the customer as on date of balance sheet which may lead to over or under statement of revenues and profits.	As part of our audit, we obtained an understanding of the methodology applied, the internal process and controls used for the determination of the physical proportion of work completed. We evaluated the process and systems used to record the quantum of work completed against which invoices were raised. In respect of construction projects, we obtained work completion certificates, measurement work sheets from project engineers and also obtained certificate of confirmations of work completed from customers to assess the appropriateness of management estimates of the physical proportion of work completed. Further we also examined the payment advices received subsequent to the balance sheet date which confirms the extent of work completed and certified for which revenue was recognised. In case of those works which were pending certification as on date of balance sheet, we obtained payment advices from the customers related to the said works, post balance sheet date.
2	Trade receivables of Holding Company The Holding Company has significant amount of trade receivables (Including retention and security deposits) and their recoverability requires management judgement due to the specific risks associated with these receivables. There is an element of management judgement in assessment of extent of the recoverability of long outstanding trade receivables after the end of the contractual credit period. Management assessed the recoverability of trade receivables by reviewing customers ageing profile, credit history, nature and ownership of organisation and status of subsequent settlements and determined whether an impairment provision is required. We considered this matter to be significant to our audit due to the quantum of the receivables and their period of outstanding.	Our audit procedures in relation to the recoverability of trade receivables included • Understood and tested the holding Company's credit control procedures and tested key controls over granting credit to customers • Tested ageing of trade receivables at the year ended on a sample basis • Obtained list of long outstanding receivables and identified any debtors with financial difficulty through discussion with management. • Assessed the recoverability of these outstanding receivables through our discussion with management and with reference to detailed receivables listings for the subsequent period. • Also examined the arrangements/correspondences with customers to assess the payment arrangement agreed with the customers and assessed the recoverability of the significant outstanding receivables. • Assessed the recoverability of the balances by comparing the outstanding amounts as at year end against subsequent recoveries • The status and their organisational structure was also examined with reference to the credit risk and their creditability in making payments since most of the customers are government organisations. Considering all these, we found that the judgment made by the management in assessment of recoverability of receivables are found to be appropriate.

Other matters

The Consolidated financial statements of the Company for the year ended 31st March, 2019 were audited by another auditor who expressed an unmodified opinion on those statements vide report dt. 22.5.2019. Our opinion is not modified in respect of this matter.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, Business Responsibility Report, Management discussion and analysis, Corporate Governance, Shareholder's Information etc., but does not include the Consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its JV and associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of directors of the companies included in the Group and of its JV and associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its JV and associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Board of directors of the companies included in the Group and its JV and associate are responsible for assessing the ability of the Group and its JV and associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the respective companies are responsible for overseeing the financial reporting process of the Group and of its JV and associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the ability of the Group and its JV and associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its JV and associate to cease to continue as a going concern.

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

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

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

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

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

Other Matters

a) i) We did not audit the financial information of 6 subsidiaries included in the consolidated financial results, whose financial information reflects total assets of ₹51 Cr as at 31st March, 2020 and total revenues of ₹172 cr, total net profit after tax of ₹20 cr, total comprehensive income of ₹20 Cr and net cash flows of ₹4 Cr for the year ended 31st March, 2020.

ii) The consolidated financial results also includes groups share of net profit after tax of ₹0.8 Cr and total comprehensive Income of ₹0.8 Cr for the year ended 31st March, 2020 of 3 Joint ventures whose financial information have not been audited by us.

These financial statements have been audited by the other auditors whose reports have been furnished to us by the management and our opinion and conclusion on the statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, associate and joint ventures is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditors Responsibilities section above.

Our report on the Statement is not modified in respect of above matters with respect to our reliance on the work done and the reports of the other auditors.

b) i) The consolidated annual financial results also includes the unaudited financial information of 1 overseas subsidiary whose financial information reflect total assets of ₹34 Cr as on 31st March, 2020, total revenues of ₹11 cr, total net loss after tax of ₹1.3 Cr and total comprehensive income of ₹0.5 Cr and net cash flows of ₹(-) 0.005 Cr for the year ended 31st March, 2020.

ii) The consolidated annual financial results also includes groups share of net profit after tax of ₹0.8 Cr and total comprehensive Income of ₹0.8 Cr for the year ended 31st March, 2020 of 2 Joint ventures and 1 associate whose financial statements have not been audited.

These unaudited financial statements have been furnished to us by the management and our opinion on the statement in so far as it related to the amounts and disclosures is based solely on such unaudited financial statements. In our opinion and according to the information and explanations furnished to us by the board of directors, these financial information are not material to the group.

c) In respect of subsidiaries, associates and joint ventures which are located outside India, the annual financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such companies located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and Joint ventures is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us. Our opinion is not modified in respect of this matter.

Our opinion on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiaries, JV and associate as noted in the "Other matter" paragraph, we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors of the holding Company as on March 31, 2020 taken on record by the Board of Directors of the holding Company, none of the directors of holding Company is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" which is based on the auditor's report of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of those companies for the reasons stated therein.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its Indian subsidiaries to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated financial statements has disclosed the impact of pending litigations on its consolidated financial position of the Group and its JV and associate.

      ii. Provision has been made in the Consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For K.S.Rao & Co,
Chartered Accountants,
Firm Regn No. 003109S

Sd/-
GopiKrishna Chowdary Manchinella
Partner
Membership No. 235528

Place: Vijayawada
Date: 27.06.2020
UDIN: 20235528AAAABU8756

Annexure-A

Independent Auditors' Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of POWER MECH PROJECTS LIMITED ("the holding Company") and its subsidiary companies incorporated in India as on that date.

Management's Responsibility for Internal Financial Controls

The respective board of directors of the holding Company and its Indian subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its Indian subsidiaries based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of Indian subsidiary is sufficient and appropriate to provide a basis for our audit opinion on the Company's and its Indian subsidiaries internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors, the holding Company and its Indian subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report u/s 143(1)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it related to Indian subsidiary is based on the report of the other auditor.

For K.S.Rao & Co,
Chartered Accountants,
Firm Regn No. 003109S

Sd/-
GopiKrishna Chowdary Manchinella
Partner
Membership No. 235528

Place: Vijayawada
Date: 27.06.2020
UDIN: 20235528AAAABU8756

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

Consolidated Balance Sheet as at 31st March, 2020

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
Assets			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4.1	176.06	187.30
(b) Right-of-use assets	4.2	9.09	-
(c) Capital Work-in-progress	5	2.61	3.34
(d) Intangible Assets	6	2.64	2.64
(e) Financial Assets			
(i) Investments	7	32.89	31.34
(ii) Loans	8	-	-
(iii) Other financial assets	9	282.91	288.32
(f) Deferred Tax Asset (Net)	20	8.17	5.64
(g) Other Non-current assets	10	1.91	12.58
Total Non-Current assets		**516.28**	**531.16**
2 Current Assets			
(a) Inventories	11	126.33	92.73
(b Financial Assets			
(i) Trade Receivables	12	541.72	389.15
(ii) Cash and cash equivalents	13	29.64	15.55
(iii) Other Bank Balances	13	45.44	72.52
(iv) Loans	8	5.22	4.73
(v) Other Financial Assets	9	576.55	421.34
(c) Other Current assets	10	485.48	399.72
(d) Current tax Assets (Net)	24	12.68	-
Total Current assets		**1,823.06**	**1,395.74**
Total Assets		**2,339.34**	**1,926.90**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	14	14.71	14.71
(b) Other Equity	15	936.44	804.64
		951.15	**819.35**
2 Non-Controlling Interests	16	8.11	8.15
Liabilities			
3 Non-current liabilities			
(a) Financial Liabilities			
(i) Long-term borrowings	17	29.64	53.98
(ii) Lease liabilities	18	4.54	-
(iii) Other financial liabilities	18	61.03	79.12
(b) Provisions	19	3.70	2.77
(c) Deferred Tax Liabilities (Net)	20	-	-
(d) Other non-current liabilities	21	6.38	21.85
Total Non-Current liabilities		**105.29**	**157.72**
4 Current liabilities			
(a) Financial Liabilities			
(i) Short-term borrowings	22	425.60	282.24
(ii) Lease liabilities	18	2.43	-
(iii) Trade payables	23		
a) Total outstanding dues of micro enterprises and small enterprises		0.35	0.36
b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		577.48	442.71
(iv) Other financial liabilities	18	176.69	121.92
(b) Other current liabilities	21	91.23	74.91
(c) Provisions	19	1.01	0.24
(d) Current tax Liabilities (Net)	24	-	19.30
Total Current liabilities		**1,274.79**	**941.68**
Total Liabilities		**1,380.08**	**1,099.40**
Total Equity and Liabilities		**2,339.34**	**1,926.90**

Corporate Information	1
Basis of Preparation and Significant Accounting Policies	2-3

The accompanying notes 34-53 form an integral part of the financial statements.

As per our report of even date

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528

Place: Camp: Hyderabad
Date: 27.06.2020
UDIN:20235528AAAABU8756

For and on behalf of the Board

Sd/-
S. Kishore Babu
Chairman and Managing Director
DIN (00971313)

Sd/-
J Satish
CFO

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

Consolidated Statement of Profit and Loss for the Year ended 31st March 2020

	Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
I	Revenue from Operations	25	2,164.68	2,261.30
II	Other Income	26	9.35	14.12
III	**Total Income (I+II)**		**2,174.03**	**2,275.42**
IV	**Expenses**			
	Cost of Material Consumed	27	323.91	326.38
	(Increase) / Decrease in Inventories of Work-in-progress	28	(11.97)	3.13
	Contract Execution expenses	29	1230.17	1215.08
	Employee benefits expense	30	324.80	393.18
	Finance Costs	31	74.06	55.07
	Depreciation and Amortization expense	32	39.43	45.82
	Other expenses	33	27.03	32.74
	Total Expenses (IV)		**2,007.43**	**2,071.40**
V	**Profit before share of profit from Joint Venture, exceptional items and tax (III-IV)**		**166.60**	**204.02**
VI	Share of Profit from Joint Venture and Associates		1.57	1.53
VII	**Profit before exceptional items and tax (V+VI)**		**168.17**	**205.55**
VIII	Exceptional Items		-	-
IX	**Profit before tax (VII-VIII)**		**168.17**	**205.55**
X	**Tax Expense:**			
	Current tax		40.01	65.48
	Deferred tax		(2.53)	(3.11)
XI	**Profit for the period (IX-X)**		**130.69**	**143.18**
XII	**Other Comprehensive Income**			
	A. Items that will not be re-classified to profit and Loss account			
	a) Changes in Fair value of Investments		(0.01)	(0.00)
	b) Remeasurement of defined employee benefit plans		1.03	0.96
	B. Items that will be re-classified to profit and Loss account			
	a) Exchange fluctuations on translation of foreign operations		1.82	1.07
XIII	**Total Comprehensive Income for the period (XI+XII)**		**133.53**	**145.21**
	Profit for the year before Other Comprehensive Income		**130.69**	**143.18**
	Attributable to			
	Equity holders of the parent		131.26	121.62
	Non-Controlling Interests		(0.57)	21.56
	Total Comprehensive Income for the period		**133.53**	**145.21**
	Attributable to			
	Equity holders of the parent		133.57	123.33
	Non-Controlling Interests		(0.04)	21.88
XIV	Earnings per Share - Basic and Diluted		**89.23**	**82.67**

Corporate Information 1
Basis of Preparation and Significant Accounting Policies 2-3
The accompanying notes 34-53 form an integral part of the financial statements.

As per our report of even date

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528

Place: Camp: Hyderabad
Date: 27.06.2020
UDIN:20235528AAAABU8756

For and on behalf of the Board

Sd/-
S. Kishore Babu
Chairman and Managing Director
DIN (00971313)

Sd/-
J Satish
CFO

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

Consolidated Cash Flow Statement for the Year ended 31st March, 2020

	Particulars	2019-20	2018-19
I.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	168.17	205.55
	Add / Less: Adjustments for:		
	Depreciation	39.43	45.84
	FCTR Movement	1.82	1.07
	Interest and Finance charges	74.06	55.07
	Interest on Income Tax	0.78	-
	Net gain arising on financial assets measured at FVTPL	0.09	0.08
	Interest income (excluding interest on rental deposit)	(6.64)	(7.06)
	Profit on sale of assets	(0.59)	(2.01)
	MPA profit for the 11 months period not to be considered	-	(40.15)
	Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income	1.03	0.96
	Share of Profit from Joint Venture and Associates	(1.57)	(1.53)
	Operating profit before working capital changes	**276.58**	**257.82**
	Movements in Working Capital		
	Adjustments for (increase) / decrease in operating assets:		
	- Trade Receivables	(152.58)	(80.40)
	- Inventories	(33.60)	(45.52)
	- Other Assets	(221.87)	(208.67)
	Adjustments for increase / (decrease) in operating liabilities:		
	- Trade Payables	134.76	135.59
	- Other Liabilities and Provisions	21.69	2.35
	Cash generated from operations	24.98	61.17
	Less: Direct taxes paid	(72.67)	(59.72)
	Net cash from / (used in) Operating activities (A)	**(47.69)**	**1.45**
II.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	(29.16)	(50.36)
	Proceeds from sale of fixed assets	2.01	23.70
	Investment in Equity Shares of Joint Venture Companies	-	(2.12)
	MAS Power Mech Arabia (MASPA)	-	(16.47)
	Proceeds from Sale of JV	-	0.72
	Margin money deposits with banks and other balances	23.24	(25.36)
	Interest received	6.64	7.06
	Net cash from / (used) in Investing activities (B)	**2.73**	**(62.83)**
III.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from / (Repayment of) borrowings	136.55	81.66
	Interest and Finance charges paid	(73.30)	(55.07)
	Lease rent paid	(2.43)	-

	Particulars	2019-20	2018-19
	Dividends and dividend tax paid	(1.77)	(1.77)
	Net cash from financing activities (C)	**59.05**	**24.82**
	Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	**14.09**	**(36.56)**
	Cash and cash equivalents at the beginning of the period	15.55	52.11
	Cash and cash equivalents at the end of the period	29.64	15.55
	Net Increase / (Decrease) in cash and cash equivalents	14.09	(36.56)

Notes to Cashflow Statement

a) The above cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind As 7 - Statement of Cashflows

Components of cash and cash equivalents

Particulars	2019-20	2018-19
Cash on hand	1.71	1.42
In Current accounts	25.52	13.98
Deposits having maturity period for less than 3 months	2.41	0.15
	29.64	**15.55**

Changes in Liability arising from financing Activities for the year ending 2019-20

Particulars	Opening	Ind as 116 adoption	Cash flows	Non-Cash changes (forex / finance cost)	Net cash flow	Closing
Long term borrowings	97.70	-	-	1.06	(7.86)	90.90
Short term borrowings	282.24	-	-	-	143.36	425.60
Lease Liabilities (Refer Note no. 50)	-	8.64	(2.43)	0.75	(1.67)	6.96

Changes in Liability arising from financing Activities for the year ending 2018-19

Particulars	Opening	Non-Cash changes (forex)	Net cash flow	Closing
Long term borrowings	98.70	0.87	(1.87)	97.70
Short term borrowings	282.38	-	(0.14)	282.24

Corporate Information 1

Basis of Preparation and Significant Accounting Policies 2-3

The accompanying notes 34-53 form an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
S. Kishore Babu
Chairman and Managing Director
DIN (00971313)

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528

Sd/-
J Satish
CFO

Place: Camp: Hyderabad
Date: 27.06.2020
UDIN:20235528AAAABU8756

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

Consolidated Statement of Changes in Equity for the year ended 31st March 2020

A. Equity share capital

Particulars	No's	Amount
As at 31st March, 2018	**1,47,10,764**	**14.71**
Changes in equity during the year	-	-
As at 31st March, 2019	**1,47,10,764**	**14.71**
Changes in equity during the year	-	-
As at 31st March, 2020	**1,47,10,764**	**14.71**

B. Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income		Total
	Securities Premium Reserve	Other Reserves (General reserve)	Foreign Currency Translation Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Acturial Gains/ (Loses)	
Balance at the end of reporting period - 31st March 2018	**160.93**	**37.00**	**0.06**	**485.08**	**0.01**	**0.67**	**683.75**
Profit for the year (Net of Minority Interest)	-	-	-	121.62	-	-	121.62
Other Comprehensive Income	-	-	0.74	-	(0.00)	0.97	1.71
Total Comprehensive Income for the year	-	-	0.74	121.62	(0.00)	0.97	**123.33**
Dividend and Dividend tax	-	-	-	1.77	-	-	1.77
Decrease in FCTR due to change in status of subsidiary Company	-	-	(0.04)	-	-	-	(0.04)
Decrease in equity due to dilution of investment in subsidiary	-	-	-	(0.47)	-	-	(0.47)
Adjustment of Good will	-	-	-	(0.16)	-	-	(0.16)
Balance at the end of reporting period - 31st March 2019	**160.93**	**37.00**	**0.76**	**604.30**	**0.01**	**1.64**	**804.64**
Profit for the year (Net of Minority Interest)	-	-	-	131.26	-	-	131.26
Other Comprehensive Income	-	-	1.29	-	(0.01)	1.03	2.31
Total Comprehensive Income for the year	-	-	1.29	131.26	(0.01)	1.03	**133.57**
Dividend and Dividend tax	-	-	-	1.77	-	-	1.77
Balance at the end of reporting period - 31st March 2020	**160.93**	**37.00**	**2.05**	**733.79**	**0.00**	**2.67**	**936.44**

Corporate Information 1
Basis of Preparation and Significant Accounting Policies 2-3
The accompanying notes 34-53 form an integral part of the financial statements.

As per our report of even date

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528

Place: Camp: Hyderabad
Date: 27.06.2020
UDIN:20235528AAAABU8756

For and on behalf of the Board

Sd/-
S. Kishore Babu
Chairman and Managing Director
DIN (00971313)

Sd/-
J Satish
CFO

Significant Accounting Policies and Notes on Consolidated Financial Statements

Note No.1 GROUP INFORMATION

The consolidated financial statements comprise financial statements of Power Mech Projects Limited (the parent) and its subsidiaries (collectively referred to as "Group") and includes share of profit from its joint venturers and associate.

The parent Company Power Mech Projects Limited is incorporated in the year 1999 and is an engineering and construction Company providing integrated service in erection, testing and commissioning (ETC) of boilers, turbines and generators and balance of plant (BOP), civil works and operation and maintenance (O&M). The Company is also undertaking railway projects and executing major railway project of doubling of tracks including electrification, signaling, culverts, platforms etc. and transmission and distribution portfolio, a new venture of diversification and the Company has already undertaken some major projects.

The Company, its subsidiaries and its joint venture and associate considered in the consolidated financial statements are:

a) Subsidiaries:

Name of the Company	Country of incorporation	Principal activities	Year ended (% of holding)	
			31.03.2020	31.03.2019
Hydro Magus Private Limited	India	Maintenance contracts	88%	88%
Power Mech Industri Private Limited	India	Manufacture of spare parts	100%	100%
Power Mech BSCPL Consortium Private Limited	India	Infrastructure development	51%	51%
Power Mech SSA Structures Private Limited	India	Infrastructure development	100%	100%
Aashm Avenues Private Limited	India	Infrastructure development	100%	100%
Power Mech Environmental Protection Private Limited*	India	Recycling of wastes generated by various industries and commercial establishments	100%	-
Power Mech Projects Limited LLC	Oman	Installation and repair of electric power and transformer plants	70%	70%
Power Mech Projects (BR) FZE	Nizeria	Infrastructure development	100%	100%

* The subsidiary Company Power Mech Environmental Protection Private Limited is incorporated during the year.

b) Joint Venture:

Name of the Company	Country of incorporation	Principal activities	Year ended	
			31.03.2020	31.03.2019
M/s. Power Mech - M/s. ACPL JV	India	Construction works	80%	80%
Power Mech - Khilari Consortium JV	India	Construction works	75%	75%
Power Mech - STS JV	India	Construction works	74%	74%
GTA Power Mech Nigeria	Nigeria	Turbine repair	50%	50%
GTA Power Mech DMCC	Dubai	Construction works	50%	50%

c) Associate

Name of the Company	Country of incorporation	Principal Activities	Year Ended	
			31.03.2020	31.03.2019
MAS Power Mech Arabia (MASPA)	Saudi Arabia	Installation and Maintenance services	49%	49%

Note No: 2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS:

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by the Ministry of Corporate affairs, pursuant to section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013('the Act')(to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the parent Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceased to control the subsidiary.

Profit and loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in Joint Venture are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in joint venture includes goodwill identified on acquisition.

Principles of Consolidation

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements. If a member of the group uses accounting policies other than those adopted in consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that groups members financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The consolidated financial statements relate to Power Mech Projects Limited ('the Company') and its subsidiary companies and Joint ventures and associate. The consolidated statements have been prepared on the following basis.

a) The financial statements of the parent Company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group transactions and intra-group balances as per Ind AS -110.

b) Profits and losses resulting from intra-group transactions that are recognized as asset such as inventory and property, plant and equipments are eliminated in full.

c) The excess of cost to the group of its investment in subsidiaries on the acquisition date over and above the group's share of equity in subsidiaries is recognized as Goodwill on consolidation being an asset in the consolidated financial statements or in case of excess of cost of investments, it is recognized as Capital reserve and shown under Reserves and surplus in the consolidated financial statements.

d) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange rate difference arising on consolidation is recognized in the Foreign currency translation Reserve.

e) Non-controlling interests in the net assets of subsidiaries is identified and presented in the statements separately within equity. The non-controlling interests in the net assets of subsidiaries consists of a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made and b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence. The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the statement of profit and loss and statement of changes in equity.

f) Investments in Joint venture and associates has been accounted under the equity method as per Ind AS-28 "Investments in Associates and Joint ventures".

g) The financial statements of the Company and its subsidiary and joint venture companies are drawn up to the same reporting date i.e of 31st March except in case of one overseas associate where financial statements have been drawn upto 31st December, 2019 and for consolidation purposes additional financial information for the q.e 31st March, 2020 has been prepared.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to the statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Note No: 3 Other Significant Accounting policies:

a) Use of estimates and Judgements

The preparation of the Group's financial statements in conformity requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements and estimates that have been made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

i) **Depreciation / amortisation and useful lives of property plant and equipment / intangible assets:**
Property, plant and equipment / intangible assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

ii) **Recoverability of trade receivable:**
Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, past history of receivables, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iii) **Fair value measurement of financial instruments:**
Some of the assets and liabilities of the group are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the group uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The group also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

iv) **Provisions:**
Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

v) **Impairment of non-financial assets:**
The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

vi) **Impairment of financial assets:**
The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii) **Income Taxes:**
The tax jurisdiction of Indian companies considered in the Group is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

viii) **Defined benefit obligations:**
The Group uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine the obligations for employee benefits at each reporting period.

ix) **Revenue recognition:**
The Group uses the percentage of completion method in accounting for its fixed price contracts and is measured with reference to actual completion of physical proportion of the work to the extent of work certified by the customer. Measurement of physical quantum of work completed is based on estimates at the reporting date.

x) **Other estimates:**
The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the group estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

xi) **Estimation of uncertainties relating to the global health pandemic from COVID-19**
The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets, receivables and uncertified revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these consolidated financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact assessment of COVID-19 is a continuous process given the uncertainty associated with its nature and durations and accordingly the eventual outcome may be different from those estimates as on the date of approval of these Consolidated Financial Statements.

b) Property, plant and equipment

An item of Property, Plant and Equipment that qualified as an asset is measured at initial recognition at Cost. Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The cost comprises of purchase price, applicable duties and taxes, direct expenditure attributable on making the asset ready for its intended use and interest on borrowings for acquisition of qualifying asset upto the date the asset is ready for its intended use.

Advances paid for acquisition of Property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Cost of the assets not put to use before such date are disclosed under 'Capital Work-in-progress'. Any subsequent expenditure relates to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. Items of spare parts are recognized as Property, plant and equipment when they meet the definition of

Property, plant and equipment. The cost and related depreciation are eliminated from the property, plant and equipment upon sale or retirement of the asset and the resultant gain or losses are recognized in statement of profit and loss.

c) Intangible assets

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

d) Depreciation and Amortization

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

The management estimates the useful lives for the fixed assets and the said useful lives are disclosed in the accounting policies of respective companies in the group.

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

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

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

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

e) Government Grants

Government grants are not recognized until there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received .

Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. When the grant relates to an asset, it is recognized as deferred revenue in the Balance sheet and transferred to the statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

f) Investment in Joint venture and associate

Investment in jointly controlled entity and associate is accounted for using the "equity method" less accumulated impairment, if any. Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the jointly controlled entity and associate since the date of acquisition. Goodwill relating to the entity is included in the carrying amount of the investment.

The statement of profit and loss reflects the group's share of the results of the operations of the jointly controlled entity and associate. The amount of OCI of these entities are included in the groups OCI. Unrealised gains and losses resulting from transactions between the group and its entity are eliminated to the extent of interest in jointly controlled entity and associate. If groups share of losses in entity exceeds its investment, the group discontinues recognising its share of further losses. If the entity reports profits subsequently, the group resumes recognising its share of profits only after its share of profits equals the share of losses not recognised.

g) Impairment of Assets

i) Financial assets (other than at fair value)

The group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The group recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount (i.e higher of the fair value less cost of sale and value in use) is determined on an individual asset basis unless the asset does not generates cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount and the carrying amount of the asset is increased to its revised recoverable amount subject to maximum of carrying amount.

h) Borrowing Costs

Borrowing Costs, that are directly attributable to the acquisition or construction of assets, that necessarily take a substantial period of time to get ready for its intended use, are capitalized as part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

i) Inventories

a) Stores and consumables are valued at lower of cost or Net realizable value. In determining cost of stores and spares and consumables, weighted average cost method is used. Costs includes all cost of purchase, duties and taxes (Other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

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

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

j) Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the group is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

<u>Identifying Performance Obligation:</u>

A performance obligation is identified in the construction projects that the group engages in, owing to the high degree of integration and customization of the various goods and services to provide a combined output which is transferred to the customer over time and not at a specific point in time. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time.

<u>Determination of Transaction Price:</u>

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

<u>Recognition of Revenue:</u>

<u>In case of sale of goods:</u>

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

<u>In case of construction services:</u>

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

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

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

<u>In case of other Income:</u>
Interest income is recognized using the effective interest method.

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

k) Employee Benefits

i) Defined Contribution Plans
The contribution to Employees Provident Fund and Employees State Insurance are made under a defined contribution plan, and are accounted for at actual cost in the year of accrual.

ii) Defined Benefit Plans
Gratuity, a defined Benefit scheme is covered by a Group Gratuity cum Life Assurance policy with

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

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

The liability towards non-accumulated leave encashment over and above accumulated leaves, being short term employee benefit and eligible to encash after the end of each financial year, is provided based on actual liability computed at the end of each year.

l) Foreign Currency Transactions

These consolidated financial statements are presented in Indian rupee which is the functional currency of the parent Company.

In preparing the financial statements of each individual group entity, transactions in foreign currencies are recognized at the rates of exchange prevailing at the dates of the transactions. Gains / losses on settlement of the transaction are recognized in the statement of profit and loss.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured at historical cost in foreign currency, are translated using the exchange rate at the date of transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Any loss / gain on conversion of monetary items are recognized in statement of profit and loss.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The exchange differences arising on translation for consolidation are recognized in other comprehensive income and accumulated in equity and attributed to non-controlling interests proportionately. On disposal of foreign operation, the OCI component relating to that particular foreign operation is reclassified to consolidated statement of profit and loss.

m) Income-Taxes

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

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

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

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

n) Provisions, Contingent Liabilities and Contingent assets

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

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

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

o) Dividends

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

p) Earnings per share

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

q) Leases

The Company's leased assets primarily consist of buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

On transition to Ind AS 116 "Leases", the Company has applied the standard using the modified retrospective approach. Right-of-use assets as at 1st April, 2019 for leases previously classified as operating leases were recognized and measured at an amount equal to the lease liability. As a result, the comparative information has not been restated. The Company has discounted the lease payments using the incremental borrowing rate as at 1st April, 2019 for measuring the lease liability.

On transition, the Company has recognized and reclassified Right-of-use asset amounting to ₹11.40 Cr and a lease liability of ₹8.63 Cr as on date of balance sheet. The Company has recognized interest expenses on leases amounting to ₹0.75 Cr and depreciation on Right-of-use of asset amounting to ₹2.21 Cr for the financial year ended 31.3.2020. Consequent to the said recognition, the actual rent paid on leased assets was reduced by ₹2.42 Cr for the year then ended.

r) Cash flow statement

Cash flows are reported using the indirect method, whereby the profit before tax is adjusted for the effects of transactions of non-cash nature and items of income or expenses associated with investing and financing activities. The cash flows are segregated into Operating, investing and financing activities.

s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition:
The group recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than the financial assets and liabilities at fair value through profit and loss) are added to or deducted from the fair value of financial assets and liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities at fair value through profit or loss are recognized immediately in profit or loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

i) Financial assets carried at amortized cost:
A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income.
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss
A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

De-recognition of financial asset
The Company de-recognises financial assets when the contractual right to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Impairment of financial assets:
The Company applies expected credit loss (ECL) model for measurement and recognition of loss assets in case of trade receivables and other financial assets. In case of trade receivables, the Company follows a simplified approach wherein an amount equal to life time ECL is measured and recognized as loss allowance. In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk has not increased significantly, an amount equal to 12-month ECL is measured and recognized as a loss allowance. However, if the credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as a low allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reversed the impairment loss recognized earlier.

(iv) Financial liabilities
Financial liabilities are subsequently carried at amortized cost using the effective interest method. The effective method is a method of calculating the amortization cost of a financial liability and of allocating interest expense over the relevant period. The effective interest is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

De-recognition of financial liability
The Company de-recognises financial liabilities when the Company's obligations are discharged, cancelled or expired. The difference between the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit and loss over the contractual terms using the effective interest method.

Consolidated notes to the Financial Statements

Note No. 4.1: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Carrying Amounts of:		
Land	3.60	4.15
Lease Hold Land	-	1.92
Office Buildings	34.30	34.69
Plant and Equipment	23.49	23.51
Furniture and Fixtures	2.85	3.86
Computers	1.40	1.40
Office Equipment	3.74	4.00
Motor vehicles	13.96	15.44
Cranes	83.50	89.05
Temporary Sheds	9.22	9.28
	176.06	**187.30**
Capital Work-in-progress	**2.60**	**3.34**

Consolidated notes to the Financial Statements

Note No. 4.1: Property, Plant and Equipment

Particulars	Land	Lease Hold Land	Office Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Motor vehicles	Cranes	Temporary Sheds	Total
Gross Block											
As at 31st March, 2018	**4.15**	**2.01**	**32.34**	**50.70**	**9.17**	**3.52**	**12.31**	**37.80**	**127.33**	**36.84**	**316.17**
Additions	-	-	6.67	7.17	0.78	0.74	1.70	4.08	26.82	4.85	52.81
Disposals	-	-	-	8.10	0.70	0.28	3.41	2.54	14.06	0.37	29.46
As at 31st March, 2019	**4.15**	**2.01**	**39.01**	**49.77**	**9.25**	**3.98**	**10.60**	**39.34**	**140.09**	**41.32**	**339.52**
Reclassification on account of adoption of Ind AS- 116 (Refer Note 4.2)	0.55	2.01	-	-	-	-	-	-	-	-	2.56
Additions	-	-	1.15	4.95	0.83	0.50	1.50	4.23	11.16	5.47	29.79
Disposals	-	-	-	0.16	0.17	0.04	0.07	0.53	3.10	7.44	11.51
As at 31st March, 2020	**3.60**	-	**40.16**	**54.56**	**9.91**	**4.44**	**12.03**	**43.04**	**148.15**	**39.35**	**355.24**
Accumulated Depreciation including accumulated Impairment loses											
As at 31st March, 2018	-	**0.07**	**2.88**	**22.26**	**3.83**	**2.05**	**5.44**	**18.51**	**39.49**	**21.78**	**116.31**
Depreciation charge for the year	-	0.02	1.44	6.99	1.79	0.64	2.26	6.59	15.35	10.63	45.71
On disposals	-	-	-	2.99	0.23	0.11	1.10	1.20	3.80	0.37	9.80
As at 31st March, 2019	-	**0.09**	**4.32**	**26.26**	**5.39**	**2.58**	**6.60**	**23.90**	**51.04**	**32.04**	**152.22**
Reclassification on account of adoption of Ind AS- 116 (Refer Note 4.2)	-	0.09	-	-	-	-	-	-	-	-	0.09
Depreciation charge for the year	-	-	1.54	4.94	1.77	0.49	1.73	5.54	15.96	5.16	37.13
On disposals	-	-	-	0.13	0.10	0.03	0.04	0.36	2.35	7.07	10.08
As at 31st March, 2020	-	-	**5.86**	**31.07**	**7.06**	**3.04**	**8.29**	**29.08**	**64.65**	**30.13**	**179.18**
Net Block											
As at 31st March, 2020	**3.60**	-	**34.30**	**23.49**	**2.85**	**1.40**	**3.74**	**13.96**	**83.50**	**9.22**	**176.06**
As at 31st March, 2019	**4.15**	**1.92**	**34.69**	**23.51**	**3.86**	**1.40**	**4.00**	**15.44**	**89.05**	**9.28**	**187.30**

Notes:

1) Term loans taken for purchase of Vehicles, Cars and Cranes are secured by way of hypothecation on respective assets for which loans were availed.

2) Working Capital Loans from SBI, Standard Chartered bank, Axis, IDFC, ICICI and Ratnakar bank are secured by way of first charge on Property, Plant and Equipment of the Group both present and future, excluding those assets against which charge was given to equipment financiers.

Consolidated notes to the Financial Statements

Note No. 4.2: RIGHT-OF USE ASSET

Particulars	As at 31st March, 2020	As at 31st March, 2019
Right-of-use asset	9.09	-
	9.09	-

Particulars	Lease hold land & Improvements	Buildings	Total
(A) Cost or deemed cost			
Balance at 1st April , 2019	-	-	-
Re-classification and Transition impact on account of adoption of Ind AS-116 (Refer Note 4.1 and 50)	2.56	8.84	11.40
Additions	-	-	-
Disposals / adjustments	-	-	-
As at 31st March, 2020	**2.56**	**8.84**	**11.40**
(B) Accumulated depreciation and impairment			
Balance at 1st April , 2019	-	-	-
Re-classification and Transition impact on account of adoption of Ind AS- 116 (Refer Note 4.1 and 50)	0.10	-	0.10
Amortization expense for the year	0.03	2.18	2.21
on disposals	-	-	-
As at 31st March, 2020	**0.13**	**2.18**	**2.31**
(C) Carrying amount			
As at 31st March, 2020	**2.43**	**6.66**	**9.09**

Note No. 5: CAPITAL WORK-IN-PROGRESS

Particulars	Amount
Carrying value - At Cost	
As at 31st March, 2018	**5.99**
Additions	0.47
Capitalised during the year	3.12
As at 31st March, 2019	**3.34**
Additions	0.21
Capitalised during the year	0.94
As at 31st March, 2020	**2.61**

Consolidated notes to the Financial Statements

Note No. 6: INTANGIBLE ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Power Mech Brand	0.00	0.00
Computer Software	0.37	0.37
Goodwill	2.27	2.27
	2.64	**2.64**

Particulars	Power Mech Brand	Computer Software	Goodwill	Total
Gross Block				
As at 31st March, 2018	**0.00**	**1.24**	**2.43**	**3.67**
Additions	-	0.21	-	0.21
Disposals	-	-	0.16	0.16
As at 31st March, 2019	**0.00**	**1.45**	**2.27**	**3.72**
Additions	-	0.09	-	0.09
Disposals	-	-	-	-
As at 31st March, 2020	**0.00**	**1.54**	**2.27**	**3.81**
Accumulated Amortisation				
As at 31st March, 2018	**0.00**	**0.97**	-	**0.97**
Amortization charge for the year	-	0.11	-	0.11
On disposals	-	-	-	-
As at 31st March, 2019	**0.00**	**1.08**	-	**1.08**
Amortization charge for the year	-	0.09	-	0.09
On disposals	-	-	-	-
As at 31st March, 2020	**0.00**	**1.17**	-	**1.17**
Net Block				
As at 31st March, 2020	**0.00**	**0.37**	**2.27**	**2.64**
As at 31st March, 2019	**0.00**	**0.37**	**2.27**	**2.64**

Note No. 7: INVESTMENTS (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019
A. Investment in Equity Instruments		
(a) (i) Quoted - Trade (carried at fair value thorugh OCI)		
a) 24 (24) Equity shares of ₹10/ each in Reliance Power Limited *	0.00	0.00
(ii) Quoted - Non Trade (carried at fair value through OCI)		
a) 200 (200) Equity shares of ₹10/ each in Assam Company Limited *	0.00	0.00
Total Investment in Quoted Equity Instruments (a)	**0.00**	**0.00**
(b) (i) Unquoted - Trade		
Investment in Joint Venture (Carried at cost):		
a) 1,50,00,000 (1,50,00,000) equity shares of 1 Naira each in GTA Power Mech Nigeria Limited	31.51	(0.27)
b) 50 (50) Equity shares of AED 1000 each in GTA Power Mech DMCC	0.04	0.03

Consolidated notes to the Financial Statements

Particulars		As at 31st March, 2020	As at 31st March, 2019
c) Investment in PMPL-ACPL JV (Capital introduced Nil) **		0.52	0.23
d) Investment in PMPL-STS JV (Capital introduced Nil) **		0.57	0.19
e) Investment in PMPL-KHILARI Consortium JV (Capital introduced Nil) **		0.17	0.09
Investment in Associates (Carried at cost):			
a) 332 (332) Equity shares of SR 1000 each in MAS Power Mech Arabia (MASPA)***		0.06	31.04
Total Investment in Un-Quoted Equity Instruments	**(b)**	32.87	31.31
Total Investment in Equity Instruments	**(A = a+b)**	**32.87**	**31.31**
B. Investment in Mutual Funds - Quoted (Carried at fair value through OCI)			
a) Investments in mutual funds 20000 units of SBI Infra structure fund - I - Growth ₹10/ each		0.02	0.03
Total Investment in Mutual Funds	**(B)**	**0.02**	**0.03**
Total	**(A+B)**	**32.89**	**31.34**
Aggregate amount of : Quoted investments -			
- **At cost**		**0.02**	**0.02**
- **Market value**		**0.02**	**0.03**
Aggregate amount of un-Quoted investments		**32.87**	**31.31**

* Amounts below 1 Lakh

** The Parent Company has become a venturer in joint ventures incorporated during the financial year 2018-19. However no investment has been made in the said JV's as on the date of Balance sheet. The balance shown above represents Parent Company's share of other equity treated in accordance with "Ind AS- 28: Investment in Joint ventures and Associates".

*** MAS Power Mech Arabia (MASPA) becomes associate Company w.e.f. March 2019 on disposal of Investment which was previously considered as subsidiary Company.

Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised
Financial assets measured at:				
(i) Fair value through Other Comprehensive Income				
a) 24 Equity shares of ₹10/ each in Reliance Power Limited	0.00	-	0.00	-
b) 200 Equity shares of ₹10/ each in Assam Company Limited	0.00	-	0.00	-
c) Investments in mutual funds 20000 units of SBI Infra structure fund - I - Growth ₹10/ each	0.02	-	0.03	-
(ii) Using Equity method for Investments in Joint Ventures and Associates as per Ind As 28	32.87	-	31.31	-
	32.89	-	**31.34**	-

Consolidated notes to the Financial Statements

Note No. 8: LOANS

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Unsecured, Considered Good				
a) Employee related advances	-	-	4.67	4.18
b) Loans to others - GTA Power Mech FZE (Subsidiary to GTA Power Mech Nizeria, a JV)	-	-	0.55	0.55
Total	-	-	**5.22**	**4.73**
The above Loans Receivables are sub-classified as:				
a) Loans Receivables considered good - Secured	-	-	-	-
b) Loans Receivables considered good - Unsecured	-	-	5.22	4.73
c) Loans Receivables which have significant increase in Credit Risk	-	-	-	-
d) Loans Receivables - credit impaired	-	-	-	-
	-	-	5.22	4.73

Note: 1) No loans are due from directors or other officers of the Group either severally or jointly with any other person nor any other loans are due from firms in which any director is a partner, a director or a member.

Note No. 9: OTHER FINANCIAL ASSETS

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
a) Security deposits with Govt. authorities and others	11.47	10.85	2.00	0.33
b) EMD with customers	82.86	10.18	0.05	-
c) Earmarked balances with banks held as margin money against LC and guarantees having a maturity period for more than 12 months from the date of Balance sheet	44.22	40.39	-	-
d) Retention Money and Security Deposit with customers	147.70	229.05	164.30	88.77
e) Uncertified Revenue	-	-	410.20	332.24
Total	**286.25**	**290.47**	**576.55**	**421.34**
Less: Provision for doubtful receivables (Retention Money and Security Deposit with customers)	(3.34)	(2.15)	-	-
	282.91	**288.32**	**576.55**	**421.34**

Consolidated notes to the Financial Statements

The bifurcation of Retention money & Security deposit with customers between current and non current is made based on the terms of contract, time schedule in the execution of work orders, fulfilment of conditions for release of Retention money and Security deposit and based on estimates by management.

Note No. 10: OTHER ASSETS

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Unsecured, Considered Good				
a) Advances for Capital goods	1.91	7.35	0.17	-
b) Mobilisation advances to Sub - Contractors	-	5.23	9.32	5.34
c) Advances to creditors against supplies	-	-	21.64	26.06
d) Advances to sub-contractors against works				
Unsecured	-	-	353.95	336.14
e) Prepaid Royalty and other expenses	-	-	64.68	5.02
f) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	27.85	15.02
Works contract tax (TDS)	-	-	2.35	7.16
MAT Credit entitlement	-	-	0.05	0.05
Sales Tax Refund Receivable	-	-	0.14	0.35
Custom Duty Receivable	-	-	0.13	0.19
Taxes paid under protest	-	-	0.54	0.54
g) Other advances	-	-	5.88	4.41
h) Balance in Gratuity Fund (Net of Obligation)	-	-	-	0.66
Total	**1.91**	**12.58**	**486.70**	**400.94**
Less: Provision for doubtful advances (Advances to sub-contractors against works)	-	-	(1.22)	(1.22)
	1.91	**12.58**	**485.48**	**399.72**

Note No. 11: INVENTORIES

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Stores and spares	105.63	84.00
b) Construction Work-in-progress	20.70	8.73
Total	**126.33**	**92.73**

Note:

(i) The mode of valuation of inventories has been stated in Note 3(i) in Accounting Policies.

(ii) The cost of inventories recognised as an expense for the year ended 31st March, 2020 was ₹ 323.91 Cr (for the year ended 31st March, 2019: ₹ 326.38 Cr)

(iii) All the above inventories are offered as security in respect of working capital loans availed by the Company from all the banks.

(iv) There are no inventories expected to be liquidated after more than twelve months.

Consolidated notes to the Financial Statements

Note No. 12: TRADE RECEIVABLES

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	544.25	389.15
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables -credit impaired	-	-
Less: Allowance for doubtful receivables	(2.53)	-
Total	**541.72**	**389.15**

a) The average credit period is 30 days which is due from the date of certification of RA Bill. No interest is charged on overdue receivables.

b) Of the trade receivables balance, ₹137.09 Cr (as at March 31, 2019 : ₹109.86 Cr) is due from one of the Parent Company's largest customer. Further, an amount of ₹Nil. (as at March 31, 2019 : ₹40.63 Cr) is due from customers who represent more than 5% of the total balance of trade receivables.

c) In determining the provision for trade receivables, the Company has used practical expedients based on the financial conditions of the customer, historical experience of collections from customers, possible outcome of negotiations with customers etc., The concentration of risk with respect to Trade receivables is reasonably low as most of the receivables are from Government organisations, high profile and net worth companies though there may be normal delay in collection. The expected credit loss allowance is based on the ageing of the receivables which are due and at a rate estimated by the management.

Note No. 13: CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2020	As at 31st March, 2019
i) **Balances with banks in Current accounts**		
a. In Current accounts	25.52	13.98
ii) Cash on hand	1.71	1.42
iii) Fixed Deposits with original maturity period of less than 3 months	2.41	0.15
Total	**29.64**	**15.55**

Note No. 13: OTHER BANK BALANCES

Particulars	As at 31st March, 2020	As at 31st March, 2019
a. Earmarked balances with banks held as margin money against LC and guarantees falls due for maturity within 12 months from the date of Balance sheet	45.42	72.51
b. Earmarked balances with banks towards unclaimed dividends	0.02	0.01
Total	**45.44**	**72.52**

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

Consolidated notes to the Financial Statements

Note No. 14: SHARE CAPITAL

a) **Authorised Share Capital**

Particulars	Equity	
	No's	INR
As at 31st March, 2018	**2,60,00,000**	**26.00**
Changes during the year	-	-
As at 31st March, 2019	**2,60,00,000**	**26.00**
Changes during the year	-	-
As at 31st March, 2020	**2,60,00,000**	**26.00**

b) **Issued Share Capital**

Equity shares of ₹10 each issued, subscribed and fully paid

Particulars	No's	INR
As at 31st March, 2018	**1,47,10,764**	**14.71**
Changes during the year	-	-
As at 31st March, 2019	**1,47,10,764**	**14.71**
Changes during the year	-	-
As at 31st March, 2020	**1,47,10,764**	**14.71**

c) **Rights, Preferences and restrictions attached to Equity shares**

The Parent Company has only one class of Equity shares having a face value of ₹10/- each. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

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

Name of the Share Holder	As at 31st March, 2020		As at 31st March, 2019	
	No of Shares held	% out of total number of shares of the Company	No of Shares held	% out of total number of shares of the Company
S. Kishore Babu	36,34,942	24.71%	36,34,942	24.71%
S. Kishore Babu (HUF)	12,44,000	8.46%	12,44,000	8.46%
S. Lakshmi	31,28,626	21.27%	24,03,626	16.34%
S. Rohit	8,49,413	5.77%	15,74,413	10.70%
HDFC Small Cap Fund	10,03,216	6.82%	8,94,852	6.08%
	98,60,197	67.03%	97,51,833	66.29%

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

No Bonus shares were issued during the period of five immediately preceding financial Years.

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

Consolidated notes to the Financial Statements

Note No. 15: OTHER EQUITY

Securities Premium Reserve

Particulars	Amount
As at 31st March, 2018	**160.93**
Changes during the year	-
As at 31st March, 2019	**160.93**
Changes during the year	-
As at 31st March, 2020	**160.93**

General Reserve

Particulars	Amount
As at 31st March, 2018	**37.00**
Transfers during the year	-
As at 31st March, 2019	**37.00**
Transfers during the year	-
As at 31st March, 2020	**37.00**

Foreign Currency Translation Reserve Account

Particulars	Amount
As at 31st March, 2018	**0.06**
Changes during the year	0.74
Add: Decrease in FCTR due to change in status of subsidiary Company	(0.04)
As at 31st March, 2019	**0.76**
Changes during the year	1.29
As at 31st March, 2020	**2.05**

Retained Earnings

Particulars	Amount
As at 31st March, 2018	**485.76**
Add: Total comprehensive income for the year transferred from statement of profit and loss	122.59
Less: Final Dividend and tax thereon for the Financial year 2017-18 proposed & paid during the year	1.77
Less: Decrease in equity due to dilution of investment in subsidiary	0.47
less: Adjustment of Good will	0.16
As at 31st March, 2019	**605.95**
Add: Total comprehensive income for the year transferred from statement of profit and loss	132.28
Less: Final Dividend and tax thereon for the Financial year 2018-19 proposed & paid during the year	1.77
As at 31st March, 2020	**736.46**

Summary of Other Equity

Particulars	As at 31st March, 2020	As at 31st March, 2019
Securities Premium	160.93	160.93
General Reserve	37.00	37.00
Foreign Currency Translation Reserve Account	2.05	0.76
Retained Earnings	736.46	605.95
	936.44	**804.64**

Consolidated notes to the Financial Statements

Note No. 16: MINORITY INTEREST

Particulars	Amount
As at 31st March, 2018	**13.81**
Changes during the year	(5.66)
As at 31st March, 2019	**8.15**
Changes during the year	(0.04)
As at 31st March, 2020	**8.11**

Note No. 17: LONG TERM BORROWINGS

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
A. Secured				
i. Term loans				
a) From banks :				
i) Axis Bank	16.66	18.16	22.25	14.29
ii) HDFC Bank	1.64	0.91	1.26	2.16
iii) ICICI Bank	0.71	-	2.40	-
iv) Standard Chartered Bank	-	-	-	0.01
v) Kotak Mahendra Bank	1.56	6.22	4.66	4.22
vi) Yes Bank	0.17	-	0.20	-
vii) Ratnakar Bank	-	1.00	0.13	3.77
viii) Emirates Islamic Bank	0.53	0.20	0.37	0.13
b) From Others :				
i) HDB Financial Services	0.13	2.31	2.18	4.00
ii) TATA Capital	8.03	16.45	14.86	15.15
iii) Mahindra finance	0.21	-	0.12	-
Total (a)	**29.64**	**45.25**	**48.43**	**43.73**
B. Unsecured				
a) Deferred payment liabilities				
Due to suppliers on deferred credit basis	-	8.73	12.83	-
Total (b)	-	**8.73**	**12.83**	-
Total (a+b)	**29.64**	**53.98**	**61.26**	**43.73**

1) The term loans from banks and companies are secured by way of hypothecation of assets funded under the said facility. Further, the loans are guaranteed by Managing Director and a Director in their personal capacities.
2) The above loans carries interest varies from 1.49 % to 12.50 %
3) The above loans are repayable in monthly / quarterly installments.
4) Maturity pattern of above term loans (non current) is as follows

   Banks: 2021-22 – ₹17.66; 2022-23 - ₹ 3.61

   Companies: 2021-22 – ₹ 8.04 : 2022-23 - ₹ 0.33
5) No defaults were made in repayment of above term loans

Consolidated notes to the Financial Statements

Note No. 18: OTHER FINANCIAL LIABILITIES

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
a) Retention Money & Security deposits recovered from Sub-Contractors	61.03	79.12	29.82	6.85
b) Current maturities of long-term debt (Refer Note No. 17)	-	-	61.25	43.73
c) Creditors for capital goods	-	-	3.00	2.48
d) Interest accrued and due	-	-	1.11	0.25
e) Interest accrued but not due	-	-	-	0.03
f) Unclaimed dividend	-	-	0.02	0.01
g) Employee related payments	-	-	44.54	37.97
h) Share application money refundable	-	-	0.11	0.11
i) Other Liabilities	-	-	36.84	30.49
	61.03	79.12	176.69	**121.92**
a) Lease liability as per Ind as 116 (Refer Note No. 50)	4.54	-	2.43	-
Total	**65.57**	**79.12**	**179.12**	**121.92**

Note:

(i) The segregation of above Retention Money & Security deposits are made based on the time schedule in execution of works, estimated works undertaken in next year and terms of release as agreed with sub-contractors.

Note No. 19: PROVISIONS

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	1.68	-	0.49	-
- Leave Encashment (Unfunded)	2.02	2.77	0.52	0.24
Total	**3.70**	**2.77**	**1.01**	**0.24**

EMPLOYEE BENEFITS

a. Defined contribution plans

The Group makes Provident Fund and Employees' State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. The Group recognised ₹12.17 Cr (Year ended 31st March, 2019: ₹9.66 Cr) for provident fund contributions, and ₹1.27 Cr (Year ended 31st March, 2019: ₹1.30 Cr) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

b. Defined benefit plans

The Group provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is 31st March.

Consolidated notes to the Financial Statements

(i) **Balance Sheet**

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Present value of obligation	9.68	6.73
Fair Value of plan assets	7.51	7.39
(Asset) / Liability recognised in the Balance Sheet	**2.17**	**(0.66)**

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

Particulars	Plan Obligation	Plan Assets	Deficit / (Surplus)
As at March 31, 2018	**6.33**	**5.79**	**0.54**
Current service cost	1.34	0.00	1.34
Past service sot	-	-	-
Interest cost	0.49	-	0.49
Interest Income	-	0.49	(0.49)
Actuarial gain arising from changes in experience adjustments	(0.44)	-	(0.44)
Actuarial (gain)/loss arising from changes in financial assumptions	(0.69)	-	(0.69)
Contributions by employer	-	1.57	(1.57)
Benefit payments	(0.30)	(0.30)	-
Return on plan assets, excluding interest income	-	(0.16)	0.16
As at March 31, 2019	**6.73**	**7.39**	**(0.66)**
Current service cost	4.01	-	4.01
Past service sot	-	-	-
Interest cost	0.50	-	0.50
Interest income	-	0.55	(0.55)
Actuarial gain arising from changes in experience adjustments	0.88	-	0.88
Actuarial gain arising from changes in financial assumptions	(1.92)	-	(1.92)
Contributions by employer	-	0.07	(0.07)
Benefit payments	(0.52)	(0.49)	(0.03)
Return on plan assets, excluding interest income	-	(0.01)	0.01
As at March 31, 2020	**9.68**	**7.51**	**2.17**

(iii) **Statement of Profit and Loss**

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Employee Benefit Expenses		
Current service cost	4.01	1.34
Past service cost	-	-
Interest cost	0.50	0.49
Interest income	(0.55)	(0.49)
Net impact on profit before tax	**3.96**	**1.34**
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in financial assumptions	(1.92)	(0.69)
Actuarial gain arising from changes in experience adjustments	0.88	(0.44)
Return on plan assets, excluding interest income	0.01	0.16
Net impact on other comprehensive income before tax	**(1.03)**	**(0.96)**

Consolidated notes to the Financial Statements

(iv) Assets

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Funded with Life Insurance Corporation of India	100%	100%

(v) Investment details

Particulars	As at 31st March, 2020	As at 31st March, 2019
Insurance Policies	7.50	7.38

(vi) Sensivity analysis:

Significant acturial assumptions for the determination of the defined benefit obligation are discount rate,expected salary increase and employee turnover. The sensivity analysis below have been determined based on the reasonably possible changes of the assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in key assumption while holding all other assumptions constant. The sensitivity analysis is given below.

Particulars	Defined benefit obligation As at 31st March, 2020
Salary Escalation - Up by 1%	11.23
Salary Escalation - Down by 1%	8.40
Withdrawal Rates - Up by 1%	10.25
Withdrawal Rates - Down by 1%	9.01
Discount Rates - Up by 1%	8.49
Discount Rates - Down by 1%	11.13

(vii) Maturity profile of defined benefit obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non current
Defined Benefit obligation	0.49	2.05	2.62

DEFERRED TAX

The following is the analysis of deferred tax Assets / (Liabilities) presented in the Balance Sheet

Particulars	Components	
	As at 31st March, 2020	As at 31st March, 2019
Liability:		
Towards depreciation	-	-
Asset:		
Disallowances under Income-tax	6.32	2.53
Towards depreciation	1.85	3.11
Total	**8.17**	**5.64**

Consolidated notes to the Financial Statements

Movement in Deferred Tax (Assets)/Liabilities

Component	As at 31st March, 2018	Charge / (Credit) to Statement of P&L	As at 31st March, 2019	Charge / (Credit) to Statement of P&L	As at 31st March, 2019
Deferred tax Liability / (Asset) in relation to:					
Depreciation	(0.13)	(2.40)	(2.53)	(3.79)	(6.32)
Expenses allowable under Income tax when paid	(2.40)	(0.71)	(3.11)	1.26	(1.85)
	(1.53)	**(3.11)**	**(5.64)**	**(2.53)**	**(8.17)**

Note No. 21: OTHER LIABILITIES

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
a) Mobilisation advances received from customers	5.82	21.21	47.80	28.37
b) Advances received from customers against supplies or works	-	-	7.20	4.77
c) Statutory Liabilities	-	-	36.23	41.77
d) Deferred government grants (Refer Note)	0.56	0.64	-	-
Total	**6.38**	**21.85**	**91.23**	**74.91**

Note:

1) The Parent Company received government grants in the nature of export incentives and same is utilised against import of capital goods and capitalised to Property, plant and equipment. The deferred government grant will be recognised in statement of profit and loss over the period in proportion to the depreciation expense on the assets to which such grants is utilised is to the recognised.

2) The segregation of mobilization advances received from customers has been made based on the estimated work to be completed in next year and as per the terms of agreement entered with customers, turnover, terms of release of amount and estimates of the management.

Note No. 22: SHORT TERM BORROWINGS

Particulars	As at 31st March, 2020	As at 31st March, 2019
A. Secured		
1) Loans repayable on demand:		
a) Working capital loans from banks		
i) State Bank of India	138.85	118.33
ii) Standard Chartered bank	30.00	29.76
iii) Ratnakar bank	26.37	21.23
iv) Axis bank	0.73	4.96
v) IDFC bank	23.22	20.16
vi) PNB	20.92	0.02

Consolidated notes to the Financial Statements

Particulars	As at 31st March, 2020	As at 31st March, 2019
vii) Bank of India	24.47	-
viii) IndusInd bank	7.40	-
b) Over Draft from banks:		
i) State Bank of india	-	12.95
2) Term loans		
i) State bank of India	13.50	-
ii) HERO Fin Corp	23.07	-
B. Un Secured		
Loans repayable on demand:		
a) Working capital loans from banks		
i) HDFC Bank	45.00	44.83
ii) Bank of Bahrain & Kuwait	60.00	30.00
iii) Oxyzo Financial Services Pvt Ltd	5.57	-
b) Short term loans:		
i) From Pennar Industries Limited	6.50	-
Total	**425.60**	**282.24**

Note:

a) Working capital loans from banks are secured by way of first charge on entire current assets of the respective Company's of the Group on pari passu basis. Further these loans are secured by way of first charge on fixed assets both present and future, excluding those assets against which charge was given to equipment financiers.

The said loans are collaterally secured by way of equitable mortgage of immovable properties belonging to the Company, Managing Director, Director and a firm.

b) Overdraft facility from banks is secured against fixed deposits with banks.

c) All the above loans are guaranteed by Managing Director and a Director of the Parent Company in their personal capacities.

d) The above loans carries interest varies from 8.25% to 11.90%

Note No. 23: TRADE PAYABLES

Particulars	As at 31st March, 2020	As at 31st March, 2019
Dues to : Small and Micro Enterprises	0.35	0.36
: Other than Small and Micro Enterprises (Including Acceptances)*	577.48	442.71
Total	**577.83**	**443.07**

* Acceptances include arrangements where suppliers of goods and services are initially paid by banks/financiers

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

Based on and to the extent of information obtained during the year 2017-18 and available with the Group, with regard to the status of their suppliers under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT), on which the auditors have relied, the disclosure requirement with regard to the payment made / due to Micro, Small and Medium Enterprises are given below.

Consolidated notes to the Financial Statements

Particulars	As at 31st March, 2020	As at 31st March, 2019
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	0.35	0.36
(b) Interest due there on	0.04	0.05
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date Interest there on in terms of Sec 16 of the Act	-	-
(b) Interest paid along with such payments during the year	0.14	0.18
(c) Interest due and payable at the end of the year on such payments made during the year.	-	-
3. Amount of Interest for the year u/s 16 of the Act accrued and remaining unpaid at the end of the year	0.04	0.05
4. Total amount of interest u/s 16 of the Act including that arising in earlier years, accrued and remaining unpaid at end of the year.	0.46	0.56

Note No. 24: CURRENT INCOME-TAX (ASSET) / LIABILITIES (Net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Income-tax	219.65	179.61
Less: Advance Income-tax and TDS	232.33	160.31
	(12.68)	**19.30**

Income-tax recognised in profit or loss

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Current Tax		
Tax expense in respect of current year Income	40.01	65.48
	40.01	**65.48**
Deferred Tax		
Deferred Tax Income in respect of Current year	(2.53)	(3.11)
	(2.53)	**(3.11)**
Total tax expense recognised	**37.48**	**62.37**

Note No. 25: REVENUE FROM OPERATIONS

PARTICULARS	Year ended 31st March, 2020	Year ended 31st March, 2019
Contract receipts:		
Income from contracts and services	2,161.02	2,256.68
Other operating revenue:		
Crane and equipment hire charges received	3.66	4.62
TOTAL	**2,164.68**	**2,261.30**

Consolidated notes to the Financial Statements

Note No. 26: OTHER INCOME

PARTICULARS	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest from banks and others	6.64	7.06
Interest on unwinding portion of Rental Deposits (at amortized cost)	0.09	0.08
Profit on sale of assets	0.67	2.27
Gain on exchange fluctuations	1.70	3.24
Sale of Duty credit scrip and deferment of govt. grants	0.25	1.47
TOTAL	**9.35**	**14.12**

Note No. 27: COST OF MATERIALS CONSUMED

PARTICULARS	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening Stock	84.00	35.80
Add: Purchases	345.54	374.58
	429.54	**410.38**
Less : Closing Stock	105.63	84.00
TOTAL	**323.91**	**326.38**

Note No. 28: CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

PARTICULARS	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening work-in-progress	8.73	11.86
	8.73	**11.86**
Closing work-in-progress	20.70	8.73
	20.70	**8.73**
Increase / (Decrease) in inventories	**11.97**	**(3.13)**

Note No. 29: CONTRACT EXECUTION EXPENSES

PARTICULARS	Year ended 31st March, 2020	Year ended 31st March, 2019
Sub-contract expenses	1,026.80	990.34
Radiography charges	16.75	40.28
Royalty Charges	1.89	-
Hire charges	50.01	45.46
Rent at Project sites	20.23	20.23
Power and fuel	6.96	9.07
Insurance	3.80	3.40
Vehicles movement and other freight expenses	32.63	27.01

Consolidated notes to the Financial Statements

PARTICULARS		Year ended 31st March, 2020	Year ended 31st March, 2019
Repairs and maintenance:	Plant and machinery	10.36	10.19
	Other assets	2.92	3.07
Fuel and vehicle maintenance		36.24	32.97
Travelling expenses at projects		17.81	27.04
Wages paid to contract labour		3.77	6.02
TOTAL		**1,230.17**	**1,215.08**

Note No. 30: EMPLOYEE BENEFITS EXPENSE

PARTICULARS	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries and Wages	278.75	329.19
Remuneration to managerial personnel	5.25	8.57
Contribution to provident and other funds	12.43	10.96
Staff welfare expenses	24.41	43.12
Contribution towards group gratuity	3.96	1.34
TOTAL	**324.80**	**393.18**

Note No. 31: FINANCE COSTS

PARTICULARS	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest paid to banks and others	57.78	43.29
Bank charges and BG commission	6.48	5.66
Loan Processing charges	5.55	4.62
Interest on Income-tax	2.44	0.63
Exchange fluctuations on deferred credit payment	1.06	0.87
Finance cost on lease liability	0.75	-
TOTAL	**74.06**	**55.07**

Note No. 32: DEPRECIATION AND AMORTISATION

PARTICULARS	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation	37.13	45.71
Amortisation	0.09	0.11
Amortization of Right-to-use assets (Refer Note No.50)	2.21	-
TOTAL	**39.43**	**45.82**

Refer note no 1(2)(c) given under Significant accounting policies for method of providing depreciation.

Consolidated notes to the Financial Statements

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

Note No. 33: OTHER EXPENSES

PARTICULARS	Year ended 31st March, 2020	Year ended 31st March, 2019
Rents - Office	0.22	2.84
Directors Sitting Fee	0.10	0.08
Donations	-	0.06
Payments to auditors		
Towards Statutory audit	0.14	0.14
Towards tax audit and taxation matters	0.01	0.01
Rates and taxes	4.25	6.78
Miscellaneous expenses	17.75	17.32
Provision towards doubtful debts and advances	3.94	3.37
CSR expenses	0.44	1.38
Loss on sale of assets	0.07	0.26
Loss on exchange fluctuations	0.11	0.50
TOTAL	**27.03**	**32.74**

Note No. 34: CATEGORIES OF FINANCIAL INSTRUMENTS

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2020, 31st March, 2019 are as follows:

Particulars	Fair value		Carrying value	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Financial assets				
Measured at Amortised cost				
(i) Other financial assets	859.46	709.65	859.63	709.89
(ii) Loans and advances	5.22	4.73	5.22	4.73
Measured at FVTOCI				
(i) Investments in equity instruments	0.02	0.03	0.02	0.02
Measured at cost				
(i) Investment in Joint ventures & Associates	32.87	31.31	32.87	31.31
Total assets	**897.57**	**745.72**	**897.74**	**745.95**
Financial liabilities				
Measured at amortised cost				
(i) Borrowings (Including Current Maturities of Long Term Debt)	90.90	97.70	90.90	97.70
(ii) Other financial liabilities	176.47	157.31	176.47	157.31
(iii) Lease liabilities	6.96	-	6.96	-
Total liabilities	**274.33**	**255.01**	**274.33**	**255.01**

Consolidated notes to the Financial Statements

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

Note: 35: FAIR VALUE HIERARCHY

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The categories used are as follows:
Level 1: Quoted prices for identified instruments in an active market.
Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data.

This note provides information about how the Group determines fair values of various financial assets and financial liabilities. Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.
Some of the Group's financial assets are measured at the fair value at the end of each reporting period.

The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique and other inputs used).

Financial Assets / Financial Liabilities	Fair Value as at		Fair Value hierarchy	Valuation technique and key input
	31st March, 2020	31st March, 2019		
1) Investments in Quoted Mutual Funds	0.02	0.03	Level I	Quoted bid prices in an active market
2) Investments in Quoted Equity Instruments	0.00	0.00	Level I	Quoted bid prices in an active market

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and short term borrowings at carrying value because their carrying amounts approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of bank borrowings, other financial assets and financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

Note No. 36: FINANCIAL RISK MANAGEMENT

The group's business activities are exposed to a variety of financial risks namely credit risk, liquidity risk and foreign currency risk. The group's senior management has the overall responsibility for establishing and governing the group's risk management framework. The group's risk management policies are established to identify and analyse the risks faced by the group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of Directors of the group.

A. Credit Risk

Credit risk is the risk of financial loss to the group if a customer fails to meet its contractual obligation. Credit risk encompasses of both the direct risk of default and the risk of deterioration of credit worthiness. Credit risk is controlled by monitoring and interaction with the customers on a continuous basis.

Financial instruments that are subject to concentrations of credit risk principally consists of trade receivables, retentions, deposits with customers and unbilled revenue.

Receivables from customers
Concentration of credit risk with respect to trade receivables are limited since major customers of the group are from public sector and accounts more than 39% of its trade receivables. All trade receivables are reviewed and assessed for default on a monthly basis. On historical experience of collecting receivables, credit risk is low.

Consolidated notes to the Financial Statements

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

The following table gives details in respect of dues from trade receivables including Retention monies and security deposits.

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Turnover from top Customer	420.48	321.48
Dues from top customer	253.40	239.10
Turnover from other top 4 customers	493.55	249.00
Dues from other top 4 customers	147.63	102.98

Other financial assets

The group maintains exposure in cash and cash equivalents, term deposits with banks held as margin money against guarantees and retention money and security deposits with customers which are to be released on fulfillment of conditions as specified in the work orders.

The group's maximum exposure of credit risk as at March 31, 2020 and March 31, 2019, is the carrying value of each class of financial assets.

B. Foreign currency risk management

a) The group, in addition to its Indian operations, operates outside India through its project centres.

Particulars of Unhedged foreign currency exposures of Indian operations as at Balance sheet date:

Particulars	Currency	As at 31st March, 2020	As at 31st March, 2019
Letter of Credit	USD	12.83	8.73

Since the group has not entered into any forward contracts, there is a risk of foreign currency fluctuations.

b) The Income and expenditure of the foreign projects are denominated in currencies other than Indian Currency. Accordingly the group enjoys natural hedge in respect of its assets and liabilities of foreign projects. The group's unhedged foreign currency exposure in respect of these project centres is limited to the uncovered amount, the particulars of which are given below.

Particulars	As at 31st March, 2020	As at 31st March, 2019
Net Foreign currency exposure in		
USD - US Dollars	12.95	11.93
SAR - Saudi Arabian Riyals	4.28	4.19
AED - Arab Emirates Dirham	10.02	13.17
BDT - Bangladeshi Taka	95.04	19.74
LYD - Libyan Dinars	4.01	4.16
OMR - Oman Riyals	(0.10)	2.78
	126.19	55.96

The unhedged exposures are naturally hedged by future foreign currency earnings and earnings linked to foreign currency.

The uncovered amount is subject to foreign currency fluctuations.

Consolidated notes to the Financial Statements

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

C. Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the group has availed credit limits with banks. The group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2020 and March 31, 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The group regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits

The group is repaying its borrowings as per the schedule of repayment and no amount was pending for remittance beyond its due date.

All the amounts due to trade payables falls due within one year and the group is able to meet its obligations within the due dates.

In case of borrowings from banks, the maturity pattern has been given under Note no. 17.

D. Capital Management

Equity share capital and other equity are considered for the purpose of group's capital management.

The group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the group is based on Management's judgment of its strategic day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The group may take appropriate steps in order to maintain, or is necessary, adjust its capital structure.

Particulars		As at 31st March, 2020	As at 31st March, 2019
Equity	(A)	**959.26**	**827.50**
Short Term Borrowings		425.60	282.24
Long Term Borrowings (including Current maturities of Long term debt)		90.90	97.70
Cash and Cash Equivalents (including other bank balances)		(119.31)	(128.45)
Net Debt	(B)	**397.19**	**251.49**
Total Capital (Equity+Net Debt)		1,356.45	1,078.99
Gearing Ratio	(B/A)	**41.41%**	**30.39%**

Note	Particulars	31.03.2020	31.03.2019
37	**Contingent Liabilities and Commitments**		
A.	**Contingent Liabilities**		
	a) Claims against the Company not acknowledged as debts		
	- VAT	4.75	4.75
B.	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	1.95	11.67

Consolidated notes to the Financial Statements

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

Note	Particulars	31.03.2020	31.03.2019
38	Guarantees given by the Parent Company's bankers and outstanding. The said guarantees were covered by way of pledge of Fixed Deposit receipts with the bankers.	667.03	794.32
39	CIF value of Imports made by the Group during the year		
	a) Consumables & Spare parts	0.18	4.76
	b) Capital goods	3.84	13.17
40	Earnings in foreign exchange currency		
	a) Contract receipts (Projects executed outside India)		
	Abu Dhabi	63.86	42.77
	Bheramara	209.20	53.96
	Kuwait	48.17	52.81
	Libya	0.36	-
	Saudi	2.61	294.70
	Nigeria	111.68	-
	Oman	10.88	59.89
	b) Consideration received on sale of shares		
	In MAS Power Mech Arabia (MASPA)	-	0.72
	c) Consideration received from sale of assets		
	In Shuqaiq	0.49	-
41	Expenditure in foreign currency		
	a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
	Yemen	-	1.67
	Abu Dhabi	72.38	37.78
	Bheramara	155.31	54.65
	Kuwait	49.16	50.49
	Shuqaiq	-	0.02
	Libya	0.01	0.86
	Consultancy Charges Paid	-	0.21
		-	-
	b) Foreign travel	0.06	0.08

42. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
a) Gross amount required to be spent by the parent Company during the year	2.26	1.65
b) Amount spent during the year (Contribution paid to Power Mech Foundation)	0.44	1.38

Consolidated notes to the Financial Statements

43. Enterprises consolidated as Subsidiaries in accordance with Indian Accounting Standard - 110 : Consolidated Financial Statements

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
Hydro Magus Private Limited	India	88.10%
Power Mech Industri Private Limited	India	100.00%
Power Mech Projects Limited LLC	Oman	70.00%
Power Mech BSCPL Consortium Private Limited	India	51.00%
Power Mech SSA Structures Private Limited	India	100.00%
Aashm Avenues Private Limited	India	100.00%
Power Mech Projects (BR) FZE	Nigeria	100.00%
Power Mech Environmental Protection Private Limited	India	100.00%

Enterprises consolidated as Joint ventures in accordance with Indian Accounting Standard - 28 : Investment in Associates and Joint Ventures

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest/Profit sharing
GTA Power Mech NIGERIA Limited	Nigeria	50%
GTA Power Mech DMCC	Dubai	50%
M/s. PMPL- M/s. ACPL JV	India	80%
PMPL-STS JV	India	74%
PMPL-KHILARI Consortium JV	India	75%

Enterprises consolidated as Associates in accordance with Indian Accounting Standard - 28 : Investment in Associates and Joint Ventures

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
MAS Power Mech Arabia (MASPA)	Saudi Arabia	49%

Consolidated notes to the Financial Statements

44. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries, Joint Ventures and Associate.

Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Power Mech Projects Limited	92.37%	886.05	83.58%	111.60
Subsidiaries				
Hydro Magus Private Limited	0.52%	4.98	0.47%	0.64
Power Mech Industri Private Limited	(0.25%)	(2.43)	(0.33%)	(0.44)
Power Mech SSA Structures Private Limited	0.00%	(0.00)	(0.00%)	(0.00)
Aashm Avenues Private Limited	0.00%	(0.00)	(0.00%)	(0.00)
Power Mech BSCPL Consortium Private Limited	0.07%	0.66	(0.12%)	(0.16)
Power Mech Projects Limited LLC	1.23%	11.75	0%	0.26
Power Mech Projects (BR) FZE	2.08%	19.95	15%	20.10
Power Mech Environmental Protection Private Limited	0.00%	(0.00)	(0.00%)	(0.00)
Joint Venture				
M/s. PMPL- M/s. ACPL JV	0.05%	0.52	0.22%	0.29
PMPL-KHILARI Consortium JV	0.02%	0.17	0.06%	0.08
PMPL-STS JV	0.06%	0.57	0.28%	0.38
GTA Power Mech NIGERIA Limited	3.24%	31.18	23.82%	31.79
GTA Power Mech DMCC	(0.01%)	(0.06)	0.00%	0.00
Associate				
MAS Power Mech Arabia (MASPA)	(0.23%)	(2.20)	(23.20%)	(30.97)
Share of Minority	0.85%	8.11	(0.03%)	(0.04)
	100%	**959.26**	**100%**	**133.53**

Consolidated notes to the Financial Statements

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

ANNEXURE-A

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES,JOINT VENTURES AND ASSOCIATES AS PER COMPANIES ACT , 2013

Sr. No.	Name of Subsidiary Company / Joint Venture / Associate	Reporting Currency	Share Capital	Reserves & Surplus	Other Liabilities	Total Assets	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation (OCI)	% of Shareholding
Subsidiaries											
1	Hydro Magus Private Limited	INR	0.21	8.88	28.93	38.02	38.92	0.93	0.27	0.66	0.88%
2	Power Mech Industri Private Limited	INR	0.02	(0.41)	47.82	47.43	21.39	(0.65)	(0.22)	(0.44)	1.00%
3	Power Mech BSCPL Consortium Private Limited	INR	0.01	1.30	87.17	88.48	20.33	(0.35)	-	(0.35)	0.51%
4	Power Mech SSA Structures Private Limited	INR	0.10	(0.00)	2.21	2.31	-	(0.00)	-	(0.00)	1.00%
5	Aashm Avenues Private Limited	INR	0.10	(0.00)	0.05	0.15	-	(0.00)	-	(0.00)	1.00%
6	Power Mech Environmental Protection Private Limited	INR	0.01	(0.00)	0.00	0.01	-	(0.00)		(0.00)	1.00%
7	Power Mech Projects (BR) FZE	NGN	3.60	103.18	218.98	325.77	578.86	103.91	-	103.91	1.00%
8	Power Mech Projects Limited LLC	Oman Rials	0.03	0.08	0.06	0.17	0.06	(0.01)		(0.01)	0.70%
Joint ventures											
1	M/s. PMPL - M/s. ACPL JV (Capital introduced Nil)	INR	0.00	0.67	28.66	29.33	56.53	0.54	0.18	0.36	80%
2	PMPL-STS JV (Capital introduced Nil)	INR	0.00	0.77	63.55	64.32	104.07	0.78	0.27	0.51	74%
3	PMPL-KHILARI Consortium JV (Capital introduced Nil)	INR	0.00	0.23	8.25	8.48	18.26	0.16	0.11	0.06	75%
4	GTA Power Mech NIGERIA Limited	NGN	3.00	321.66	565.49	890.15	1,021.22	328.71	-	328.71	50%
5	GTA Power Mech DMCC	AED	0.01	(0.01)	0.05	0.05	0.06	0.00	-	0.00	50%
Associates											
1	MAS Power Mech Arabia (MASPA)	SAR	0.25	0.09	4.11	4.45	1.95	(3.15)	-	(3.15)	49%

Consolidated notes to the Financial Statements

45. Particulars disclosed pursuant to AS-18 "Related party transactions"

A)	i) Key Managerial personnel	- S. Kishore Babu, Chairman and Managing director of Power Mech Projects Limited - Arbind Kumar Koul, Managing Director and CEO of Hydro Magus Private Limited - K Ajay Kumar, Managing director of Power Mech Industri Private Limited
	ii) Relatives of Key Managerial personnel	- S. Lakshmi – 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
i) Rent & Electricity Charges Paid				
a)	S. Kishore Babu	0.20		
		(0.20)		
b)	S. Lakshmi		0.07	
			(0.07)	
c)	S. Kishore Babu (HUF)		0.08	
			(0.08)	
d)	S. Rohit		0.12	
			(0.11)	
e)	Power Mech Infra Limited			1.87
				(2.01)
ii) Remuneration Paid				
a)	S. Kishore Babu	5.25		
		(8.04)		
b)	S. Rohit		0.35	
			(0.16)	
c)	Arbind kumar koul	-		
		(0.33)		
d)	Ajay Kumar	0.03		
		(0.02)		
iii) Sub-Contract Expenses Paid				
a)	Power Mech Infra Limited			-
				(0.48)
iv) Assets & Stores Material Purchase From				
a)	Power Mech Infra Limited			-
				(9.52)

Consolidated notes to the Financial Statements

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/ Relatives of KMP
v) Contract receipts from sale of services				
a)	Power Mech Infra Limited			0.18
				-
vi) Donations paid				
a)	Power Mech Foundation			0.44
				(1.38)

C) Balances outstanding as on 31.03.2020

i)	Due to Power Mech Infra Limited			0.54
				(0.68)
	Rental Deposit with Power Mech Infra Limited			0.89
				(0.89)
	Due from Power Mech Foundation			0.07
				(0.12)
ii)	Remuneration Payable			
	S. Kishore Babu	0.57		
		(2.63)		
	Arbind kumar koul	0.23		
		(0.27)		
	Ajay Kumar	0.00		
		(0.00)		
iii)	Rent Payable			
	S. Kishore Babu	0.06		
		(0.03)		
	S. Lakshmi		0.02	
			(0.01)	
	S. Kishore Babu (HUF)		0.03	
			(0.01)	
	S. Rohit		0.03	
			(0.01)	

46. In the opinion of the management, current assets, loans and advances have a value on realization in the ordinary course of business equal to the value at which they are stated. Balances in some of the parties account are subject to confirmation and reconciliation.

47. The group has claimed an amount of ₹2.35 Cr (As on 31.03.2019 ₹7.16 Cr) being the Works contract tax deducted by the customers under local sales tax laws and outstanding as on 31.03.20 in respect of works carried out in some of the states. The group's management is of opinion that there is no sales tax liability in respect of the said works carried out and hence claimed as refund due and grouped under other current assets . Sales tax liability, if any has arisen, on completion of assessments will be charged to Profit and Loss account.

Consolidated notes to the Financial Statements

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

48. SEGMENT REPORTING

Business Segment : The group prodominently operates only in construction and maintenance activities. This in the context of Accounting standard-108 "Operating Segments" is considered to constitute only one business segment.

Geographical Segment: The group has operations within India and outside India and the Segment information is presented in consolidated financial statements as mentioned in para 4 of AS -108.

Geographical Segment	Revenue for the year 2019-20	Segment Assets as on 31.03.2020	Captial Expenditure for the year 2019-20
With in India	1,717.93	1,995.16	16.54
(Previous year)	(1,756.42)	(1,707.98)	(39.17)
Outside India	446.75	344.19	12.62
(Previous year)	(504.88)	(218.92)	(11.19)

49. CALCULATION OF EARNINGS PER SHARE

Sl. No	Particulars	2019-20	2018-19
1)	**Basic and Diluted Earning per share**		
	No. of shares at the beginning of the year	1,47,10,764	1,47,10,764
	Weighted average number of shares	1,47,10,764	1,47,10,764
	Face value per share (in ₹)	10	10
	Profit after tax attributable to equity share holders and after minority interest	131.26	121.62
	Basic and Diluted Earning per share	89.23	82.67

50. LEASES

The Company has adopted Ind AS 116 'Leases' effective April 1, 2019 and applied the Standard to its leases. Ind AS 116 replaces Ind AS 17 - Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, Right-of-use assets at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to the lease liability (adjusted for any prepayments/accruals). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring lease liability. In respect of leases, previously classified as finance leases, the right-of-use asset was measured at the carrying amounts of the related finance lease asset and re-classified.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

Accordingly, on transition to Ind AS 116, the Company recognised right-of-use assets amounting to ₹11.40 Cr (including previously classified as finance lease) and a lease liability of ₹ 8.65 Cr.

Particulars	As at 31st March, 2020
(i) **The following is the breakup of current and non-current lease liabilities**	
Current liabilities	2.43
Non-current liabilities	4.54
Total	**6.97**

Consolidated notes to the Financial Statements

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

Particulars	As at 31st March, 2020
(ii) The following is the movement of lease liabilities during the year ended March 31, 2020	
Balance at the Transition date	8.65
Additions during the year	-
Finance cost accrued during the year	0.75
Payment of lease liabilities	(2.43)
Balance at the end	6.97
(iii) Maturity analysis of lease liabilities	
Less than one year	2.43
One to five years	4.54
More than five years	-
Total	**6.97**

(iv) The impact of change in accounting policy on account of adoption of Ind AS 116 is as follows

Particulars	For the year ended March 31, 2020
Interest on lease liabilities (Refer Note 29)	0.75
Depreciation of Right-of-use assets (Refer Note 4.2)	2.21
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	2.43

(v) The impact on the profit for the year is not material.

51. Disclosure pursuant to Ind AS 115 "Revenue from contracts with customers"

a) Movement in expected credit losses:

Particulars	Retention money & security deposits with customers	Advances given to sub contractors against works
Opening balance as at 01.04.2019	2.15	1.22
Changes in allowance for expected credit loss		
- Provision for expected credit loss	3.72	-
- Reversal of Provision for expected credit loss	-	-
Write off as baddebts	-	-
Closing balance as at 31.03.2020	**5.87**	**1.22**

b) Movement in contract balances:

Particulars	31.03.2020	31.03.2019	Net Increase / (Decrease)
Contract Receivables			
Dues from customers	541.71	389.15	152.57
Contract assets			
Retention & SD amounts due from customers	308.67	315.66	(6.99)

Consolidated notes to the Financial Statements

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

Particulars	31.03.2020	31.03.2019	Net Increase / (Decrease)
Contract payables			
Due to Sub Contractors	325.84	282.12	43.72
Contract Liabilities			
Retention & SD amount due to Sub Contractors	90.85	85.97	4.88

c) **Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price:**
There is no difference in the contract price negotiated and the revenue recognized in the statement of profit and loss for the current year. There is no significant revenue recongnized in the current year from performance obligations satisfied in the previous periods .

d) **Performance obiligation :**
The transaction price allocated to the remaining performance obligations is ₹4,575 Cr which will be recognized as revenue over the respective project durations. Generally the project duration of contracts with customers will be 1-5 years.

52. The Ministry of Home Affairs vide order no. 40-3/2020-DM-I(A) dated March 24, 2020 announced a nationwide lockdown as a measure to contain the spread of COVID-19 which was declared a global pandemic by the World Health Organisation. Owing to the lockdown, the operations of the Company were impacted due to shutting down of all plants and offices. The Company has resumed operations in a phased manner as per directives issued by the Government and is closely monitoring the impact of the pandemic on all aspects of its business. The Company is taking appropriate measures to ensure the safety and well-being of all its employees and ensuring full compliance with the directives issued by the Government in this regard.

The Management has exercised due care, in concluding on significant accounting judgements and estimates, interalia, recoverability of assets, receivables and uncertified revenues based on the information available to date, both internal and external, to the extent relevant, while preparing these financial statements as of and for the year ended March 31, 2020. Based on the assessment of current indicators of future economic conditions, the Management does not envisage any significant impact on its financial statements as on March 31, 2020. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration, and accordingly, the eventual outcome may be different from those estimated as on the date of approval of these financial statements.

53. Previous year figures have been regrouped wherever necessary to conform to current year classification.

As per our report of even date

For K S RAO & CO
Chartered Accountants
Firm Registration Number: 003109S

Sd/-
(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528

Place: Camp: Hyderabad
Date: 27.06.2020
UDIN:20235528AAAABU8756

For and on behalf of the Board

Sd/-
S. Kishore Babu
Chairman and Managing Director
DIN (00971313)

Sd/-
J Satish
CFO

POWER MECH

Growth Unlimited

POWER MECH PROJECTS LIMITED

CIN: L74140TG1999PLC032156

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