



POWER MECH PROJECTS LTD

Growth Unlimited





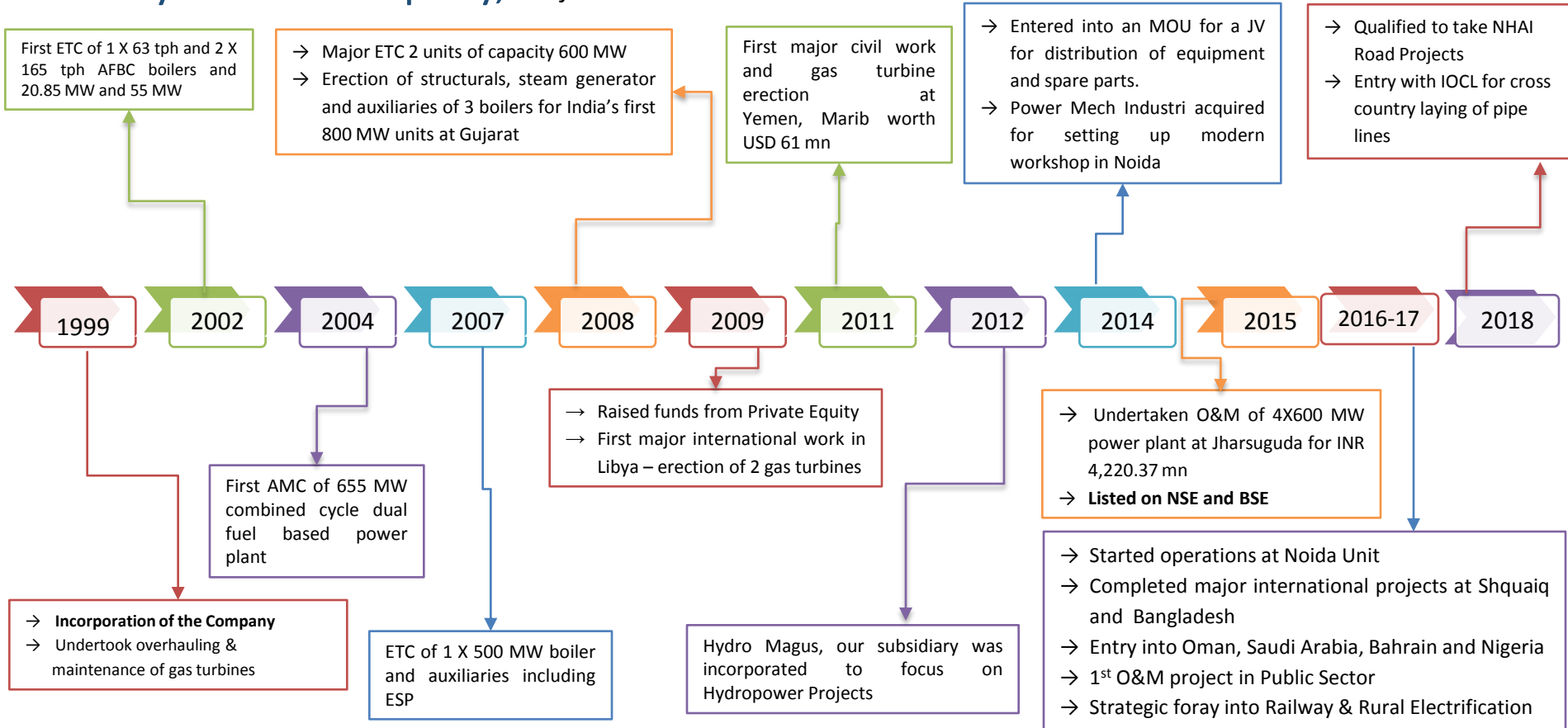
Disclaimer

Safe Harbor Statement

- The information contained herein has been prepared to assist prospective investors in making their own evaluation of Power Mech Projects Limited (hereinafter ‘the company’) and does not purport to be all-inclusive or to contain all of the information a prospective or existing investor may desire.
- This Information may include certain statements and estimates provided by the company with respect to the projected future performance of the company. Such statements, estimates and projections reflect various assumptions by management concerning possible anticipated results, which assumptions may or may not be correct.
- Prospective investors will be expected to have conducted their own due diligence investigation regarding these and all other matters pertinent to investment in the company.
- This presentation may contain statements that are “forward looking statements.” The company’s actual future results may differ materially from those suggested by such statements, depending on various factors for which the company and its management does not take any responsibility.



Journey of the Company, Major milestones and achievements



Expanding Horizons.....

.....Broadening Capabilities

Presently
operates
Pan-India, Middle
East, South Asia
and Africa.





Established Track Record

Integrated power infrastructure services

Track record of ~18 years

- **Established a track record of successfully executing ETC-BTG and BOP contracts** for large power projects
- Engaged on **ETC-BTG projects** for the **first two ultra-mega power projects (UMPPs) (Mundra & Sasan)** as well as for 17 super-critical power projects in India
- These include up to 800 MW unit capacity super-critical projects
- Carried out **the overhauling of a super-critical 660 MW turbine** and providing AMC services for an ultra-mega power project (UMPP)
- In addition to our operations in India, we have also executed various **international power projects in the Middle East, North Africa, South Asia and South America.**

2,19,232

MT of aggregate tonnage of the erection works executed by us in fiscal 2017

49,828

MW, the aggregate unit capacity of the AMCs we are engaged in

57,510

MW, engaged on ETC-BTG and BOP Works when the thermal power plant capacity addition in India was 1,36,534 MW during fiscal 2007 through FY17

520

Number of O&M contracts that we have been engaged in, since the commencement of the O&M business in 1999

300

Number of Cranes, ranging from 10 tonne to 300 tonne in capacity enabling the Company to quickly and effectively mobilize project works

39

Number of AMC services for power plants across India

17

Number of super critical power projects where we executed ETC-BTG projects

2

We executed ETC-BTG for both first 2 UMPPs in India



Business Segments

Service presence across key areas



Erection, Testing & Commissioning - BTG & BOP



Operation & Maintenance



Civil & Architecture



Manufacturing Facility

**Ultra Mega, Super Critical, Sub
Critical & Combined Cycle Power
Projects**

- Steam generators & auxiliaries
- Steam Turbine Generators & TG Auxiliaries
- Critical Piping, LP & HP Piping
- ESP, Ducts, FGD & SCR, etc
- Coal Handling Plant
- Cooling Water System

- Coal Handling Plant
- Cooling Water System
- Overhauling and Maintenance of Boiler, Turbine & Auxiliaries
- R&M of BTG, GTG
- Repair, Modification and Rehabilitation of Boiler
- Revival and Life Extension, etc
- Trouble Shooting
- Upgrade & Retrofits
- Rebuilds & Plant Relocation

- Foundation, Decks & Plant Buildings
- Chimney
- Cooling Towers
- Geothermal Soil Exploration
- Mass Excavation and Area Grading
- Land Development
- Bored Cast and Driven Cast Piping, etc.

- Fabrication of Heavy Structures, Large & High Pressure Tanks, Heavy Trusses, Ducts, Pipes etc
- Repair of Steam & Hydro Turbines
- Tie-up with Major OEM Companies for authorized production of critical and general spares, etc



Business Segments

Service presence across key areas



Hydro Power Project Services

- Supply and construction of Hydro power plants on ETC basis
- Renovation and modernization
- After sales services, spares management, RLA Study, LTSA, AMC and O&M of existing Hydro Plants
- Trouble shooting of chronic problems by providing definite value added technical solutions in Electromechanical and Hydro-mechanical fields



Railways

- Earth Work in Formation
- Permanent Way – EWE
- Permanent Way Linking Works
- Minor & Major Bridges
- Staff Quarters
- OHE, S&T, Track Linking etc



Transmission & Distribution

- Construction of Transmission of Lines
- Extra High Voltage Substation Works
- Construction of 33/11 Kv Substations
- Strengthening of existing Substations
- Construction of 33 Kv & 11 Kv Lines



Oil & Gas, Steel, Cement & Process Plants

- Industrial Drives & Auxiliaries
- Civil & Architectural
- Structural Fabrication & Erection
- LP & Cooling Water Piping
- Oil Handling System Storage Tanks



Company Strengths

Successful track record of 18 years

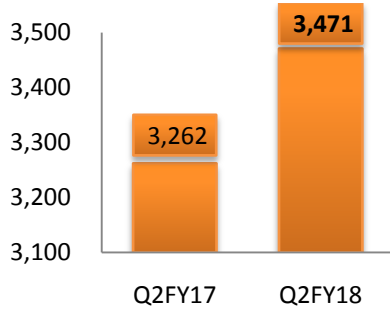
- Comprehensive service provider in Power Sector
- Largest service provider in O&M space
- Well diversified business profile with stable revenue generating higher margins
- Robust Financial
- Huge Asset Base with over 300 Cranes and Heavy equipments
- Large talent with Highly Experienced Management Team with strong industry background
- Strong execution capabilities across verticals
- Marquee clientele: Long-term relationships with major OEM, EPC players and Utility companies
- Project handling capability across the globe
- Qualified Independent Board & Good Corporate Governance



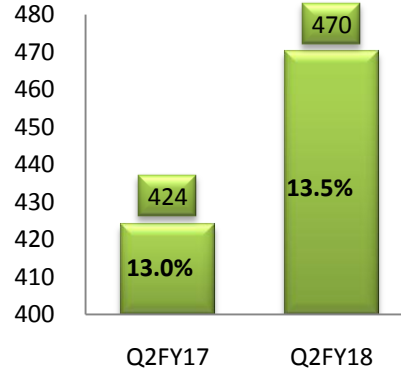
Q2 & H1 FY18 – YoY Consolidated Financial Performance

INR in million

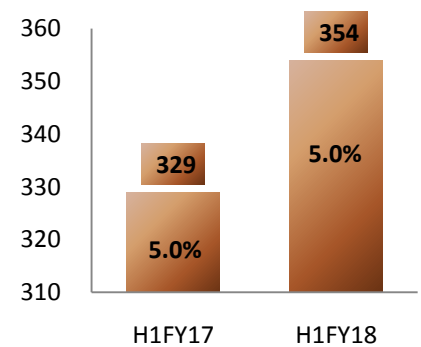
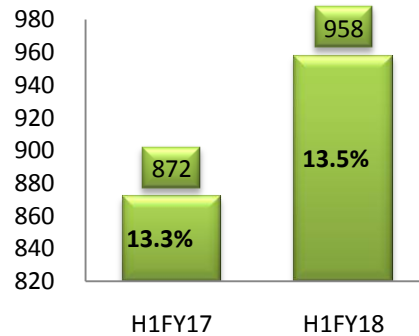
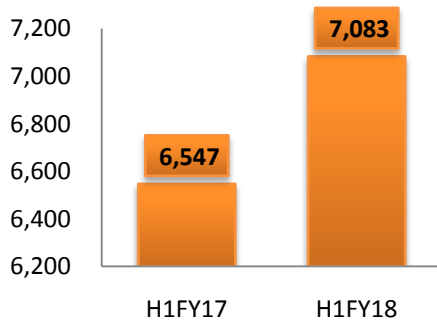
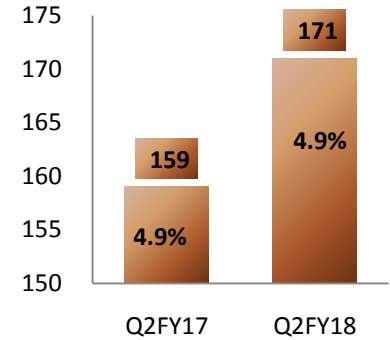
Revenue



EBIDTA



PAT

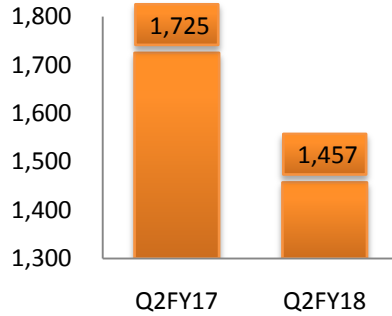




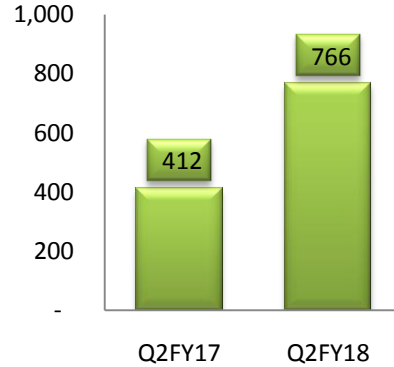
Q2 & H1 FY18 – YoY Consolidated Segmental Performance

INR in million

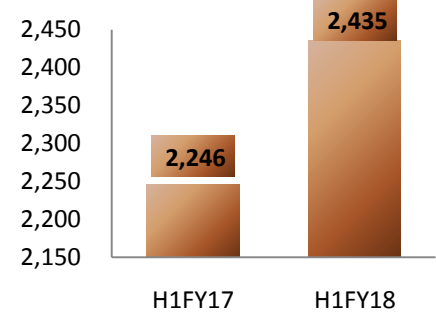
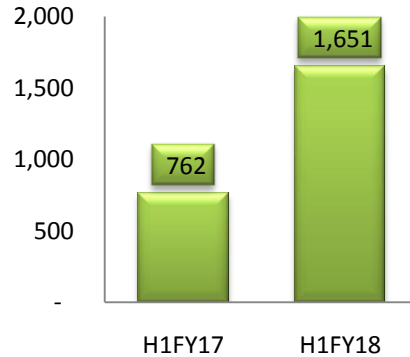
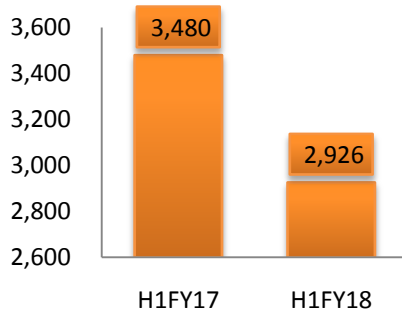
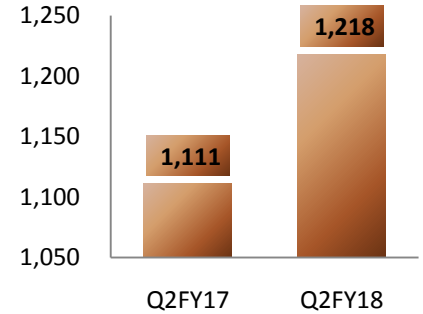
ETC



Civil & Other Works



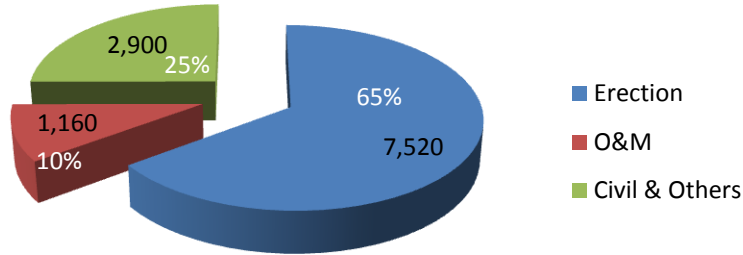
O&M



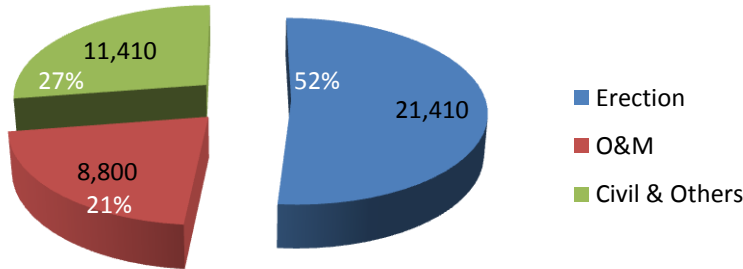


Consolidated Order Book

Order Inflow during FY 18 Rs. 11,580 Mn



Order back log as on Nov 2017 is Rs 41,620 Mn *



*Works executed post Sep 2017 not considered

INR in million

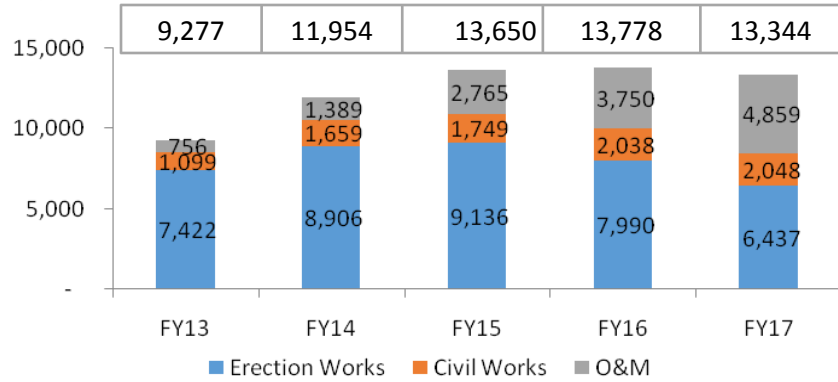
Segment	Key projects received during FY 18	Location	Value Mn
ETC	Erection services of STG and its auxiliaries for Hardaugunj Thermal Power Projects	Aligarh, UP	250
Civil Works	All civil and Architectural works required for Coal Handling Plant and BOP Building	Kothagudem, Telangana	1,250
T&D	Supply of Goods and services for tower package – TW 02	Assam	350
	Substation Package- NAG-SS-04	Nagaland	510
	Substation Package- NAG-SS-04	Nagaland	480
International	Installation works of HRSG, CENTER LINE (STG & GTG)	Bahrain	1,330
	Piping civil Electrical and I & C	Nigeria	4,910



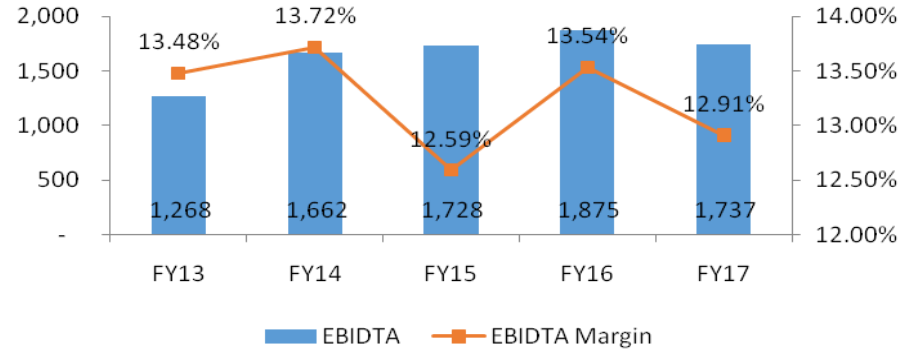
FY17 Financial Performance (consolidated)

INR in million

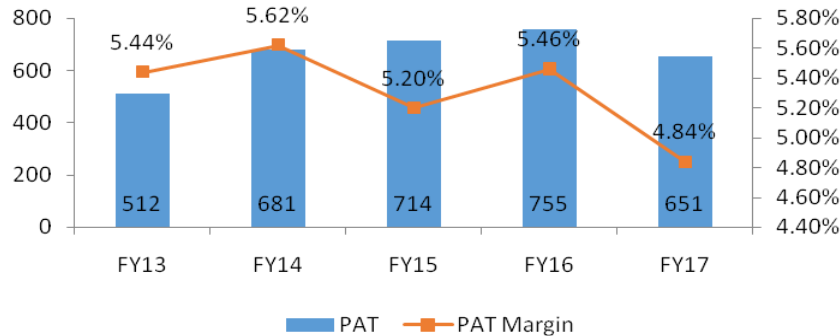
Contract Revenue



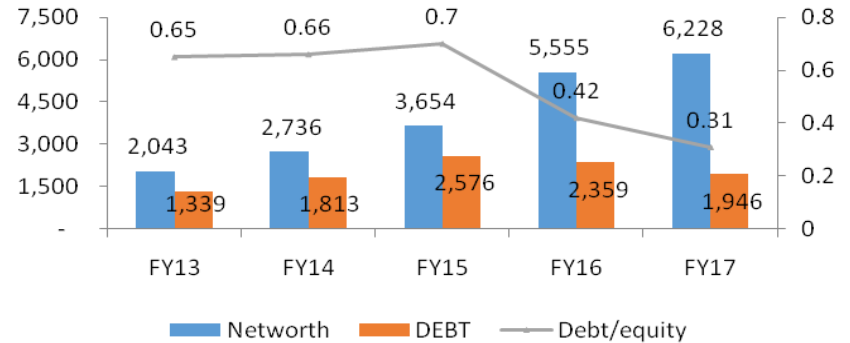
EBITDA Margins continue to remain healthy....



Profit After Tax



Healthy debt equity ratio provides significant headroom for growth

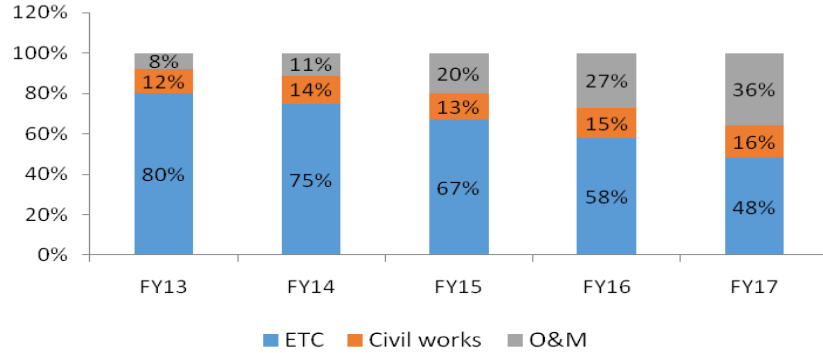




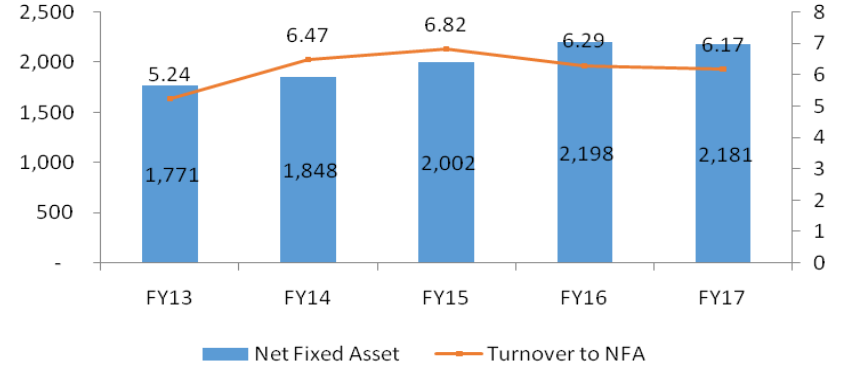
FY17 Financial Performance (consolidated)

INR in million

Revenue mix shift towards high-margin O&M services segment

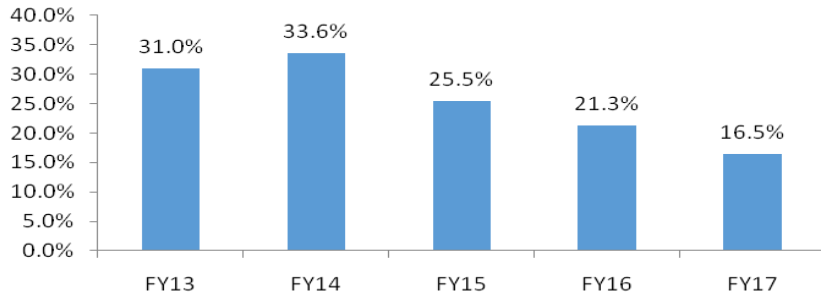


High Asset Turnover ... testament to higher efficiency

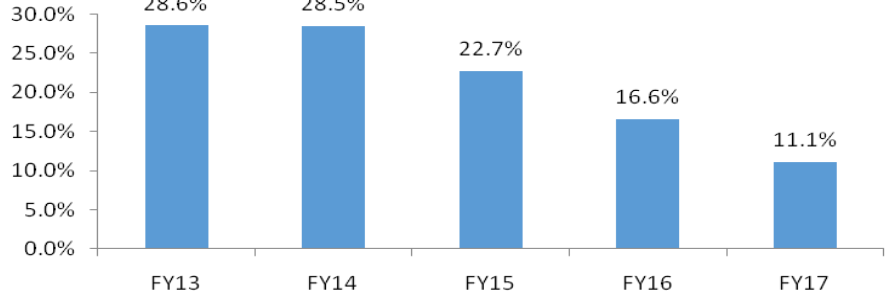


Healthy debt equity ratio provides significant headroom for growth

Return on Capital Employed



Return on Network





Business Strategy

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

Offer comprehensive O&M solutions to the power sector

- We believe that there is **significant potential for backward integration in our operations**
- We intend to **improve our engineering, machining and repair facilities** for general engineering components and non-critical equipment used in power projects including spare parts
- We have set up **a large heavy engineering facility** at Noida for non-critical equipment and spare parts
- Focus on potential projects and service offerings including longer term O&M contracts where we believe we can be competitive and improve profitability

Expand our International Business

- Increase our operations internationally, particularly in the Middle East, North Africa and South Asia
- To focus on identifying opportunities to bid and win international projects including through strategic partnerships both in erection & O&M business

Working on advanced project execution methodologies & improve cash flow

- Enhance our construction and related capabilities in order to provide effective and comprehensive solutions
- Further strengthening our technical capabilities and know how will also enable us to provide a wider service offering
- continue to evaluate opportunities to acquire and implement advanced engineering technology capabilities through strategic partnerships and acquisitions
- Improve the cash flow of the company by early realization of final bills & by change in revenue mix

New Developments

- Deliberate with international players to collaborate in order to capture the business opportunities in **Flue-gas desulfurization (FGD) and DeNOx projects for thermal power plants** in India
- Focus on **Petro Chemicals, Piping & Electrical** work projects where the company can exploit its expertise
- Exploring new opportunities in non-power infra sector on selective basis including **Railway, T&D, Roads & Other Industrial Services** business



Expanding Services Footprint



International Erection & O&M Operations

- Having diversification on one hand, the Company is searching for opportunities in overseas projects which is very promising and encouraging. The Company's strong presence in all divisions of a power project, gives an edge in undertaking overseas projects successfully
- The Company has proved its capability by merit with successful execution and completion of some prestigious projects in Middle East, Asian and African countries, including Saudi Arabia, Bahrain, Dubai, Abu Dhabi, Oman, Bangladesh, Nepal, Libya, Nigeria, CIS countries etc.



Flue-gas desulfurization (FGD) and DeNOx

- As per the schedule of the Government of India, 10,000 MW to be installed by year 2020 and the balance 1,12,000 MW have to be completed by year 2024
- Power Mech experience in completing the First FGD system of GE Technology at Vindhaychal Project, 500MW will help taking more future projects



Rehab and Reconstruction

- Estimated that Rs 20,000 Cr to Rs 30,000 Cr worth of investments are planned from year 2017 to year 2022 for the up gradation and modernization of plants with age of 15 to 25 years and more
- Power Mech has gained experience in the Rehab business being partner with Doosan for the 200 MW Bandel plant up gradation



Oil & Gas Sector

- Substantial growth is expected in this sector particularly in the refining sector where the installed base of 230M MT is expected to enhanced to 320M MT by 2013-31 by of brown field refineries augmenting the capacities and also few Green field refineries
- The construction scope of the business is expected to be in the range of Rs 3,000-4,000 Cr per year
- Power Mech has similar strong execution presence by executing projects at Jamnagar Refinery J3 expansion from RIL, Paradeep Refinery & MRPL from BHEL, OPAL promoted by ONGC and also RIL's Petrochemical complex at Dahej



Steel Sector

- With installed capacity of 120 M MT, the Government of India plans are to expand this capacity to 300M MT by year 2030
- Power Mech has already forayed into this segment with carrying out works for 3 MT expansion works at Nagarnar, Blast Furnace area of site structural and equipment installation , Angul for JSPL



Transmission & Distribution

- The Indian government planning to tender out transmission & distribution projects worth Rs 1 lakh crore and given the huge untapped potential in state-level & national level
- Power Mech has already made an entry into this sector & will be very selective and conservative in bidding for the future projects in this sector in terms of location, margins etc



Railway

- Indian Railways, being the life line of the nation, has an extremely critical role to ensure the sustainable economic development of the country. Government of India has conceived a massive investment plan for rail sector to eliminate capacity bottlenecks on Golden Quadrilateral and Diagonals to provide strategic rail communication links to ports, construction of mega bridges for improving communication to the hinterland and development of multi-modal transport corridors
- Power Mech is extremely profound of its splendid performance in the execution of the contract grabbed from RVNL Limited for doubling of railway lines from Gudivada to Machilipatnam ranging from 0.00 to 36.74 KMs & this exemplary performance will boost assertiveness in the management to grab new opportunities in this sector



Established Relationships with Clients

Long term relationships with various public sector and private sector clients in India & Abroad





Board of Directors



Sajja Kishore Babu, CMD

Founder of the company holds bachelor's degree in Mechanical Engineering. He has three decades of experience in power and infra sector. He is an able administrator and Dynamic Leader, and he also serves the board of subsidiary & JVs



Sutanu Behuria, Independent Director

Masters and Doctorate in Economics, a former Indian Administrative Service (IAS) officer, 1976 batch, had career spanning 38 years before he retired as Secretary, GoI



N. Bhupesh Chowdary, Wholetime Director & CEO

He graduated in Industrial and Production Engineering. He has almost 25 years of Industrial and Business Development experience in variety of sectors and worked with some of the largest conglomerate companies in India and Abroad



T. Sankaralingam, Independent Director

B.E(Elec), around 40 years of experience in the power sector, served as CMD of NTPC and MD of BGR Energy in the past. Also worked at BHEL



Sajja Lakshmi, Non Executive Director

She is a science graduate and holds place in HR management of the company & also member of CSR committee of the company. She is interested in social service activities offering her time and energy Enthusiastically.



GDV Prasada Rao, Independent Director

M.E(Chem), retired as a GM in Andhra Bank after ~28 years, currently VP of HEAL, an NGO working with orphans & poor children



M Rajiv Kumar, Non Executive Director

Graduate in electrical engineering, he spent his entire career of 38 years in BHEL, rising to the level of Executive Director, Power Sector, Eastern Region



Vivek Paranjpe, Independent Director

B. Sc (Honors), post graduated from XLRI, over 40 years of experience, served as Group President of RIL. Currently Strategic HR advisor to RIL and Independent Director, Motilal Oswal Fin. Services



Professional and Experienced Management Team



M. Rajendran, COO

Degree in Civil Engineering. He has more than 32 years of experience in construction engineering. Previously he was associated with BHEL and Sunil Hi-Tech Private Limited



Arbind Koul, MD Hydro Magus P.Ltd

38 years of experience in installing, maintaining, and repairing Hydro Generators and Hydro Turbines. Previously he was associated with BHEL and BC Hydro British Columbia, Canada



Shishir Kumar, Executive Director- IO

M.E (M.Sc), B.E Mechanical. He has more than 27 years of experience in power sector including international operation. Previously he was associated with BHEL



K Ajay Kumar, VP – O&M

BE Mechanical, he has more than 19 years of experience in Operation & Maintenance, Business Development, Previously he was associated with M/s Indwell Constructions Limited



Sunil Mahto, VP SMX

He has more than 30 years of experience in construction engineering. Previously he was associated with Larsen & Toubro & Mecon Limited



Janardhan Kar, Director O&M

Rich experience of more than 30 years in the field of Power Sector. Previously he was associated with NTPC & Chattisgarh State Power Generation Co.



G. Srinivasulu – Executive Director (Corp. Affairs)

B.E. (Mech) and has more than two decades of rich experience in the Power Sector dealing in Project & Construction Management, Erection & Commissioning



Anantha Reddy, VP- T&D

B.E.E. (AMIE) Kolkatta & Diploma in Electrical Engineering. 25 Years of Experience in Business Development, Project Management, Administration, Contract Management and Site Execution of T&D



J. Satish, CFO

MBA, Chartered Accountant by Profession. He has got more than 18 years of experience in the field of Finance & Accounts. He has worked with some of the reputed companies i.e. PWC, Deloitte, Kerzner International, Indu Projects & Emaar



Tanaji Dnyanu Shinde, VP SMX IO

He has very vast experience of more than three decades in Power Industry. He has started his career with Thermax Limited and worked for more than 22 years



Financial Snapshot | Consolidated Income Statement & Balance Sheet

INR in million

Income Statement (Consolidated)

Particulars	FY13	FY14	FY15	FY16*	FY17*	H1 FY18*
Revenue from operations	9,357.95	12,002.71	13,662.23	13,782.13	13,382.02	7,035.64
Other Income	46.17	108.12	57.61	55.39	77.02	47.46
	9,404.12	12,110.83	13,719.84	13,837.52	13,459.04	7,083.10
Cost of materials	646.77	790.15	770.04	1,144.77	1244.54	683.50
Change in inventories	1.24	-12.91	7.58	4.60	-28.96	20.40
Contract execution exp.	6,722.92	8,434.09	9,800.15	8,988.66	7,927.65	3,943.20
Personnel Cost	668.31	1,091.89	1,201.76	1,549.28	2265.28	1,295.94
Other expenses	96.84	145.74	212.69	275.28	313.24	182.49
Sub-total	8,136.10	10,449.00	11,992.20	11,962.59	11,721.75	6,125.53
EBIDTA	1,268.04	1,661.87	1,727.62	1,874.93	1,737.29	957.57
Finance costs	167.92	266.14	294.3	329.44	329.26	162.85
Depreciation and amort.	335.80	328.40	367.80	390.03	410.34	211.42
Share of profit from JV's	-	-	-	2.77	5.56	(0.50)
PBT	764.32	1,067.33	1,065.53	1,158.23	1003.25	582.80
PAT (with OCI & before MI)	-	-	715.75	756.54	650.59	408.62
Minority Interest	-	1.04	1.71	1.90	-0.25	54.55
Restated PAT (after MI)	511.66	680.95	714.04	754.64	650.84	354.07
PAT Margin	5.44%	5.62%	5.20%	5.46%	4.84%	5.00%

Balance Sheet (Consolidated)

Particulars	FY13	FY14	FY15	FY16*	FY17*	H1 FY18*
Assets						
Fixed Assets	1,699.01	1,780.63	1,832.14	1,977.84	2,064.73	2,094.72
CWIP (incl. unallocated capex)	72.27	67.85	170.33	219.96	119.29	69.09
Non-current investments	0.15	0.16	0.20	0.20	9.10	19.68
Other Non Current Assets	981.42	1,730.63	1,643.23	1,872.09	1,935.79	2,061.42
Total Current Assets	4,333.33	5,292.26	6,158.01	8,305.20	8,693.89	10,113.73
Less: Current Liab. & Prov.	4,432.26	5,533.75	5,876.40	6,342.87	6,267.48	7,092.39
Net Current Assets	(98.93)	(241.49)	281.61	1,962.33	2,426.41	3,021.34
Cash & bank	567.22	688.42	678.29	685.69	804.69	783.45
Total	3,221.14	4,026.20	4,605.80	6,718.11	7,359.91	8,049.70
Liabilities						
Long Term Borrowings	280.40	274.19	365.75	213.54	154.97	230.17
Deferred Tax Liabilities	68.06	78.37	47.21	42.22	21.47	1.47
Other Non Current Liabilities	829.01	936.04	643.18	909.58	949.84	1,176.15
Minority Interest	0.49	1.53	2.49	4.39	21.09	85.30
Shareholder's Fund	2,043.18	2,736.07	3,547.17	5,548.38	6,212.54	6,556.60
Total	3,221.14	4,026.20	4,605.80	6,718.11	7,359.91	8,049.70

* Restated as per IND-AS reporting format



Thank You

For investor queries, please contact:
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Email: cs@powermech.net