IMPORTANT NOTICE
NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

THIS OFFERING OF THE SECURITIES DESCRIBED IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER REGULATION 2(1)(SS) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").

IMPORTANT: This e-mail is intended for the named recipient(s) only. If you are not an intended recipient, please delete this e-mail from your system immediately. You must read the following before continuing. The following applies to the pre-numbered preliminary placement document of Power Mech Projects Limited (the "**Company**"), dated October 18, 2023, in relation to the proposed qualified institutions placement of equity shares of face value ₹10 each ("**Equity Shares**") by the Company filed with BSE Limited and National Stock Exchange of India Limited (the "**Stock Exchanges**") (such document, the "**Preliminary Placement Document**") attached to this e-mail, and you are therefore advised to read this carefully before reading, accessing or making any other use of the attached Preliminary Placement Document. In accessing the Preliminary Placement Document, you agree to be bound by the following terms and conditions, including any modifications to them, from time to time, each time you receive any information from us as a result of such access. The information in the Preliminary Placement Document is subject to completion, revision, verification, amendment and change without notice. IIFL Securities Limited (together, the "**Lead Manager**") nor any person who controls the Lead Manager nor any of their affiliates, directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the attached Preliminary Placement Document or their respective contents or otherwise arising in connection therewith. **You acknowledge that the Preliminary Placement Document is intended for use by you only and you agree not to forward it to any other person, internal or external to your company, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person.**

INVESTING IN THE EQUITY SHARES DESCRIBED IN THE PRELIMINARY PLACEMENT DOCUMENT INVOLVES RISKS AND YOU SHOULD NOT INVEST ANY FUNDS IN THE EQUITY SHARES, UNLESS YOU ARE PREPARED TO RISK LOSING ALL OR PART OF YOUR INVESTMENT. YOU ARE ADVISED TO CAREFULLY READ THE SECTION TITLED "RISK FACTORS" AS WELL AS INFORMATION CONTAINED ELSEWHERE IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT BEFORE MAKING AN INVESTMENT DECISION.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (**THE** "**SECURITIES ACT**") OR ANY OTHER APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE EQUITY SHARES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN COMPLIANCE WITH, REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES OCCUR. FOR A DESCRIPTION OF THE SELLING RESTRICTIONS IN CERTAIN OTHER JURISDICTIONS, SEE "SELLING RESTRICTIONS" IN THE PRELIMINARY PLACEMENT DOCUMENT. THE EQUITY SHARES ARE TRANSFERABLE ONLY IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED IN "TRANSFER RESTRICTIONS" OF THE PRELIMINARY PLACEMENT DOCUMENT.

THE ATTACHED PRE-NUMBERED PRELIMINARY PLACEMENT DOCUMENT MAY NOT BE FORWARDED, DOWNLOADED, DELIVERED OR DISTRIBUTED, IN WHOLE OR IN PART, ELECTRONICALLY OR OTHERWISE TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY PERSON IN THE UNITED STATES OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE EQUITY SHARES DESCRIBED IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT.

The Issue and the distribution of the Preliminary Placement Document is being done in reliance on Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, each as amended ("**Companies Act**"). The Preliminary Placement Document is personal to each prospective investor and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors, other than Eligible QIBs.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. YOU ARE REMINDED THAT YOU HAVE ACCESSED THE PRELIMINARY PLACEMENT DOCUMENT ON THE BASIS THAT YOU ARE A PERSON INTO WHOSE POSSESSION THE DOCUMENTS MAY BE LAWFULLY DELIVERED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH YOU ARE LOCATED.

Confirmation of your Representation: You are accessing the attached Preliminary Placement Document on the basis that you have confirmed your representation, agreement and acknowledgement to the effect that: (1) (i) the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States (including its territories or possessions, any state of the United States and the District of Columbia) and to the extent that you purchase the securities described in the attached Preliminary Placement Document, you will be doing so pursuant to Regulation S in "offshore transactions" (as defined in Regulation S); (2) the securities offered hereby have not been registered under the Securities Act; (3) that you consent to delivery of the attached Preliminary Placement Document and any amendments or supplements thereto by electronic transmission; (4) you are the intended recipient of the attached Preliminary Placement Document and are a "Qualified Institutional Buyer" as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not restricted from participating in the offering under the SEBI ICDR Regulations and other applicable laws including FEMA and not excluded pursuant to Regulations 179(2)(b) of the SEBI ICDR Regulations and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and (ii) undertake to comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations, if any; (5) you are eligible to invest in India under applicable law, including the FEMA Rules, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India; (6) either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution; (7) you are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in the attached Preliminary Placement Document), and will honour such obligations; (8) you agree and acknowledge that if you are allotted more than 5% of the equity shares in the Issue, the Company shall be required to disclose your name and the number of equity shares allotted to you to the Stock Exchanges, and they will make the same available on their website and you consent to such disclosures; and (9) that you consent to delivery of the attached Preliminary Placement Document and any amendments or supplements thereto by electronic transmission.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the Lead Manager to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute "directed selling efforts" (as defined in Regulation S) in the United States or elsewhere. You are reminded that the attached Preliminary Placement Document has been delivered to you on the basis that you are a person into whose possession the attached Preliminary Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached Preliminary Placement Document to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or invitation or solicitation in any place where offers, invitations or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and Lead Manager or any affiliate of the Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Lead Manager or such affiliate on behalf of the Company in such jurisdiction. Further, nothing in this electronic transmission constitutes an offer or an invitation or solicitation of an offer or an offer or invitation to the public under any applicable law, by or on behalf of either the Company or the Lead Manager to subscribe for or purchase any of the Equity Shares described in the attached Preliminary Placement Document.

THE PRELIMINARY PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE REGISTERED AS A PROSPECTUS OR A STATEMENT IN LIEU OF PROSPECTUS WITH ANY REGISTRAR OF COMPANIES IN INDIA AND IS NOT AND SHOULD NOT BE CONSTRUED AS AN OFFERING CIRCULAR, AN OFFERING MEMORANDUM, AN ADVERTISEMENT, AN OFFER OR AN OFFER DOCUMENT UNDER THE SEBI ICDR REGULATIONS OR ANY OTHER APPLICABLE LAW. FURTHER, NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OR AN INVITATION TO THE PUBLIC BY OR ON BEHALF OF THE COMPANY OR THE LEAD MANAGER TO SUBSCRIBE FOR OR PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN. THE PRELIMINARY PLACEMENT DOCUMENT SHALL BE FILED AS A PRIVATE PLACEMENT OFFER LETTER WITH THE STOCK EXCHANGES. THE PRELIMINARY PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE REVIEWED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE RESERVE BANK OF INDIA, ANY REGISTRAR OF COMPANIES IN INDIA OR ANY STOCK EXCHANGE IN INDIA. THE PRELIMINARY PLACEMENT DOCUMENT IS NOT AND SHOULD NOT BE CONSTRUED AS AN INVITATION, OFFER OR SALE OF ANY SECURITIES TO THE PUBLIC IN INDIA.

The Preliminary Placement Document been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the Lead Manager or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any of them accepts any liability or responsibility whatsoever in respect of any difference between the Preliminary Placement Document distributed to you in electronic format and the hard copy version available to you on request from the Lead Manager. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. The attached Preliminary Placement Document is intended only for use by the addressee named herein and may contain legally privileged and / or confidential information. If you are not the intended recipient of the attached Preliminary Placement Document, you are hereby notified that any dissemination, distribution or copying of the attached Preliminary Placement Document is strictly prohibited. If you have received the attached Preliminary Placement Document in error, please immediately notify the sender or the Lead Manager by reply email and destroy the email received and any printouts of it.

You are reminded that no representation or warranty, expressed or implied, is made or given by or on behalf of the Lead Manager, nor any person who controls them or any director, officer, employee or agent of them, or affiliate or associate of any such person as to the accuracy, completeness or fairness of the information or opinions contained in this document and such persons do not accept responsibility or liability for any such information or opinions.

Actions That You May Not Take: You should not reply by e-mail to this document, and you may not purchase any of the Equity Shares described in the attached pre-numbered Preliminary Placement Document by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected. You may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person.

THE PRELIMINARY PLACEMENT DOCUMENT MAY NOT BE DOWNLOADED, DISTRIBUTED OR DELIVER THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON AND MAY NOT REPRODUCE THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISSEMINATION, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.IF YOU ACCESS THE PRELIMINARY PLACEMENT DOCUMENT CONTRARY TO THE FOREGOING RESTRICTIONS, YOU WILL BE INELIGIBLE TO PURCHASE THE SECURITIES.

You are responsible for protecting against viruses and other destructive items. Your use of this e- mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Preliminary Placement Document attached hereto.

IF YOU ARE NOT PERMITTED TO VIEW THE MATERIALS ON THIS WEBSITE OR ARE IN ANY DOUBT AS TO WHETHER YOU ARE PERMITTED TO VIEW THESE MATERIALS, PLEASE EXIT THIS WEBPAGE.

Preliminary Placement Document
Subject to Completion
Not for Circulation and Strictly Confidential
Serial Number: [●]

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document. The information in this Preliminary Placement Document is not complete and may be changed.

POWER MECH PROJECTS LIMITED

Power Mech Projects Limited ("**Company**" or "**Issuer**") was originally incorporated as a private limited company under the erstwhile Companies Act, 1956, under the name "Power Mech-Projects Private Limited", pursuant to a certificate of incorporation dated July 22, 1999 granted by the Registrar of Companies, Andhra Pradesh at Hyderabad. Our Company was converted into a public limited company on September 28, 2007, pursuant to which the name was changed to "Power Mech-Projects Limited" and a fresh certificate of incorporation dated October 16, 2007, was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. Further, our name was again changed from "Power Mech-Projects Limited" to "Power Mech Projects Limited" on September 15, 2010, and a fresh certificate of incorporation dated November 1, 2010 was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. For further details, please see the section entitled "*General Information*" on page 227.

Registered and Corporate Office: Plot No. 77, Jubilee Enclave Road, Opposite Hitex, Madhapur, Hyderabad 500 081, Telangana, India
Contact Person: Mohith Kumar Khandelwal, Company Secretary and Compliance Officer | **Telephone**: +91 40 3044 4418
Email: cs@powermech.net | **Website**: www.powermechprojects.com | **CIN:** L74140TG1999PLC032156

Our Company is issuing up to [●] equity shares of face value of ₹ 10 each (the "**Equity Shares**") at a price of ₹ [●] per Equity Share ("**Issue Price**"), including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] million (the "**Issue**"). For further details, see section entitled "*Summary of the Issue*" on page 31.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT")

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS (AS DEFINED HEREINAFTER) IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS AND SECTION 42 OF THE COMPANIES ACT, READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER AND THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBSs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, AS AMENDED THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION ENTITLED "*RISK FACTORS*" ON PAGE 38 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE, EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the Equity Shares on BSE and NSE as on October 17, 2023, was ₹ 4,013.60 and ₹ 4,010.35 per Equity Share, respectively. Our Company has received the in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to this Issue, from BSE and NSE, each on October 18, 2023. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

A copy of this Preliminary Placement Document, which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges. A copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make requisite filings with the RoC (as defined above), within the stipulated timeframe prescribed under the Companies Act (as defined above) and the PAS Rules (as defined above), as amended. This Preliminary Placement Document has not been reviewed by Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, shall not be circulated or distributed to the public in India or any other jurisdiction, and this Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see section entitled "*Issue Procedure*" on page 182. This Preliminary Placement Document and the Placement Document relate to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made to the public or any other class of investors. The distribution of this Preliminary Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in this Issue have not been and will not be registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Accordingly, the Equity Shares offered in this Issue are being offered and sold only outside the United States in "*offshore transactions*" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales are made. See sections entitled *"Selling Restrictions"* on page 198 for information about eligible offerees for this Issue and *"Purchaser Representations and Transfer Restrictions"* on page 206 for information about transfer restrictions that apply to the Equity Shares sold in this Issue.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the website of the Lead Manager (as defined hereinafter) or any of its respective affiliates does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Preliminary Placement Document is dated October 18, 2023.

LEAD MANAGER
IIFL SECURITIES LIMITED

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, our Subsidiaries, our Associate, our Joint Ventures and the Equity Shares, which is material in the context of this Issue. The statements contained in this Preliminary Placement Document relating to our Company, our Subsidiaries, our Associate, our Joint Ventures and the Equity Shares are in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, our Subsidiaries, our Associate, our Joint Ventures and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company, our Subsidiaries, our Associate and our Joint Ventures. There are no other facts in relation to our Company, our Subsidiaries, our Associate, our Joint Ventures and the Equity Shares, the omission of which would, in the context of this Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company, our Subsidiaries, our Associate and our Joint Ventures nor the Lead Manager have any obligation to update such information to a later date.

IIFL Securities Limited (the "**Lead Manager**"**,** or the "**LM**") has made reasonable enquiries but has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Lead Manager nor any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Lead Manager and/or any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiaries, our Associate, our Joint Ventures and the Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on either the Lead Manager or on any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, and the merits and risks involved in investing in the Equity Shares issued pursuant to this Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, or by or on behalf of the Lead Manager. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including SEBI, the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in this Issue are being offered and sold only outside the United States in *"offshore transactions"* as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, subscribers and purchasers of the Equity Shares will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in the sections entitled "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 4, 198, and 206, respectively, of this Preliminary Placement Document.

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the Lead Manager or its representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and this Issue of Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the Lead Manager that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in this Issue in certain jurisdictions, see section entitled "*Selling Restrictions*" on page 198.

In making an investment decision, the prospective investors must rely on their own examination of our Company, our Subsidiaries, our Associate, our Joint Ventures and the Equity Shares and the terms of this Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, neither our Company nor the Lead Manager are making any representation to any investor, purchaser, offeree or subscriber to the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, Rule 14 of the PAS Rules and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority, in India or any other jurisdiction, from buying, selling or dealing in securities including the Equity Shares. Each investor, purchaser, offeree or subscriber of the Equity Shares in this Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Preliminary Placement Document does not purport to contain all the information that any Eligible QIB may require. This Preliminary Placement Document contains summaries of certain terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents. Further, this Preliminary Placement Document has been prepared for information purposes in relation to this Issue only and upon the express understanding that it will be used for the purposes set forth herein. The Company does not undertake to update the Preliminary Placement Document to reflect subsequent events after the date of the Preliminary Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof or thereof.

This Preliminary Placement Document contains summaries of terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents and disclosures included in the section entitled "*Risk Factors*" on page 38.

The information on our Company's website, www.powermechprojects.com, or any website directly or indirectly linked to the website of our Company or on the website of the Lead Manager or any of its affiliates, does not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

Any information about our Company available on the websites of the SEBI, Stock Exchanges, our Company or the Lead Manager, other than this Preliminary Placement Document, shall not constitute a part of this Preliminary Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

All references to "you" or "your" in this section are to the prospective investors in this Issue. By bidding for and / or subscribing to any of the Equity Shares in this Issue, you are deemed to have represented, warranted, acknowledged and agreements set forth in the sections entitled "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 198 and 206, respectively, and to have represented, warranted, acknowledged and agreed with us and the Lead Manager as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to this Issue has not been made based on any information relating to our Company which is not set forth in this Preliminary Placement Document;

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (as defined hereinafter) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary regulatory / statutory filings, if any, in connection with this Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable laws, including the RBI and FEMA Rules (as defined hereinafter), and any notifications, circulars or clarifications issued thereunder and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- You are eligible to invest in and hold the Equity Shares of our Company in accordance with the consolidated FDI Policy (as defined hereinafter), and the related amendments to the FEMA Rules, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory or statutory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not registered as an FVCI;

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- You will provide the information as required under the Companies Act, the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of this Issue;

- If you are Allotted Equity Shares pursuant to this Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges (additional restrictions apply if you are within certain other jurisdictions), please see the section entitled "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions* on pages 1, 198 and 206 respectively;

- You are aware that this Preliminary Placement Document and the Placement Document will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any member of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- This Preliminary Placement Document has been filed, and the Placement Document will be filed for record purposes only, with the Stock Exchanges and this Preliminary Placement Document and the Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in this Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You are aware that, our Company, the Lead Manager or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with this Issue and your participation in this Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the Lead Manager. The Lead Manager or any of its shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not, in any way, acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or this Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Lead Manager may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Lead Manager has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and this Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to this Issue has not been made on the basis of any information, which is not set forth in this Preliminary Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to this Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable laws, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act and the rules made thereunder;

- You understand that the Equity Shares issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

- All statements other than statements of historical facts included in this Preliminary Placement Document, including, without limitation, those regarding us or our financial position, business strategy, development plans and objectives of management for future operations of our business, are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. Neither our Company, the Lead Manager or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than Eligible QIBs, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the Lead Manager;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in this Issue shall continue to be at the sole discretion of our Company, in consultation with the Lead Manager;

- You are aware that if you are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, the section entitled "*Risk Factors*" on page 38;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of this Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of us, the Equity Shares and the terms of this Issue, based solely on and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in this Issue;

- Neither our Company nor the Lead Manager nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares);

- You will obtain your own independent tax advice from a reputable service provider and will not rely on the Lead Manager or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including in relation to limited to this Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against our Company or the Lead Manager or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Lead Manager or any of its respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents, associates or affiliates for all or part of any such loss or losses that may be suffered in connection with this Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment and you are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions;

- If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' of our Company as defined under the SEBI ICDR Regulations, and are not a person related to our Promoter, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent our Promoters or members of our Promoter Group (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender but not in the capacity of a shareholder, the acquisition of which shall not deem you to be a Promoter or a person related to any of our Promoters;

- You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/ Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to this Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (as defined herein) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under this Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIBs; and

  (b) 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to this Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares, to be issued pursuant to this Issue, will be obtained in time or at all. Neither our Company nor the Lead Manager nor any of its respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the Lead Manager has entered into a Placement Agreement with our Company whereby the Lead Manager has, subject to the satisfaction of certain conditions set out therein, undertaken to use its reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that neither the Lead Manager nor any person acting on its behalf or any of the counsel or advisors to this Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Lead Manager or our Company or any other person, and the Lead Manager or our Company or any of its respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the Lead Manager and its affiliates will not be liable for your decision to accept an invitation to participate in this Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the Lead Manager or any of its shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 198, you understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Purchaser Representations and Transfer Restrictions*" on page 206, and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 198 and 206, respectively;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

- You are outside the United States, and you are subscribing for the Equity Shares in an "*offshore transaction*" as defined in and in compliance with Regulation S, and are not our Company's or the Lead Manager affiliate or a person acting on behalf of such an affiliate;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;

- You agree that any dispute arising in connection with this Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Hyderabad, Telangana, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in this Issue;

- You agree to indemnify and hold our Company, the Lead Manager and its respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through this Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and Rule 6 of the FEMA Rules;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Lead Manager;

- You represent that you are not an affiliate of our Company or the Lead Manager or a person acting on behalf of such affiliate; and

- Our Company, the Lead Manager, its respective affiliates, associates, directors, officers, counsels, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the Lead Manager.

OFF-SHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including affiliates of the Lead Manager, which is registered as a Category I FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs, and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. The above-mentioned Category I FPIs may receive compensation from the purchasers of such instruments. Such P-Notes can be issued subject to compliance with the KYC norms and such other conditions as specified by SEBI from time to time, including payment of applicable regulatory fee. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, custodians, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

Affiliates of the Lead Manager which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in this Issue and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Lead Manager do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Lead Manager and does not constitute any obligations of or claims on the Lead Manager.

Prospective Investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this Preliminary Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

2. warrant that our Equity Shares to be issued pursuant to this Issue, will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to, or in connection with, such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER DATA

Certain conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'bidder', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to this Issue, references to the "our Company", the "Company" or the "Issuer" are to Power Mech Projects Limited on a standalone basis and references to 'we', 'us', 'our' or the 'Group' are to Power Mech Projects Limited together with our Subsidiaries, our Associate and our Joint Ventures, on a consolidated basis, unless otherwise specified.

Currency and units of presentation

In this Preliminary Placement Document, references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India; 'AED' are to the United Arab Emirates Dirham, which is the legal currency of the United Arab Emirates; 'Tk' are to the Bangladeshi Taka, which is the legal currency of the Bangladesh; and 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America, its territories and possessions, any State of the United States and the District of Columbia. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Figures in this Preliminary Placement Document have been presented in millions or in whole numbers where the numbers have been too small to present in millions unless stated otherwise. Further, certain figures in the section entitled "*Industry Overview*" of this Preliminary Placement Document have been presented in USD millions.

Our Company has presented all numerical information in this Preliminary Placement Document in "million" units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000 and one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

Financial data and other information

The Financial Year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'Financial Year', 'Fiscal Year', 'fiscal' or 'FY' are to the twelve-month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

Our Company has published its Audited Consolidated Financial Statements for Fiscal 2023, 2022 and 2021 and Unaudited Consolidated Financial Results for the three months period ended June 30, 2023 and June 30, 2022, in Indian Rupees in millions and have been presented in this Preliminary Placement Document in millions for presentation purposes. Further, please note that figures from a previous financial year have been regrouped wherever necessary to conform to the subsequent financial year classification, as applicable. As required under applicable regulations, and for the convenience of prospective investors, we have included the following in this

Preliminary Placement Document:

- audited consolidated financial statements of our Company as at and for the Fiscals 2023, 2022 and 2021, prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act (collectively, the "**Audited Consolidated Financial Statements**"); and

- limited reviewed unaudited consolidated financial results of our Company for the three months ended June 30, 2023 and June 30, 2022, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("**Ind AS**") as prescribed under Section 133 of the Companies Act read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI Listing Regulations (the "**Unaudited Consolidated Financial Results**")

The Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results should be read along with the respective audit reports / limited review report. For details, please see the section entitled "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 229 and 86, respectively.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its Audited Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices, Ind AS, Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Please see the section entitled "*Risk Factors – Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document*" on page 63.

Non-GAAP financial measures

Certain non-GAAP measures and certain other statistical information such as Order Book, EBIT, EBITDA, EBITDA Margin, Capital Employed, Return on Capital Employed, Debt, Net Debt, Debt-Equity Ratio, Net Debt-EBITDA Ratio and Interest Coverage Ratio (together referred as "**Non-GAAP Measures**") presented in this Preliminary Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance or liquidity.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, professional organisations and analysts on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained or derived from the report titled "*Assessment of Construction & EPC Industry in India*" dated October 16, 2023 ("**CRISIL Report**"), which is a report commissioned and paid for by us and prepared by CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), a division of CRISIL Limited ("**CRISIL**"). Further, CRISIL has issued the following disclaimer in the CRISIL Report:

"*CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Power Mech Projects Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

This information is subject to change and cannot be certified with complete certainty due to limits on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. Neither we nor the Lead Manager have independently verified this market and industry data, nor do we or the Lead Manager make any representation regarding the accuracy or completeness of such data. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections entitled "*Our Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CRISIL Report. Data from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section entitled "*Risk Factors*" on page 38.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "contemplate", "continue", "could", "estimate", "expect", "future", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "seek to", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will pursue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition, results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Preliminary Placement Document (whether made by our Company or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

1. Utilisation of a portion of the Net Proceeds for funding our capital expenditure requirements, which may not result in growth, and pending placement of orders or entering into definitive agreements with the suppliers in relation to such capital expenditure requirements, and entering into definitive agreements with our project lenders.

2. Challenges in relation to the implementation of the Tasra Project which might adversely affect our business and results of operations.

3. Inability to qualify for, compete and win projects, which could adversely affect our business and results of operations.

4. Order Book not representing our future revenues thereby actual income may be different from the estimates reflected in our Order Book.

5. Income-tax authorities have conducted searches at the premises of our Company and our Promoter/Director. Any adverse outcome of the searches would have an adverse effect on the operations and reputation of our Company, which in turn could have an adverse impact on our business, financial condition and results of operations.

6. Losses experienced by our Company, certain of our Subsidiaries, Joint Ventures and Associate in the past, including in Fiscals 2023, 2022 and 2021 and the three months period ended June 30, 2023.

7. New entrants in the mining business, not having any significant operating history in the same.

Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in the sections entitled "*Risk Factors*", "*Our Business*", "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 38, 147, 121 and 86, respectively.

By their nature, certain market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to rely on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we, our Directors, the Lead Manager nor any of its affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. Except as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 158, all of our Directors, Key Managerial Personnel and members of the Senior Management named in this Preliminary Placement Document, are residents of India and a large portion of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

i. where the judgment has not been pronounced by a court of competent jurisdiction;
ii. where the judgment has not been given on the merits of the case;
iii. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
iv. where the proceedings in which the judgment was obtained were opposed to natural justice;
v. where the judgment has been obtained by fraud; and
vi. where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Indian Rupees and the foreign currencies will affect the foreign currency equivalent to the Indian Rupees price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Indian Rupees on the Equity Shares. The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the Indian Rupees and certain of the foreign currencies (in ₹ per foreign currencies), for the periods indicated. The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI, Financial Benchmarks India Private Limited (the "**FBIL**"), which are available on the website of the FBIL and on the website of www.currency-convertor.org.uk. No representation is made that any Indian Rupees amounts, could have been, or could be, converted into foreign currencies at any particular rate, the rates stated below, or at all.

Fiscal ended	Period End (1)			Average (2)			High (3)			Low (4)		
	US$	AED	Tk#	US$	AED	Tk#	US$	AED	Tk#	US$	AED	Tk#
March 31, 2023	82.22	22.39	0.86	80.39	21.89	0.88	83.20	22.66	0.91	75.39	20.53	0.85
March 31, 2022	75.81	20.64	0.88	74.51	20.29	0.87	76.92	20.95	0.90	72.48	19.74	0.85
March 31, 2021	73.50	20.01	0.77	74.20	20.20	0.83	76.81	20.91	0.89	72.29	19.68	0.76

Months ended	Period End (1)			Average (2)			High (3)			Low (4)		
	US$	AED	Tk#	US$	AED	Tk#	US$	AED	Tk#	US$	AED	Tk#
September 30, 2023	83.06	22.65	0.75	83.05	20.79	0.76	83.26	22.72	0.76	82.66	19.20	0.75
August 31, 2023	82.68	22.51	0.76	82.79	21.18	0.76	83.12	22.63	0.76	82.28	19.92	0.75
July 31, 2023	82.25	22.40	0.76	82.15	21.17	0.76	82.68	22.51	0.77	81.81	20.23	0.75
June 30, 2023	82.04	22.34	0.76	82.23	21.06	0.76	82.64	22.50	0.77	81.88	19.82	0.76
May 31, 2023	92.68	22.51	0.77	82.34	21.05	0.77	82.80	22.55	0.77	81.74	19.74	0.76
April 30, 2023	81.78	22.27	0.78	82.02	21.02	0.77	82.39	22.43	0.78	81.65	19.96	0.76

Source: www.rbi.org.in, www.currency-converter.org.uk and www.fbil.org.in
(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;
(2) Represents the average of the official rate for each working day of the relevant period;
(3) Maximum of the official rate for each working day of the relevant period;
(4) Minimum of the official rate for each working day of the relevant period; and
**Period end, high, low and average rates are based on the reference rates and rounded off to two decimal places*
 # Bangladeshi Taka

Notes: *If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. The reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the SEBI Act, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections entitled "*Industry Overview*", "*Statement of Possible Tax Benefits*", "*Legal Proceedings*" and "*Financial Statements*" on pages 121, 215, 219 and 229, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
Our Company / the Company / the Issuer / Power Mech Projects Limited / PMPL	Power Mech Projects Limited, a company incorporated under the Companies Act and having its registered and corporate office at Plot No. 77, Jubilee Enclave Road, Opposite Hitex, Madhapur, Hyderabad 500 081, Telangana, India
the Group / us / we / our	Unless the context otherwise indicates or implies, refers to our Company, our Subsidiaries, our Associate and Joint Ventures, on a consolidated basis

Company Related Terms

Term	Description
Articles / Articles of Association / AoA	The articles of association of our Company, as amended from time to time
Associate	The associate of our Company, namely Mas Power Mech Arabia
Audit Committee	The audit committee of our Board of Directors as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 158
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and its Subsidiaries (the Group), Associate and Joint Ventures, as of and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, comprising of the consolidated Balance Sheet, 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 ending March 31, 2023, March 31, 2022 and March 31, 2021 which have been prepared in accordance with the Ind AS, as specified under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, to the extent applicable
Auditors / Statutory Auditors / Independent Auditors	The current statutory auditors of our Company, namely, M/s K.S. Rao & Co., Chartered Accountants
Board of Directors / Board	The board of directors of our Company or any duly constituted committee thereof
Chairman and Managing Director	The chairman and managing director of our Company, being Sajja Kishore Babu
Chief Financial Officer	The chief financial officer of our Company, being Jami Satish
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Mohith Kumar Khandelwal
Corporate Social Responsibility Committee	The corporate social responsibility committee constituted by our Board of Directors as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 158
Director(s)	Director(s) on the Board of our Company, unless otherwise specified
Equity Shares	The equity shares of our Company of face value ₹ 10 each
Executive Director(s)	Executive directors of our Company. For details, see the section entitled "*Board of Directors and Senior Management*" on page 158
Independent Director(s)	The non-executive and independent Directors of our Company appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 158

Term	Description
Joint Ventures	The joint ventures of our Company, namely, Power Mech – Khilari Consortium, PMPL – STS JV, Power Mech – ACPL JV, PMPL – SRC INFRA JV (Mizoram), PMPL – BRCCPL INFRA JV, PMPL - KVRECPL Consortium, RITES - PMPL JV, SCPL - PMPL JV, Power Mech - Takisha JV, PMPL – PIA JV, PMPL – SRC INFRA JV (HASSAN), GTA Power Mech Nigeria Limited and GTA Power Mech DMCC (UAE).
Key Managerial Personnel / KMP(s)	Key managerial personnel of our Company, as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 158
Memorandum/ Memorandum of Association / MoA	The memorandum of association of our Company, as amended from time to time
Monitoring Agency	CARE Ratings Limited
Monitoring Agency Agreement	The agreement dated October 18, 2023 to be entered into between our Company and the Monitoring Agency
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by our Board of Directors as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 158
Non-Executive Director(s)	Non-executive directors of our Company. For details, see the section entitled "*Board of Directors and Senior Management*" on page 158
Non-Executive Non-Independent Director(s)	Non-executive non-independent directors of our Company. For details, see the section entitled "*Board of Directors and Senior Management*" on page 158
Promoter Group	The members of the promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations
Promoters	The promoters of our Company namely, Sajja Kishore Babu, Sajja Rohit, Lakshmi Sajja and Vignatha Sajja
Registered and Corporate Office	Registered and corporate office of our Company located at Plot No. 77, Jubilee Enclave Road, Opposite Hitex, Madhapur, Hyderabad 500 081, Telangana, India
Risk Management Committee	The risk management committee constituted by our Board of Directors as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 158
RoC / Registrar of Companies	Registrar of Companies, Telangana at Hyderabad
Senior Management	The members of the Senior Management of our Company, as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 158
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time
Subsidiaries	The subsidiaries of our Company, namely, Hydro Magus Private Limited, Power Mech Industri Private Limited, Power Mech BSCPL Consortium Private Limited, Power Mech SSA Structures Private Limited, Aashm Avenues Private Limited, KBP Mining Private Limited, Energy Advisory and Consulting Services Private Limited, Power Mech Projects LLC (Muscat), Power Mech Projects (BR) FZE (Nigeria), Power Mech Environmental Protection Private Limited and Kalyaneswari Tasra Mining Private Limited.
Stakeholders' Relationship Committee	The stakeholders' relationship committee constituted by our Board of Directors as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 158
Unaudited Consolidated Financial Results	The unaudited consolidated financial results of our Company and its Subsidiaries, Associate and Joint Ventures, for the three-month period ended June 30, 2023, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and as per the presentation and disclosure requirements of Regulation 33 of the SEBI Listing Regulations and which have been subject to a limited review by our Auditors in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The Unaudited Consolidated Financial Results also include the comparative information of the unaudited consolidated financial results of our Group for the three-month period ended June 30, 2022.

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares by our Company following the determination of the Issue Price to investors on the basis of Application Forms submitted by them, in consultation with the Lead Manager and in compliance with Chapter VI of the SEBI ICDR Regulations
Allotment/ Allotted/ Allot	The issue and allotment of Equity Shares pursuant to this Issue

Term	Description
Allottee(s)	Eligible QIB(s) to whom Equity Shares are issued and allotted pursuant to this Issue
Application Form	The form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to this Issue
Bid(s)	An indication of interest by a Bidder, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in this Issue on submission of the Application Form
Bidder(s)	An Eligible QIB who has a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Bidding Period/ Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Bidders can submit their Bids including any revision and/or modifications thereof
LM/ Lead Manager	IIFL Securities Limited
CAN/ Confirmation of Allocation Note	Note or advice or intimation to Eligible QIBs confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price
Closing Date	The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e., on or about [●], 2023
Designated Date	The date of credit of Equity Shares pursuant to this Issue to the Allottee's demat account, as applicable to the relevant Allottee
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in this Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in this Issue under applicable law. However, FVCIs are not permitted to participate in the Issue. In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in "offshore transactions", as defined under Regulation S of the U.S. Securities Act
Escrow Account	The account titled "*POWER MECH PROJECTS LIMITED- QIP ESCROW ACCOUNT*" to be opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to this Issue shall be deposited and from which refunds, if any, shall be remitted, as set out in the Application Form
Escrow Bank/ Escrow Agent	RBL Bank Limited
Escrow Agreement	The agreement dated October 18, 2023 entered into amongst our Company, the Escrow Agent and the Lead Manager for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	The floor price ₹ 4,085.44 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Shareholders accorded through a special resolution passed at the annual general meeting dated September 28, 2023, and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue	The issue and allotment of [•] Equity Shares each at a price of ₹ [•] per Equity Share, including a premium of ₹ [•] per Equity Share, aggregating ₹ [•] millions pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], the last date up to which the Application Forms shall be accepted by our Company (or the Lead Manager, on behalf of our Company)
Issue Document	Collectively, the Preliminary Placement Document and the Placement Document
Issue Opening Date	October 18, 2023, the date on which the acceptance of the Application Forms shall have commenced by our Company (or the Lead Manager, on behalf of our Company)
Issue Price	A price per Equity Share of ₹ [•] per Equity Share, including a premium of ₹ [•] per Equity Share
Issue Size	The aggregate size of this Issue, aggregating up to ₹ [•] million.
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended

Term	Description
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in this Issue, which is available for Allocation to Mutual Funds
Pay-In Date	Last date specified in the Application Form for the payment of application monies by Bidders in this Issue
Placement Agreement	The agreement dated October 18, 2023 between our Company and the Lead Manager
Placement Document	The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	This preliminary placement document dated October 18, 2023 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act and the rules made thereunder
QIBs/ Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to this Issue
Relevant Date	October 18, 2023 which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open this Issue
Stock Exchanges	BSE Limited and National Stock Exchange of India Limited
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be allocated shares in this Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or trading day of stock exchanges as applicable

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CY	Calendar Year
Civil Code	The Indian Code of Civil Procedure, 1908, as amended
Companies Act/ Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder, as amended
Companies Act, 1956	The erstwhile Companies Act, 1956 and the rules made thereunder
Competition Act	The Competition Act, 2002, as amended
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EGM	Extraordinary General Meeting
ESG	Environment, Social and Governance
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment

Term	Description
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder, as amended
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
Financial Year / Fiscal Year/ Fiscal/ FY	A period of 12 months starting April 1 and ending March 31, unless otherwise stated
FPI/ Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GDP	Gross Domestic Product
GoI/ Government	Government of India
GST	Goods and Services Tax
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Indian GAAP	Generally accepted accounting principles in India
Income Tax Act/IT Act	The Income-tax Act, 1961, as amended
MCA	Ministry of Corporate Affairs
NCLT	National Company Law Tribunal
Non-Resident Indian(s)/ NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent account number
PAS Rules	Companies (Prospectus and Allotment) Rules, 2014, as amended
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the U.S. Securities Act
Revenue	Revenue from operations is net of Goods and Service Tax as applicable.
Rs/Rupees/Indian Rupees	The legal currency of India
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S.$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
USA/ U.S./ United States	The United States of America, its territories and possessions, and any State of the United States and the District of Columbia

Term	Description
Video Conferencing / Other Audio-Visual Means facility or VC / OAVM facility	Audio- visual electronic communication facility employed which enables all the persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Wilful Defaulter or Fraudulent Borrower	A person who or which is categorised as a wilful defaulter or fraudulent borrower by any bank or financial institution (as defined under Companies Act) or consortium thereof in accordance with guidelines on wilful defaulters or fraudulent borrowers issued by RBI, in terms of regulation 2(1)(lll) of the SEBI ICDR Regulations

Technical, Industry and Other Terms

Term	Description
BOP	Balance of Plant
CAGR	Compound Annual Growth Rate
CARE	Credit Analysis and Research Limited
CESC	Calcutta Electric Supply Corporation
CFBC	Circulating Fluidized Bed Combustion
CHP	Coal Handling Plant
CRISIL	Credit Rating Information Services of India Limited
CRR	Cash Reserve Ratio
EPC	Engineering Procurement and Construction
ERP	Enterprise Resource Planning
ESI	Employees' State Insurance
ETC-BTG	Erection, Testing and Commissioning and Boilers, Turbines and Generators
ETP	Effluent Treatment Plant
GAAP	Generally Accepted Accounting Principles
GCC	Gulf Cooperation Council
ISO	ISO International Organization for Standardization
MDO	Mining development and operations
MW	Megawatt
O&M	Operations and Maintenance
RITES	Rail India Technical and Economic Service
RODM	Reverse Osmosis De Mineralized Process
RVNL	Rail Vidyut Nigam Limited
SAP	SAP Systems, Applications and Products in Data Processing
STG	Steam Turbine Generators
STP	Sewage Treatment Plants
UAE	UAE United Arab Emirates

SUMMARY OF BUSINESS

Overview

Our Company is one of the leading industrial services, infrastructure and construction companies in India, with a global presence, providing a range of integrated services across the power, non-power and infrastructure sectors (*Source: CRISIL Report*). Our Company is one of the largest operations and maintenance ("**O&M**") service providers in the conventional power sector in India (*Source: CRISIL Report*). Our Company has made a significant niche in power sector, covering segments such as erection, testing and commissioning ("**ETC**") of boilers, turbines and generators ("**BTG"**) and balance of plant ("**BOP**") works, operation and maintenance ("**O&M**"), repairs, overhauling, renovation and modernization of power plants and related civil works. Our Company played a major role in the installation of high performance super critical thermal units including installation of India's first ultra mega power plants.

Our ETC business has been an integral part of our operations since inception of our Company. Our ETC business included works related to coal and gas-based power plant which was further expanded by our entry into other sectors such as oil and gas, steel, material handling and retrofit packages of fitting FGD systems as part of emission control. Our Company has an installed reference base of 68,646 MW in domestic market, 6,792 MW in overseas market, 546 Kms of cross-country pipelines, 2.8 million MT of erection and 0.24 million MT of fabrication works, as of August 31, 2023.

Our Company has captured the O&M business in India particularly in the independent power producer sector and later in the State sector reaching an O&M service capacity of 68,375 MW as on date of this Preliminary Placement Document. O&M has been playing a very important role in the growth of our Company for sustained business potential and has contributed 25.81% to our revenue from operations for Fiscal 2023. The additions in supercritical units over last 15 years has helped our Company in forward integration of O&M practices needed to operate and maintain supercritical based power plants.

Our service offerings are backward integrated with our manufacturing facility in Noida, Uttar Pradesh. The facility can undertake major works related to manufacture, supply of rebuilding of spares, major repairs of steam turbines, rotor balancing and reverse engineered parts manufacturing for various rotating parts of power plant both in thermal and hydro sector. Further we have undertaken job works for parts needed for railway electrification at our Noida facility.

Over the years, our Company, has been updating and adopting the business strategy in catching up with the market dynamics and continuously changing business environment. As per the CRISIL Report, the paradigm shift of policy to reduce greenhouse gas emissions, paved the way for large scale investments in renewables throughout the World. India having established its huge thermal capacity to meet the growing energy needs using the abundant coal availability had to shift its priority to renewable power generation and alter its policies after 2015 (*Source: CRISIL Report*). As a result, renewable sources excluding hydro power which accounted for less than 15% of electricity generation capacity prior to Fiscal 2015 now account for over 30% as of Fiscal 2023 (*Source: CRISIL Report*). The alteration in the investment priority was a major change for our Company's business and its growth and this was both a challenge and an opportunity. Our Company in anticipation of this tilt in the power sector investments, had reconciled to the changing scenario and had realigned its business approach to massive diversify by finding new business opportunities. In the last ten years, our Company has started diversifying in line with its strategy to maintain a balance mix between power and non-power sector. Our Company has entered sectors having synergistic offering services including industrial plants, railways, metros, roads and water projects.

We believe our significant experience and execution capabilities have enabled us to develop firm relationships with various private sector clients as well as public sector undertakings. We have established long-term relationships with various companies and power utilities. Our Company, having its major operations in India, extended its operations globally and has established presence as a service provider in countries mostly in Asia and Africa. Our Company has established itself in the Middle East and African market for power and energy related projects both in the construction of power plants and post construction and maintenance works. Our Company has established an installed base of 6,792 MW mostly in gas and oil based thermal units for the export market of Middle East, Bangladesh and Africa. In order for us to expand and take advantage of market opportunities we have also entered into joint ventures and consortium with companies having domain expertise in order for us to meet qualification criteria for venturing into new areas of business. This plan has assisted our Company in quicker penetration into the export market in Middle East and Africa with the help of the local partnership which also assisted in forging new initiatives and facilitating in competing with established local players present.

In the last two years, our Company has forayed into mining development and operations ("**MDO**") as part of forward integration for sustained and long term growth. The MDO business is driven by the combined existing expertise from our business verticals.

Our revenue from operations for the Fiscals 2021, 2022 and 2023, and the three months ended June 30, 2023 and June 30, 2022, was ₹18,840.85 million, ₹27,104.94 million, ₹ 36,011.90 million, ₹ 8,651.31 million and ₹ 7,466.13 million, respectively, growing at a CAGR of 38.30% between Fiscal 2021 to Fiscal 2023. Our profit after tax for Fiscals 2021, 2022 and 2023 was ₹ (486.04) million, ₹1,384.90 million and ₹2,073.11 million while our profit after tax for the three months ended June 30, 2023 and June 30, 2022 amounted to ₹509.64 million and ₹394.33 million, respectively. Our aggregate Order Book as of August 9, 2023 was ₹ 533,200 million (including MDO contracts of ₹ 92,940 million and ₹ 304,380 million execution considered up to June 30, 2023).

Strengths

Comprehensive service provider in power and infrastructure sector with an established track record

Our Company is one of the leading industrial services, infrastructure and construction companies in India, with a global presence, providing a range of integrated services across the power, non-power and infrastructure sectors. (*Source: CRISIL Report*) Our Company is one of the largest operations and maintenance ("**O&M**") service providers in the conventional power sector in India (*Source: CRISIL Report*).

We provide ETC of BTG and BOP works for power plants, for various sizes and scales with unit capacities ranging from 150 MW to 800 MW. We provide integrated industrial construction services to gas-based power projects, heat recovery steam generators, waste heat recovery boilers, CFBC boilers, steam turbine generators, steam generators including auxiliaries, electrostatic precipitator, hydro turbines and BOP packages, including structural steelworks, ash handling, coal handling, fuel oil systems, selective catalytic reduction and flue gas desulfurization and high-pressure piping works. We provide a comprehensive range of services in our O&M services business, including annual maintenance contracts, other repairs, renovation and modernisation, residual life assessment, scheduled shutdowns, retro-fits, as well as overhauling, maintenance and upgradation services for power plant. We provide comprehensive and integrated O&M services in mechanical, electrical and control and instruments including control room / desk operations of power projects. We are equipped with modern equipment and testing instruments for identifying and rectifying defects in rotating and non-rotating parts of the plants.

Our Company has a successful track record of executing over 68,646 MW of ETC of coal-based power plants. We have established a track record of successfully executing ETC-BTG and BOP contracts for large power projects including for 800 MW unit capacity super-critical power projects. We had been engaged on ETC-BTG projects for the first two ultra-mega power projects in India. Since our inception until the date of this Preliminary Placement Document, we have constructed 28 super critical boilers and 34 sub critical boilers, 20 super critical steam turbine generators and 75 sub-critical steam turbine generators. Further, we have undertaken over 200 contracts for overhauling of turbines with unit capacity of 500 MW and above since incorporation.

We have diversified over the years and undertaken projects covering a range of industries including cross-country pipelines, erection of steel plants and petrochemical packages, piping packages, tankages and undertaking major contracts of industrial plants, railways, metros, roads, water projects and material handling.

Our business has diversified into civil works including within power and railways over the past few years. In our civil works business related to power, we provide civil and construction jobs for the main plant and BOP requirements including excavation, piling, concreting, architectural and building works. We have completed erection works of more than 2.83 million metric tons and 0.24 million metric tons of structural and fabrications works, respectively and casted nine TG decks in various power projects with unit size up to 800 MW, as of August 31, 2023.We also undertake a range of non-power civil works which currently include executing eight projects in railway and metro civil works including formation of embankments and permanent way linking, signalling, telecommunications, overhead electrification, construction of minor and major bridges, staff quarters, station buildings, platforms, pre-engineering buildings along with construction of railway maintenance work shops.

Over the past two years, we have forayed into mining, development and operations by way of consortiums. We have received two orders MDO projects having a contract value of ₹ 92,940 million and ₹ 304,380 million, respectively.

Our Company has built a large asset base of more than 300 cranes ranging from 10 tonne to 300 tonne in capacity and heavy construction equipment items which enable us to efficiently execute our projects. We believe that our comprehensive service offerings and established track record as an integrated power, non-power and infrastructure services provider provide us with a significant competitive advantage.

Strong Order Book

In our industry, an order book is considered one of the key indicators of future performance as it represents a portion of anticipated future revenue. By diversifying our operations across different sectors as well as geographically, we have been able to undertake a broader range of projects and consequently, optimize our business volume and profit margins.

Our aggregate Order Book as of August 9, 2023 was ₹ 533,200 million (including MDO contracts of ₹ 92,940 million and ₹ 304,380 million execution considered up to June 30, 2023) which includes the Order Book for our erection works, O&M, civil and other works and electricals. The following table sets forth certain information relating to our Order Book as of August 9, 2023:

Particulars	Estimated Order Book (₹ in million) *	Percentage of Estimated Total Order Book (%)
Erection Works	68,456	50.38
O&M	4,657	3.43
Civil and other works	60,050	44.19
Electricals	2,717	2.00

**Excluding MDO contracts*

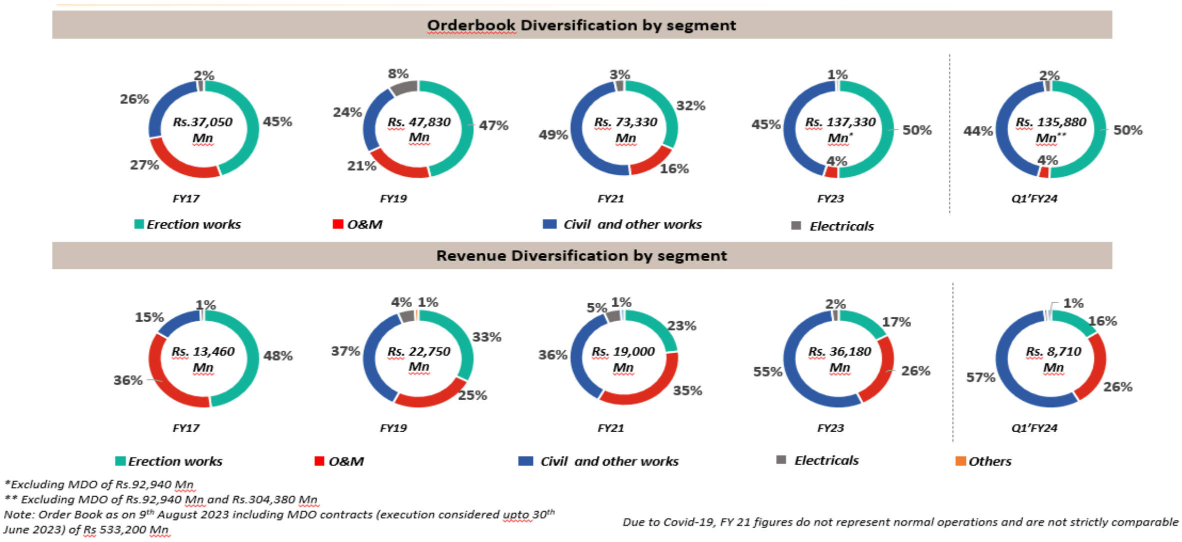
The following table sets forth certain information relating to our Order Book as of August 9, 2023 divided into projects executed within India and outside India:

Particulars	Estimated Order Book (₹ in million) *	Percentage of Estimated Total Order Book (%)
Domestic	133,337	98.15
International	251	1.85

**Excluding MDO contracts*

In addition to the above, our Company has received two orders for mining, development and operations ("**MDO**") projects having a contract value of ₹ 92,940 million and ₹ 304,380 million, respectively.

Set out below are details of our Order Book by segment and our revenue by segment since Fiscal 2017:



Our Order Book has increased from ₹ 37,050 million in Fiscal 2017 to ₹ 533,200 million as of August 9, 2023 with a stable rate of execution.

Pan-India presence with international operations with strategic partnerships

Our Company has established its presence pan-India and certain countries in Asia and Africa. The geographical expansion carried out by our Company over the years in India and abroad through joint ventures and partnerships has helped us in pursuing opportunities available across continents and has created new business units for better execution. As of August 31, 2023, our Company has operations across 21 states in India.

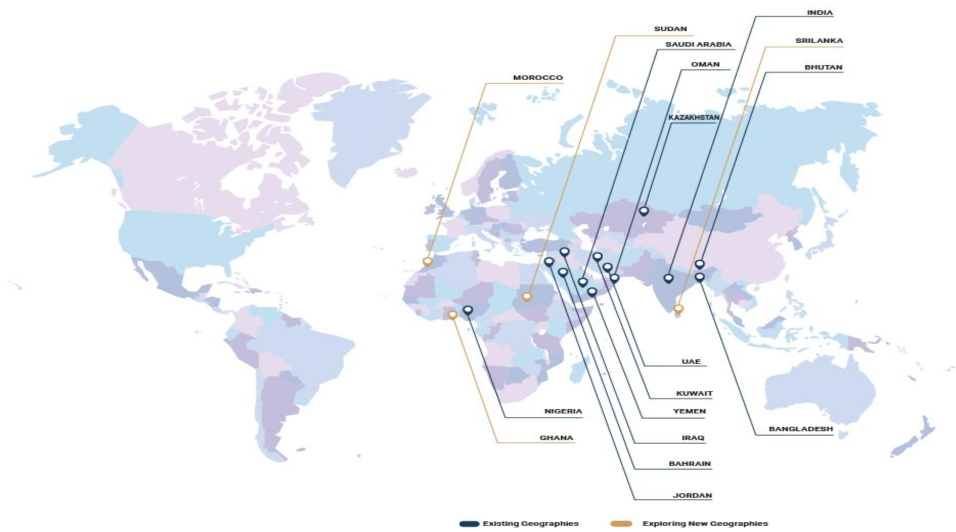
In line with our strategy of establishing a global footprint, we had entered the overseas market in the year 2009. We established our first overseas branch in Dubai, U.A.E, in the year 2013. We have established our global presence through branches, subsidiaries and joint ventures in various countries including through our projects being carried out in Saudi Arabia, Kuwait, Oman, Bahrain, UAE and further expanded our business into Bangladesh and West Africa with undertaking of power plant installation works in Nigeria. We have commissioned power plants adding up to a capacity of over 6,792 MW in North Africa, Middle East and Bangladesh. We have completed 26 gas turbines aggregating to 4,256 MW and 13 steam turbines aggregating to 1,592 MW in GCC area of Middle East Asia. We are undertaking 1.18 million inch mts of piping at Dangote Refinery, Nigeria.

The undertaking and its successful completion in various Countries across the Gulf region helped our Company in winning O&M contracts in the power, diesel, oil & gas and petrochemical sectors in GCC countries and Africa with reputed clients. Our Company is expecting an increased flow of O&M order inflow from these regions.

For gaining entry into different sectors and geographies, we took the route of joint venture partnership with reputed organizations and inculcated their experience, expertise and exposure and added the techno-commercial qualification for independent bidding which led to our entry into different sectors.

Some of our key joint ventures include our partnership with RVNL to target projects in the field of mineral processing work and material handling, railways and roads and our joint venture with RITES Limited targets projects of railway locomotive depots and metro depots. Our Company has recently formed joint ventures for the MDO projects awarded to it.

The following map demonstrates the various geographies wherein we are presently undertaking projects:



Long term relationships with clients

We have developed long term relationships with various Indian and international power utilities, governmental organizations and other power sector intermediaries. These clients include public sector undertakings and private sector clients. We have established strong relationships with large EPC companies that operate in the power sector as well as other infrastructure and allied sectors. Some of our key clients include are CESC Limited, Jindal Steel and Power Limited, RVNL, RITES, Siemens, Toshiba JSW Power System Private Limited, Vedanta Limited and Dangote Petroleum Refinery and Petrochemicals FZE.

We believe that our long-term relationships with various public sector and private sector clients in India and internationally enable us to better understand our clients' requirements and better evaluate the scope of work and risks involved in a project we bid for, as well as address changing demands in our target markets.

Professional management team and skilled workforce

We have developed a large skilled employee base with significant experience in ETC-BTG and BOP projects, civil works and O&M projects. As of August 31, 2023, we had 11,316 full time employees, including a large number of qualified engineers in all the segments. In addition, we employ a large number of specialized contract labour depending on the requirements of our various projects.

Our experienced management team has been responsible for the growth of our operations over the years. Our senior management through a project management committee provides effective and direct supervision for project implementation at our various project sites. We believe that our experienced and dynamic senior management team has been a key to our success and will enable us to capitalize on future growth opportunities.

For further information on our key managerial personnel who have contributed to our growth, see "*Board of Directors and Senior Management*" on page 158.

Robust Financials and credit ratings

Our revenue from operations for the Fiscals 2021, 2022 and 2023, and the three months ended June 30, 2023 and June 30, 2022, on a consolidated basis, was ₹18,840.85 million, ₹27,104.94 million, ₹ 36,011.90 million, ₹ 8,651.31 million and ₹ 7,466.13 million, respectively, growing at a CAGR of 38.30% between Fiscals 2021 to Fiscals 2023. Our EBITDA amounted to ₹ 581.74 million, ₹ 3,033.14 million and ₹ 4,205.52 million in Fiscals 2021, 2022 and 2023, respectively and ₹ 1,047.82 million and ₹ 855.36 million in the three months ended June 30, 2023, on a consolidated basis. Our profit after tax for Fiscals 2021, 2022 and 2023 was ₹(486.04) million, ₹1,384.90 million and ₹2,073.11 million, while our profit after tax for the three months ended June 30, 2023 and amounted to ₹509.64 million and ₹394.33 million, respectively.

We have received CARE A; Stable for our long-term bank facilities and CARE A; stable CARE A1 for our short-term bank facilities, from CARE Ratings on a consolidated basis.

Strategies

Backward and forward integration of business

Our Company's growth model revolves around backward and forward integration of our business. This was initiated in the power sector where we backward integrated into undertaking civil and structural works synergising the established business of ETC works and this was followed up in the forward integration of undertaking long term operation of power plants in addition to the routine maintenance works. Our combined O&M approach on long term basis is a follow up to the plant construction from the stage of civil work and undertaking ETC works. Our Company has focused on ensuring that the construction phase execution is better complemented with integration of undertaking civil and structural for the ETC works of main plant. Our Company is further focused on diversifying into undertaking material handling civil, structural and erection works both in the power sector and in other sectors of mineral handling and coal handling at mine side and plant side.

Our Company is recently expanding into the MDO market of coking coal production as a follow up strategy of diversifying in the areas of civil, structural fabrication and erection, equipment installation followed by O&M work.

As a part of overall mining and development works at Tasra opencast project, we may need to incur a total project cost of ₹ 17,176.40 million. Out of the total project cost of the mining and development works, the estimated cost for our Company to carry out the activity of installation and operation of washery and coal handling plant is ₹ 6,900.00 million which we intend to fund through a combination of term loan amounting to ₹ 4,500 million and the remaining amount of ₹ 2,400.00 million from the Net Proceeds from this Issue. Further, other than the installation and operation of washery and coal handling plant, the other mining and development work at Tasra Opencast project will cost ₹ 10,276.40 million which will be undertaken by our subsidiary company Kalyaneswari Tasra Mining Private Limited. The other part of mining and development work at Tasra Opencast project is intended to be financed through equity investment in our subsidiary Kalyaneswari Tasra Mining Private Limited and operating cash flows of the project generated over the period of the contract. The other mining and development work includes but is not limited to expenses proposed to be incurred for civil and infrastructure, electrical and utilities, rehabilitation and resettlement, mine development, miscellaneous fixed assets and contingencies.

We will continue to use our expertise in various segments of industry to undertake need based diversification for business growth coupled with matching tie ups needed with established players for any pre-qualification requirements needs for new business areas. We believe that this approach has helped our Company in sustaining growth and getting a higher share of the market.

Expansion of our operation and maintenance (O&M) business

Our Company is one of the largest operations and maintenance ("**O&M**") service providers in the conventional power sector in India. (*Source: CRISIL Report*). Since the inception of our Company, we provide a range of O&M services in the segment of thermal, gas and hydro power projects in the domestic market. In the non-power sector, our Company has provided O&M services to refineries, aluminium industries, mineral processing and steel plants, amongst others.

We aim to continue to expand our O&M business across other sectors. We believe that our presence in various non-power sector with projects such as our recent water project, mining development projects, cross country gas pipeline project will open up opportunities for future O&M annual contracts in relation to these projects once complete. For instance, the contract structure for our infrastructure project for executing a rural drinking water system in villages in India, where our Company has a presence, also includes long term O&M services.

Enhancing project execution capabilities

Our Company intends to enhance the capacity utilisation of plants, people and processes, enhancing O&M synergy business and adding new products and packages. Our Company intends to strengthen its manufacturing business. As of August 31, 2023, we had 11,316 full time employees, including a large number of qualified engineers in all the segments. In addition, we employ a large number of specialized contract labour depending on the requirements of our various projects.

We believe that induction of experts having domain expertise in various segments of work is a key action being continuously followed for providing required organisation build up, experience profile and adequacy of the same so that the job needs are fully understood and the challenges of executing projects for its diverse nature, across a widely spread geographies are met. Our Company has ventured in undertaking various EPC jobs which needs the enhancement of project engineering management functions and for achieving this we hire specialised agencies along with strengthening the in-house engineering management, procurement management functions to provide support for execution. We believe that increasing our digital presence and taking initiatives in this direction in the future will have an impact on our future capabilities to procure new projects. We aim to continue improving our project execution capabilities in the future.

Continue expanding our geographical footprint within and beyond India through strategic tie-ups

As on the date of this Preliminary Placement Document, our Company has presence pan-India as well as across six Countries spread across Asia and Africa.

While we already have a presence in many states in India, we intend to further expand our operations domestically across India as part of our growth business model. We believe by further expanding our geographical coverage and expanding into new areas within India, we will be able to take on more projects and further consolidate our position as a leading service provider in infrastructure and construction sector.

In addition to our pan-India presence our Company has projects being carried out in Saudi Arabia, Kuwait, Oman, Bahrein, UAE and further expanded our business into Bangladesh and West Africa with undertaking of power plant installation works in Nigeria. We plan to continue our strategy of diversify across industry segments and increase orders from global players to capture better profit margins afforded by these projects as compared to domestic projects.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections entitled "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-up*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 38, 72, 196, 182 and 212, respectively.

Issuer	Power Mech Projects Limited
Face value	₹ 10 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 4,085.44 per Equity Share, which has been calculated on the basis of Regulation 176 of the SEBI ICDR Regulations In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Shareholders accorded through a special resolution passed at the annual general meeting dated September 28, 2023, and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue Size	Issue of [●] Equity Shares, aggregating ₹ [•] million A minimum of 10% of the Issue Size, i.e., [●] Equity Shares shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs
Date of Board resolution authorizing this Issue	August 25, 2023
Date of Shareholders' resolution authorizing this Issue	September 28, 2023
Taxation	See section entitled "*Statement of Possible Tax Benefits*" on page 215
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in this Issue For further details, see sections entitled "*Issue Procedure*" and "*Selling Restrictions*" on pages 182 and 198, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the Lead Manager
Equity Shares issued and outstanding immediately prior to this Issue	14,906,357 Equity Shares
Equity Shares issued and outstanding immediately after this Issue	[●] Equity Shares
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see section entitled "*Issue Procedure*" on page 182
Listing and trading	Our Company has obtained in-principle approval from BSE and NSE each on October 18, 2023, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to this Issue Our Company will make applications to the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares, to be issued pursuant to this Issue
Lock-up	For details of the lock-up, see section entitled "*Placement and Lock-up*" on page 196
Transferability restrictions	The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. Allotments made to VCFs, and AIFs in this Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. See sections entitled "*Issue Procedure*" and "*Selling Restrictions*" on pages 182 and 198, respectively

<table>
<tr><td>Use of proceeds</td><td colspan="2">The gross proceeds from this Issue will be aggregating to approximately ₹ [●] million. The net proceeds from this Issue, after deducting Issue related expenses is expected to be approximately ₹ [●] million.

See section entitled “Use of Proceeds” on page 72 for information regarding the use of Net Proceeds from this Issue</td></tr>
<tr><td>Risk factors</td><td colspan="2">See section entitled “Risk Factors” on page 38 for a discussion of risks you should consider before investing in the Equity Shares</td></tr>
<tr><td>Indian taxation</td><td colspan="2">See section entitled “Statement of Possible Tax Benefits” on page 215</td></tr>
<tr><td>Closing Date</td><td colspan="2">The Allotment of the Equity Shares is expected to be made on or about [●], 2023</td></tr>
<tr><td>Ranking and Dividends</td><td colspan="2">The Equity Shares to be issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank pari passu with the existing Equity Shares of our Company, including rights in respect of voting rights and dividends.

The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in Shareholders’ meetings in accordance with the provisions of the Companies Act. Please see sections entitled “Dividends” and “Description of the Equity Shares” on pages 85 and 212, respectively</td></tr>
<tr><td>Voting Rights</td><td colspan="2">See “Description of Equity Shares – Voting Rights” on page 213</td></tr>
<tr><td rowspan="3">Security Codes/ Symbols for the Equity Shares</td><td>ISIN</td><td>INE211R01019</td></tr>
<tr><td>BSE Code & Symbol</td><td>539302, POWERMECH</td></tr>
<tr><td>NSE Symbol</td><td>POWERMECH</td></tr>
</table>

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information derived from our Audited Consolidated Financial Statements for Fiscal ended March 31, 2023, March 31, 2022 and March 31, 2021, Unaudited Consolidated Financial Results for the three months period ended June 30, 2023 and June 30, 2022. For further details, please see sections entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*", on pages 86 and 229, respectively.

Unless otherwise indicated or the context otherwise requires, the financial numbers have been derived from our Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results.

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Audited Consolidated Financial Statements

Summary consolidated balance sheet

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	1,823.06	1,724.69	1,649.12
Right-of-use assets	40.06	54.98	71.72
Capital work-in progress	27.34	23.82	53.19
Intangible assets	24.62	25.08	25.67
Financial assets			
(i) Investments	357.44	366.49	385.84
(ii) Other financial assets	3,316.87	3,042.67	2,573.38
Deferred Tax Asset (Net)	123.10	118.17	217.06
Other non-current assets	13.74	13.22	21.32
Total non-current assets	**5,726.23**	**5,369.12**	**4,997.30**
Current assets			
Inventories	1,473.41	1,376.59	1,146.68
Financial assets			
(i) Investments	3.90	24.53	23.58
(ii) Trade receivables	8,935.12	6,665.72	5,335.13
(iii) Cash and cash equivalents	444.67	734.86	137.53
(iv) Other bank balances	1,270.64	766.46	506.94
(v) Loans	48.85	57.41	57.16
(vi) Other financial assets	6,782.14	5,452.93	5,635.69
Other current assets	5,253.17	4,913.04	4,489.11
Current tax assets (Net)	603.74	607.94	367.32
Total current assets	**24,815.64**	**20,599.48**	**17,699.14**
Total assets	**30,541.87**	**25,968.60**	**22,696.44**
Equity and Liabilities			
Equity			
Equity share capital	149.06	147.11	147.11
Other Equity	12,604.69	10,285.99	8,901.48
Non-controlling interests	13.45	30.94	35.32
	12,767.20	**10,464.04**	**9,083.91**
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Long-term borrowings	260.74	349.60	158.55
(ii) Lease liabilities	8.61	17.21	27.41
(iii) Other financial liabilities	867.59	803.09	716.31
Provisions	43.06	71.96	48.29
Other non-current liabilities	896.59	771.49	317.43
Total non-current liabilities	**2,076.59**	**2,013.35**	**1,267.99**
Current Liabilities			
Financial liabilities			
(i) Short-term borrowings	4,490.58	4,921.87	4,934.55
(ii) Lease liabilities	8.28	16.37	25.35
(iii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	11.65	14.72	1.14
b) total outstanding dues of creditors other than micro enterprises and small enterprises	7,479.30	5,378.57	5,124.94
(iv) Other financial liabilities	1,342.45	1,269.71	1,156.54
Other current liabilities	2,356.01	1,873.26	1,088.92
Provisions	9,81	16.71	13.10
Total current liabilities	**15,698.08**	**13,491.21**	**12,344.54**
Total liabilities	**17,774.67**	**15,504.56**	**13,612.53**
Total equity and liabilities	**30,541.87**	**25,968.60**	**22,696.44**

Summary consolidated statement of profit and loss

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	36,011.90	27,104.94	18,840.85
Other income	170.00	173.12	163.29
Total Income	**36,181.90**	**27,278.06**	**19,004.14**
Expenses			
Cost of materials consumed	5,361.81	3,361.92	2,640.54
(Increase)/Decrease in inventories of finished goods, stock-in-trade and work-in-progress	(167.55)	(19.65)	62.10
Contract execution expenses	20,928.21	16,330.86	12,237.20
Employee benefits expense	5428.29	4,231.62	3,222.15
Finance costs	895.43	794.75	792.72
Depreciation and amortisation expense	429.10	368.99	357.56
Other Expenses	425.62	340.17	260.41
Total expenses	**33,300.91**	**25,408.66**	**19,572.68**
Profit/(Loss) before exceptional items and tax*	**2,880.99**	**1,869.40**	**(568.54)**
Share of Profit/(Loss) from Joint Venture/Associate	(81.30)	(22.72)	(30.91)
Profit/(Loss) before exceptional items and tax	**2799.69**	**1,846.68**	**(599.45)**
Exceptional items	-	-	
Profit/(Loss) before tax	**2799.69**	**1,846.68**	**(599.45)**
Tax expense			
Current tax	731.40	362.99	21.49
Deferred tax charge/(credit)	(4.82)	98.79	(134.90)
Total tax expense	**726.58**	**461.78**	**(113.41)**
Profit/(Loss) for the year after tax	**2,073.11**	**1,384.90**	**(486.04)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined employee benefit plans	8.27	11.62	**13.74**
(b) Equity instruments through other comprehensive income	0.10	0.11	0.16
Items that will be reclassified to profit or loss			
(a) Exchange fluctuations on revaluation of foreign operations	(6.19)	(16.54)	(6.90)
Total Other comprehensive income/(loss)	**2.18**	**(4.81)**	**7.00**
Total comprehensive income/(loss)	**2.075.29**	**1,380.09**	**(479.04)**
Profit for the year before other comprehensive income	**2.073.11**	**1,384.90**	**(486.04)**
Attributable to			
Equity shareholders of the parent	2,091.09	1,389.92	(456.36)
Non-controlling interest	(17.97)	(5.02)	(29.69)
Total comprehensive income/(loss) for the year	**2,075.29**	**1,380.09**	**(479.04)**
Attributable to			
Equity shareholders of the parent	2,092.80	1,384.51	(448.18)
Non-controlling interest	(17.50)	(4.42)	(30.87)
Paid-up equity share capital (Face value ₹10/- each)	149.06	147.11	147.11
Reserves (excluding revaluation reserves) as per Balance Sheet	12,604.69	10,285.99	8,901.48
Earnings per share (of ₹10/- each) - Basic and Diluted	141.26	94.48	(31.02)

***Profit/(Loss) before share of profit/(loss) from Joint Venture, Associate, exceptional items and tax*

Summary consolidated statement of cash flows

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from Operating Activities			
Profit/(Loss) before tax	2799.69	1,846.68	(599.45)
Add/Less Adjustments for:			
Depreciation	429.10	368.99	357.56
FCTR Movement	(6.19)	(16.55)	(6.90)
Interest and Finance Charges	890.00	787.68	792.52
Interest on Income Tax	5.44	7.07	0.20
Loss on sale of assets	0.41	31.83	3.57
Fair value gain on current investments	0.50	(1.96)	(1.08)
Net loss arising on financial assets measures at FVTPL	(0.77)	(0.68)	(0.52)
Interest income	(83.30)	(67.34)	(65.23)
Amotisation of deferred government grants	(0.51)	(0.52)	(1.17)
Profit on sale of assets	(16.18)	(2.35)	(4.63)
Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income	8.27	11.62	13.74
Share of loss from Joint Venture/(Associate)	81.30	22.72	30.91
Operating profit before working capital changes	4,107.76	2,987.19	519.52
Movements in Working Capital			
Adjustments for (increase)/decrease in operating assets			
- Trade Receivables	(2269.40)	(1,329.94)	82.51
- Inventories	(96.82)	(229.91)	116.59
- Other Assets	(1921.01)	(801.63)	953.08
Adjustments for increase/(decrease) in operating liabilities			
- Trade Payables	2097.74	267.02	(652.60)
- Other Liabilities and Provisions	637.00	1,465.43	465.07
Cash Generated from operations	**2555.27**	**2,358.16**	**1,484.17**
Less: Direct taxes paid	(732.64)	(611.90)	(262.09)
Net cash from Operating activities	**1822.63**	**1,746.26**	**1,222.08**
Cash Flow from Investing activities			
Purchase of fixed assets/Capital work in progress	(536.51)	(438.26)	(269.07)
Proceeds from sale of fixed assets	41.12	40.05	20.19
(Investment)/Redemption of units in Mutual funds	20.13	(0.17)	(22.50)
Margin money deposits with banks and other balances	(518.03)	(186.44)	(261.84)
Interest received	83.30	67.34	65.23
Net cash used in Investing activities	**(909.99)**	**(517.48)**	**(467.99)**
Cash Flow from financing activities			
Conversion of loan to equity	250.00	-	-
Repayment of unsecured loan by way of conversion	(250.00)	-	-
Proceeds from/(Repayment of) borrowings	(270.14)	178.36	(71.85)
Interest and Finance charges paid	(887.49)	(783.36)	(786.46)
Lease Rent Paid	(23.13)	(26.45)	(25.11)
Dividends and dividend tax paid	(22.07)	-	(29.57)
Net cash used in Financing activities	**(1,202.83)**	**(631.45)**	**(912.99)**
Net Increase / (Decrease) in cash and cash equivalents	**(290.19)**	**597.33**	**(158.90)**
Cash and cash equivalents at the beginning of the year	734.86	137.53	296.43
Cash and cash equivalents at the end of the year	444.67	734.86	137.53
Net increase/(Decrease) in cash and cash equivalents	(290.19)	597.33	(158.90)

Unaudited Consolidated Financial Results

(₹ in million)

Particulars	For the three months period ended June 30, 2023	For the three months period ended June 30, 2022
Income		
(a) Revenue from operations	8,651.31	7,466.13
(b) Other income	55.42	20.29
Total Income	**8,706.73**	**7,486.42**
Expenses		
(a) Cost of materials consumed	1,161.11	1,147.86
(b) (Increase)/Decrease in inventories of finished goods, stock-in-trade and work-in-progress	(36.03)	(26.15)
(c) Contract execution expenses	5,090.15	4,154.42
(d) Employee benefits expense	1,317.65	1,269.51
(e) Finance costs	203.67	203.39
(f) Depreciation and amortisation expense	101.63	99.15
(g) Other Expenses	126.03	85.42
Total expenses	**7,964.21**	**6,933.60**
Profit before exceptional items and tax*	**742.52**	**552.82**
Share of Profit/(Loss) from Joint Venture/Associate	3.73	(22.52)
Profit before exceptional items and tax	**746.25**	**530.30**
Exceptional items	-	-
Profit before tax	**746.25**	**530.30**
Tax expense		
(a) Current tax	200.55	136.77
(b) Short Provision of Current tax	45.00	-
(c) Deferred tax charge/(credit)	(8.94)	(0.80)
Total tax expense	**236.61**	**135.97**
Profit for the period after tax	**509.64**	**394.33**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
(a) Remeasurements of the defined employee benefit plans	1.93	3.07
(b) Changes in fair value of equity instruments	0.07	0.03
Items that will be reclassified to profit or loss		
(a) Exchange fluctuation on revaluation of foreign operations	(31.78)	12.10
Total Other comprehensive income	**(29.78)**	**15.20**
Total comprehensive income	**479.86**	**409.53**
Profit for the period before other comprehensive income	**509.64**	**394.33**
Attributable to		
Equity shareholders of the parent	**509.87**	394.90
Non-controlling interest	(0.23)	(0.57)
Total comprehensive income for the period	**479.86**	**409.53**
Attributable to		
Equity shareholders of the parent	480.08	409.52
Non-controlling interest	(0.22)	0.01
Paid-up equity share capital (Face value ₹10/- each)	149.06	147.11
Reserves (excluding revaluation reserves) as per Balance Sheet		
- Earnings per share (of ₹10/- each) (for the period – not annualised) - Basic and Diluted	34.20	26.84

Profit/(Loss) before share of profit/(loss) from Joint Venture, Associate, exceptional items and tax

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we currently operate. We have described the risks and uncertainties that our management believes are material but the risks set out in this Preliminary Placement Document may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in future. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company and Subsidiaries, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 147, 121 and 86, respectively, as well as the financial, statistical and other information contained in this Preliminary Placement Document. In making an investment decision, prospective investors must rely on their own examination of us and the terms of this Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless otherwise stated, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to Power Mech Projects Limited and our Subsidiaries, on a consolidated basis, and references to "the Issuer" are to Power Mech Projects Limited.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Preliminary Placement Document also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For details, see "Forward-Looking Statements" on page 15.

Our fiscal year ends on March 31 of each year. Accordingly, references to "Fiscal", are to the 12-month period ended March 31 of the relevant year. The financial information included in this section for Fiscal 2023, Fiscal 2022 and Fiscal 2021 have been extracted from our Audited Consolidated Financial Statements beginning on page F-6 and the financial information for the three-month period ended June 30, 2023 and June 30, 2022 has been extracted from our Unaudited Consolidated Financial Results beginning on page F-1.

The industry-related information contained in this section is derived from the CRISIL Report. We have commissioned and paid for the CRISIL Report pursuant to an engagement letter dated August 30, 2023 for the purposes of confirming our understanding of the industry in connection with this Issue. For details, see "Industry and Market Data" on page 14.

Risks relating to our business

1. ***We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements, which may not result in growth of our business or be successful. We are yet to place orders or enter into definitive agreements with the suppliers in relation to such capital expenditure requirements and are also yet to enter into definitive agreements with our project lenders.***

   We intend to utilise ₹ 2,400 million from the Net Proceeds for funding capital expenditure for the installation and operation of washery and coal handling plant including other incidental infrastructure works for the Tasra opencast project ("**Tasra Project**"). The total estimated cost of the Tarsa Project is ₹ 6,900 million. For details, see "*Use of Proceeds*" at page 72. However, we cannot assure you that our planned capital expenditures will result in business growth or that we will not experience delays in implementing such planned capital expenditures or that we will not be required to make certain incremental capital expenditure and other investments. Additionally, we may be required to incur certain additional or unanticipated capital expenditure for maintenance, such as for upgrading and improving our facilities, infrastructure, equipment and technology, to allow us to continue offering our services or to reduce our operating costs. Further, for the purpose of the total estimated cost of the Tasra Project, we have relied on a techno economic viability report dated October 17, 2023 prepared by Dun & Bradstreet Information Services India Private Limited

("**D&B Report**") and a certificate dated October 18, 2023 issued by a mining consultant, namely ReVal Consulting Private Limited ("**Mining Consultant**"). The D&B Report and the certificate from the Mining Consultant are not exhaustive and are subject to various limitations and based upon certain assumptions, parameters and conditions that are subjective in nature and that may prove to be incorrect.

As of the date of this Preliminary Placement Document, we have not placed orders for the capital expenditure requirements proposed to be funded from the Net Proceeds and have not entered into any definitive agreements with the suppliers in relation to such capital expenditure requirements. We have relied on the quotations received from such suppliers for estimation of the costs. Further, most of these quotations are valid for a certain period of time and their validity may expire. Additionally, these quotations may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will be no cost escalations in the future. Further, for the purpose of funding the Tasra Project, we also intend on taking a term loan from RBL Bank Limited. As on date of this Preliminary Placement Document, we have entered into a non-binding term sheet dated September 26, 2023 with RBL Bank Limited for the purpose of funding the Tasra Project. We cannot assure you that we will be able to eventually enter into a definitive loan agreement with RBL Bank Limited, or any other financial institution in terms favourable to us, or at all. If we are unable to enter into such loan agreements, it will adversely impact our ability to implement the Tasra Project. For further details, see "*Use of Proceeds – Details of the Object of the Net Proceeds - Funding capital expenditure for the installation and operation of washery and coal handling plant including railway siding and other related infrastructure development of the Tasra opencast project ("Tasra Project")*" on page 73.

2. The D&B Report highlights certain risks in relation to the implementation of the Tasra Project, realization of which might adversely affect our business and results of operations.

Our Company have relied on the D&B Report for the purpose of arriving at the estimated cost of the Tasra Project, details of which are elaborated in the section titled "*Use of Proceeds*" on page 72. As a part of overall mine development in Tasra, we may need to incur a total project cost of ₹ 17,176.40 million which is intended to be financed through operating cash flows of the project and investment in our subsidiary Kalyaneswari Tasra Mining Private Limited. This includes but is not limited to expenses proposed to be incurred for civil and infrastructure, electrical and utilities, rehabilitation and resettlement, mine development, miscellaneous fixed assets and contingencies/

In addition to estimations of cost, the D&B Report highlights certain risks in relation to the implementation of the Tasra Project. As per the D&B Report, we are required to ensure that there are experienced mining professionals within our Company to look after the overall implementation as well the successful operations of the Tasra Project. Kalyaneswari Tasra Mining Private Limited ("**KTMPL**"), one of our Subsidiaries, and a joint venture company formed for undertaking various activities for the entire development and operation works for the Tasra Project, has proposed to appoint such a mining contractor for a mining fee of ₹ 975 per ton, which as on date of this Preliminary Placement Document, is yet to be completed. Any variation in the mining fees of the mining contractor may adversely impact the financial results and operations of the Tasra Project.

Further, while a certain portion of the land for the purpose of the Tasra Project has been acquired, the balance portion is yet to be acquired by the Steel Authority of India Limited ("**SAIL**"), in terms of the Coal Mine Services Agreement dated September 8, 2023 ("**CMSA**") entered into between our Company, P C Patel Infra Private Limited, SAIL and KTMPL. In addition to the above, due to its location in a sensitive area, there exists a threat to pilferage of material. Any delay in such acquisition or potential acts of pilferage might have a significant effect on our anticipated results of operations from our mining business, including delay in implementation of the project resulting in cancellation of the project. Moreover, the washery which is sought to be installed and operated may not be utilized in case of such cancellation or alternatively, might have to be used for other purposes.

Additionally, as on date of this Preliminary Placement Document, for the Tasra Project, we are yet to take requisite permissions from the concerned Irrigation Department for the purpose of drawing drinking water from the Damodar river. Moreover, for the installation of washery as a part of the Tasra Project, a fresh environmental clearance from the Ministry of Environment, Forest and Climate Change, Government of India is required, which as on date of this Preliminary Placement Document, is yet to be obtained. There is no assurance that we will be able to receive such approvals in a timely manner or at all. If we fail to obtain or retain any of such approvals, in a timely manner, or at all, our business and operations may be adversely affected.

3. We may not be able to qualify for, compete and win projects, which could adversely affect our business and results of operations.

We obtain a majority of our projects through a competitive bidding process. In selecting contractors for major projects, clients generally limit the tender to contractors (or sub-contractors) they have pre-qualified based on several criteria including experience, technical and technological capacity, previous performance, reputation for quality, safety record, the financial strength of the bidder as well as its ability to provide performance guarantees. However, price competitiveness of the bid is typically one of the most important selection criterion. In some cases we may enter into consortium arrangements with other companies to bid for contracts where we may not qualify on our own. Our ability to bid for and win major projects is also dependent on our ability to show experience of working on other similar ETC-BTG, O&M and civil contracts in the power sector and developing a track record of executing more technically complex projects. If we are unable to pre-qualify for projects that we intend to bid on, or successfully compete for and win such projects, our business, results of operations and financial condition may be adversely affected.

4. Our Order Book does not represent our future revenues and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations.

Order Book calculation may vary across industries and companies, and the manner in which we calculate our Order Book may be subjective and vary from that followed by other companies including our competitors. Our Order Book as of a particular date comprises estimated revenues from (i) the unexecuted portions of existing contracts as of such date; (ii) contracts for which definitive agreements have been executed; and (iii) contracts for which letters of intent/ award have been issued by the client, although definitive agreements have not yet been executed as of such date. The portion of the work that has been completed, but awaiting certification by the customer, is recognized as unbilled revenue. However, any claims, variations and incentives are recognized as revenue only on certification or confirmation by the customer. For further information on our Order Book, see "*Our Business – Strong Order Book*" on page 149.

Our Order Book does not necessarily indicate future earnings related to the performance of that work, as cancellations or unanticipated variations or scope or schedule adjustments may occur. Due to changes in project scope and schedule, we cannot predict with certainty when or if contracts in our Order Book will be performed. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to make the payments due. We cannot guarantee that the income anticipated in our Order Book will be realized, or, if realized, will be realized on time or result in profits. Any project cancellations or scope adjustments, which may occur from time to time, could reduce the amount of our Order Book and the income and profits that we ultimately earn from the contracts. Any delay, cancellation or payment default could have a material adverse effect on our business. There may have been instances in the past where contracting parties may have defaulted or there have been untimely or non-realization of the anticipated income in our Order Book or scope adjustments, we cannot assure you that such instances will not happen in the future.

For some of the contracts in our Order Book, our clients are obliged to perform or take certain actions, such as acquiring land, securing the right of way, clearing forests, providing owner supplied material, securing required licenses, authorizations or permits, making advance payments, approving designs, approving supply chain vendors and shifting existing utilities. If a client does not perform such actions in a timely manner, and the possibility of such failure is not provided for in the contract, our projects could be delayed, modified or cancelled. Accordingly, the realization of our Order Book and the effect on our results of operations may vary significantly from reporting period to reporting period depending on the nature of such contracts, actual performance of such contracts, as well as the stage of completion of such contracts as of the relevant reporting date as it is impacted by applicable accounting principles affecting revenue and cost recognition. The composition of our Order Book also affects anticipated operating margins relating to such contracts. Furthermore, there are various risks associated with the execution of large-scale projects. Larger contracts may represent a larger part of our portfolio, increasing the potential volatility of our results and exposure to individual contract risks. Managing large-scale projects may also increase the potential relative size of cost overruns and negatively affect our operating margins. We believe that our contract portfolio will continue to be relatively concentrated and if we do not achieve our expected margins or suffer losses on one or more of these large contracts, this could have a material adverse effect on our results of operations and financial condition.

5. ***Income-tax authorities have conducted searches at the premises of our Company and our Promoter/Director. Any adverse outcome of the searches would have an adverse effect on the operations and reputation of our Company, which in turn could have an adverse impact on our business, financial condition and results of operations.***

The Deputy Director of Income-tax (Investigation), Hyderabad had carried out search operations at various business premises of our Company including at our Registered Office and at various site offices in accordance with section 132 of the Income-tax Act in the month of July, 2022. During the course of such search operations, certain documents and articles were seized from different locations. As on the date of this Preliminary Placement Document, our Company has been served with notices pursuant to the search operations conducted relating to Financial Years from 2016-17 to 2021-22.

With respect to the search operation conducted by the Income-tax department, we further disclose that, the Assessing Officer has initiated the proceedings for the re-assessment of income, as relevant for each of the Financial Years from 2016-17 to 2021-22 under the applicable provisions of the Income tax Act, 1961. Further, our Company has made a provision of ₹ 110.70 million towards Income-tax and ₹ 37.17 million towards interest on Income-tax for the Financial Years 2016-17 and 2021-22. For the remaining assessment years under search, and as on date of this Preliminary Placement Document, our Company is in the process of communicating with the Income-tax department and filing revised returns. Our Company expects to incur some liability on filing of returns pursuant to notices received under section 148 of the Income tax Act, 1961 and upon completion of assessments.

In addition, we cannot assure you of the quantum of any tax liability that may ultimately be assessed or that the provision we intend to make will be sufficient to cover any such tax liability that is finally assessed. Further, we cannot assure you that the Income-tax department will not make any further enquiries, extend or expand the scope of its investigation or take regulatory action against our Company. Moreover, the Income-tax department could take action against our Directors, Promoters, executive officers and/or employees, which could result in personal liability on their behalf. Any further proceedings initiated relating to these matters may take up time and attention of our management, and any adverse ruling may have a material adverse effect on our reputation, business, financial condition and results of operations. Furthermore, if the final outcome of the search and seizure operations is adverse, we will be liable to pay the demand raised and any additional amounts as may be imposed by the income tax authorities or other penalties, which could have a material adverse effect on our financial condition and results of operations.

6. ***Our Company, certain of our Subsidiaries, Joint Ventures and Associate have experienced losses in the past, including in Fiscals 2023, 2022 and 2021 and the three months period ended June 30, 2023 and may continue to experience losses in the future.***

While we announced a profit before exceptional items and tax of ₹ 746.25 million in the three months period ended June 30, 2023 and ₹ 2,799.69 million and ₹ 1,846.68 million in Fiscal 2023 and 2022 respectively, we incurred a loss before exceptional items and tax of ₹ 599.45 million in Fiscal 2021. The loss in Fiscal 2021 was primarily due to, among other things, the lockdown restrictions imposed in lieu of the COVID-19 pandemic. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Our Results of Operations based on our Audited Consolidated Financial Statements*" on page 105. There can be no assurance that we will remain profitable in future financial periods or experience growth in our revenue.

The following Subsidiaries, Joint Ventures and Associate have incurred losses before exceptional items and tax, for the periods indicated.

(*in ₹ millions*)

Sr. No.	Name of the entity	Loss from continuing operations			
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months period ended June 30, 2023
Subsidiaries					
1.	Hydro Magus Private Limited	(6.63)	(1.20)	(1.93)	(0.17)
2.	Power Mech Industri Private Limited	6.49	(11.98)	6.51	1.78
3.	Power Mech BSCPL Consortium Private Limited	0.42	(0.05)	(0.04)	(0.04)
4.	Power Mech SSA Structures Private Limited	(0.01)	(0.02)	(0.02)	-
5.	Aashm Avenues Private Limited	(0.01)	(0.02)	(0.02)	-
6.	Power Mech Environmental Protection Private Limited	(0.09)	(0.03)	(0.03)	-
7.	KBP Mining Private Limited	-	(0.02)	(0.03)	-
8.	Energy Advisory and Consulting Services Private Limited	-	(0.01)	(0.02)	-
9.	Power Mech Projects LLC (Muscat)	(96.83)	(16.25)	(59.07)	(0.64)
Joint Ventures					
10.	GTA Power Mech Nigeria Limited	98.97	(73.28)	(29.54)	(2.42)
11.	GTA Power Mech DMCC	0.03	14.70	(6.71)	0.41
Associate					
12.	MAS Power Mech Arabia	(180.18)	(6.85)	(147.01)	6.39

Note: The profit / (loss) from the Joint Ventures and Associate disclosed in the above table represent the profit/ (loss) of the respective Joint Ventures and Associates in totality and does not represent our Company's share of profit / (loss) in the respective years.

Any failure to increase our revenue from operations to sufficient levels in order to match our operating and other expenses could adversely affect our profitability or our ability to maintain positive cash flow on a consistent basis. If we are unable to successfully address these risks, our business, cash flows, financial condition and results of operations could be adversely affected. If we are unable to generate adequate revenue growth and manage our expenses and cash flows, we may incur significant losses in the future, which may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business.

7. ***We are new entrants in the mining business and do not have any operating history in the same which may not serve as an adequate basis to evaluate our future prospects, results of operations and cash flows.***

We are new entrants in the coal mine developing and operating business in India, with the first MDO project being awarded to us as recently as Fiscal 2021. The mine development operation includes mine infrastructure development, removal of overburden and extraction of coking coal, crushing, transportation, setting up coal washery, coal handling plant, railway siding, supply of steel grade coking coal, carrying out R&R activities and other activities incidental to mining. While our mining business is expected to contribute to our revenue from operations in the current Fiscal, as of the three months ended June 30, 2023 and in the Fiscals 2023, 2022 and 2021, there has been no such revenue contribution. Further, our implementation of projects in mining space where we lack experience may adversely affect our results of operations, future prospects, and cash flows.

8. ***We are exposed to time and cost overrun risks on our lump-sum price and item rate contracts, resulting in reduced profits or losses.***

Although some of our projects are cost-reimbursable contracts that allocate the risk of time and cost overruns to our clients, a significant proportion of our contracts are lump-sum or item rate contracts where we bear the risk of time and cost overruns unless contractually excluded under certain circumstances such as changes in scope of work. Our expenditure in executing a lump-sum contract may vary substantially from the assumptions underlying our bid for several reasons, including unanticipated changes in engineering design of the project, unanticipated increases in the cost of equipment, material or manpower, delays associated with the delivery of equipment and materials to the project site, unforeseen construction conditions, including inability of the client to obtain requisite environmental and other approvals, delays caused by local weather conditions and suppliers' or subcontractors' failure to perform. Equipment, materials, fuel and sub contract costs constitute a significant part of our operating expenses, and unanticipated increases in such costs if not taken into account in our bid may adversely affect our results of operations. Our expenses incurred on a project may increase beyond the lump-sum price or item rate we have agreed, on account of various factors, including:

- unanticipated increases in the cost of equipment, materials or manpower;
- delays associated with the delivery of equipment and materials to the project site;
- unforeseen construction conditions, including inability of the client to obtain requisite environmental and other approvals, resulting in delays and increased costs;
- delays caused by weather conditions;
- local strikes, work stoppages, and curfews by political parties;
- adverse changes to the relevant legal, regulatory or tax regimes;
- suppliers' or subcontractors' failure to perform; and
- delays caused by the parties to the contract.

In many of these contracts, we may not be able to obtain compensation for additional work performed or expenses incurred. Even under our cost-reimbursable contracts, where we do not bear the risk of cost-overruns, costs can exceed client expectations, resulting in delays or even cancellations of the contract. Depending on the size of a project, variations from estimated contract performance could have a significant effect on our results of operations.

9. Our business is dependent on a few customers and the loss of, or a significant reduction in orders by such customers could adversely affect its business.

We depend on a limited number of customers, which exposes us to a high risk of customer concentration. Fluctuations in the performance of the industries in which certain of our customers operate may result in a loss of customers, a decrease in the volume of work we undertake or the price at which we offer our services. We expect that we will continue to be reliant on our key customers for the foreseeable future. We have developed long-term relationships with various Indian and overseas customers, governmental organizations and other power sector intermediaries. Our agreements with such customers may be terminated by giving a short or no prior notice, and without compensation. Accordingly, if we fail to retain these customers on terms that are commercially reasonable or if there is any significant reduction in the volume of business with such customers, it could materially and adversely affect our business, results of operations, cash flows and financial condition. These customers could cease doing business with us or reduce the volume of business they do with us for a number of reasons, including adverse general economic conditions, a decline in business/sales of such customers, unfavourable financial position of such customers, an adverse change in any of such customers' supply chain strategies, a reduction in their outsourcing of logistics operations or if such customers decide to choose our competitors over us.

10. The non-renewal of our O&M contracts in the future or a slower renewal rate of the O&M contracts may materially affect our business, results of operations and financial condition.

Our Company enters into O&M contracts in both power and non-power sectors, in India as well as overseas. In the three months period ended June 30, 2023 and in Fiscals 2023, 2022 and 2021, revenue from provision of our O&M services contributed ₹2,238.90 million, ₹ 9,295.90 million, ₹ 8,046.70 million and ₹ 6,607.50 million, respectively, representing 25.88%, 25.81%, 29.69% and 35.07%, respectively, of our consolidated income in those periods.

A decrease in the rate of service renewal or the margins we derive from the sale of our services or a decrease in the sale of our services resulting from, for example, more of our customers electing to terminate their O&M contracts or common infrastructure facilities O&M contracts or both with our Company, could materially and adversely affect our business, financial condition, cash flows and results of operations.

11. Risks inherent to the sectors our business operations are concentrated in could materially and adversely affect our business, financial condition and results of operations.

Many of our projects are in the power sector in India and internationally. Power sector projects have long gestation periods before they become operational and carry project-specific as well as general risks. These risks are generally beyond our control and include:

- political, regulatory, fiscal, monetary and legal actions and policies that may adversely affect the viability of power projects and have an adverse effect on our future projects.

- changes in government and regulatory policies relating to the power sector (including withdrawal of fiscal or other incentives which may have been provided by the government);
- delays in the construction of projects we are engaged on;
- adverse changes in demand for, or the price of, power generated or distributed by the projects we are engaged on;
- the willingness and ability of consumers to pay for the power produced by projects we are engaged on;
- shortages of, or adverse price developments for, raw materials and key inputs for power production such as coal and natural gas;
- increased project costs due to environmental challenges and changes in environmental regulations;
- potential defaults under financing arrangements of project companies and their equity investors;
- failure of our consortium partners to perform their contractual obligations;
- failure of third parties such as contractors, fuel suppliers, sub-contractors and others to perform on their contractual obligations in respect of projects we are engaged on;
- adverse fluctuations in interest rates or currency exchange rates;
- economic, political and social instability (such as creation of new state boundaries in India) or occurrences such as natural disasters, armed conflict and terrorist attacks, particularly where projects are located or in the markets they are intended to serve;
- delay in obtaining/renewing regulatory or environmental clearances and suspension or cancellation due to non-conformity with conditions stipulated under the clearance; and
- any delay in acquisition of land for projects we are engaged on.

In addition, any significant change in the project plans of our clients or change in our relationship with these existing clients may affect our business prospects. Furthermore, successful implementation of the projects we are engaged on are dependent on our client's financial condition, as any adverse change in their financial condition may affect the financing and consequently the implementation of the projects. In the event the power projects we are engaged on are cancelled or delayed or otherwise adversely affected, our results of operations and financial condition could be materially and adversely affected.

Any changes in laws, given the increasing dependence and trend towards renewable sectors and sources of energy, away from thermal sectors, could impact our ability to grow in the said business. Additionally, we have recently forayed into the mining business, with the first MDO project being awarded to us as recently as Fiscal 2021. The mine development operation includes mine infrastructure development, removal of overburden and extraction of coking coal, crushing, transportation, setting up coal washery, coal handling plant, railway siding, supply of steel grade coking coal, carrying out R&R activities and other activities incidental to mining. Additionally, undertaking and running a mining project in India is subject to various risks, including, but not limited to:

- threat of illegal mining and pilferage from coal mines;
- location in geographically remote and politically unstable areas leading to security risks;
- susceptibility to coal fires and land subsidence;
- inability to implement rehabilitation plans within the stipulated time frame or within the approved amounts;
- hazardous nature of underground mining operations and unexpected disruptions; and
- failure to acquire land and associated surface rights to access coal reserves.

In addition to the above, our involvement in road, railways, water and metro projects exposes us to various, including, but not limited to:

- change in standards of maintenance or road safety applicable to our projects prescribed by the relevant regulatory authorities;
- we may be required to restore our projects in the event of any landslides, floods, road subsidence, other natural disasters accidents or other events causing structural damage or compromising safety;
- unanticipated increases in material and labour costs, traffic volume or environmental stress leading to more extensive or more frequent heavy repairs or maintenance costs. The cost of major repairs may be substantial and repairs may adversely affect traffic flows;
- increase in electricity or fuel costs resulting in an increase in the cost of energy;

- higher interest costs in relation to our borrowings; or
- any other unforeseen operational and maintenance costs

The realization of any of the risks listed above could significantly escalate our operating expenses resulting in decreased production levels which in turn, could materially and adversely affect our results of operations.

12. ***Our operations are subject to a variety of environmental laws and regulations including those relating to hazardous materials. Any failure to comply with applicable environmental laws and regulations could have an adverse effect on our financial condition and results of operations.***

Our operations are subject to numerous environmental protection laws and regulations, which are complex and stringent. The construction, operation and maintenance of power plants, raw materials used in the development of power plants, the impact of noise pollution from construction activities and transportation at our project sites are subject to various environmental laws and regulations. In the event that such regulations become more stringent, such as increasing the requirements for obtaining approvals or meeting government standards, this could result in changes to the infrastructure necessary for power projects and their technical requirements, increasing the costs related to changing construction methods in order to meet government standards and increasing penalties for non-compliance. Furthermore, we may incur significant expenditure relating to operating methodologies and standards in order to comply with applicable environmental laws and regulations.

In addition, our projects may involve the handling of hazardous materials, which, if improperly handled or disposed of, could subject us to civil and criminal liabilities. Further certain environmental laws provide for joint and several liability for remediation of releases of hazardous substances, rendering a person liable for environmental damage without regards to negligence or fault on the part of such person. In addition to potential liabilities that may be incurred in satisfying these requirements, we may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. We are also subject to regulations dealing with occupational health and safety. Such laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our own acts. Sanctions for failure to comply with these laws, rules and regulations, many of which may be applied retroactively, may include administrative, civil and criminal penalties, revocation of permits and corrective orders.

13. ***Our business is working capital intensive. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, there may be an adverse effect on our operations.***

Our business requires a significant amount of working capital which is based on certain assumptions, and therefore, any change of such assumptions would result in changes to our working capital requirements. In many contracts, significant amounts of working capital are required to finance the purchase of materials and the performance of erection and other work on projects before payment is received from clients. Our working capital requirements may increase due to an increase in the size of our operations and the number and size of projects that are required to be executed within a similar timeframe. Since the contracts we bid typically involve a lengthy and complex bidding and selection process which is affected by a number of factors, it is generally difficult to predict whether or when a particular contract we have bid for will be awarded to us and the time period within which we will be required to mobilize our resources for the execution of such contract. In addition, we may need to incur additional indebtedness in the future to satisfy our working capital requirements.

Most of our projects provide for progress payments from clients with reference to the value of work completed upon reaching certain milestones. Generally, in our power sector projects, the client, or a third party authorized under the contract, usually makes payment against invoices raised upon mutual agreement. The client then effects payments with reference to these invoices in line with the agreed payment terms between the customer and our Company. As a result, significant amounts of our working capital is required to finance the purchase of materials and the performance of our work on projects before payment is received from clients. In addition, a portion of the contract value, generally 5% to 10%, is usually withheld by the client as retention money and is released upon the testing of the product and completion of the project.

We are typically required to provide financial and performance guarantees guaranteeing our performance and/or financial obligations in relation to a project. As of March 31, 2023, guarantees given by our Company's bankers and outstanding amounted to ₹ 12,214.50 million. The said guarantees were covered by way of pledge of fixed deposit receipt with bankers of our Company. Some of the performance guarantees are secured by guarantees from banks. Our working capital requirements may increase if, in certain contracts, payment terms include reduced advance payments or payment schedules that specify payment towards the end of a project or are less favorable to us. Delays in progress payments or release of retention money or guarantees in form of bank guarantees from our clients may increase our working capital requirements. We may file a claim for compensation of the loss that we incurred pursuant to our contracts but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain.

In general, we may make provisions for bad debts, including those arising from progress payments or release of retention money, based primarily on ageing and other factors such as special circumstances relating to specific clients. There can be no assurance that the progress payments and the retention money will be remitted by our clients to us on a timely basis or that we will be able to efficiently manage the level of bad debt arising from such payment practice. Our working capital position is therefore also dependent on the financial position of our clients. All of these factors may result in increases in the amount of our receivables and short-term borrowings. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.

14. ***We may need to raise additional capital in the future for working capital and capital expenditure for projects and we may not be able to do so on favourable terms or at all, which would impair our ability to operate our business or achieve our growth objectives, which may adversely affect our business, results of operation and financial condition.***

Disruptions in global and domestic credit and financial markets and resulting governmental actions, both in India and globally, could have a material adverse impact on our ability to meet our funding needs. We may require access to additional capital to carry out day-to-day operations and expansion plans or funding for capital expenditure for some of our current/future projects or executing some of our existing and/or future contracts. In the event of adverse market conditions, or if actual expenditure exceeds planned expenditure, our external financing activities and internal sources of liquidity may not be sufficient to support current and future operational plans, and we may be forced to, or may choose to, delay or terminate our expansion plans. Our ability to arrange external financing and the cost of such financing, as well as our ability to raise additional funds is dependent on numerous factors. These factors inter alia include general economic and capital market conditions, interest rates, credit availability and terms of such credit availability from banks or other lenders, investor confidence, provisions of tax and securities laws that may be applicable to our efforts to raise capital, the political and economic conditions in the geographic locations in which we operate, the amount of capital that other entities may seek to raise in the capital markets, the liquidity of the capital markets and our financial condition and results of operations.

Furthermore, we have Subsidiaries and Joint Ventures operating in India and outside of India. Adequate fund availability with these subsidiaries and joint ventures is critical for normal operations of these companies. Inability to obtain adequate funding, required to carry on normal course of business, could impact the operations of these subsidiaries and joint ventures operating both in India and outside of India and in turn, the results of operations of our Company. Furthermore, inability to obtain funding required for operations of such subsidiaries and joint ventures, both in India and outside of India, could pose liquidity challenges and cause these subsidiaries and joint ventures to go into liquidation. Any such event could inter alia pose an investment impairment risk for us.

15. ***We have incurred indebtedness which exposes us to various risks which may have an adverse effect on our business and the results of operations.***

As of June 30, 2023, we had ₹ 5,117.67 million in borrowings from banks and financial institutions, comprising term loans and working capital loans. We have entered into agreements with certain banks and financial institutions for current and non-current borrowings, which typically contain restrictive covenants, including in certain instances requirement to obtain prior consent from lenders for certain activities such as raising additional funds either by way of equity or debt, making acquisitions, effecting any change in the capital structure, approving any scheme of merger / de-merger/ amalgamation, buyback or winding-up / liquidating our Company's affairs, amendments or modifications to constitutional documents and any direct or indirect changes in our beneficial ownership or control, at times below or above a particular threshold.

We have obtained the necessary consents required under the relevant financing documentation for undertaking the activities in relation to the Issue. Further, we also undertake to make the necessary post facto intimations (i.e., after completion of the Issue) to lenders as may be required under some of our financing agreements. The restrictive covenants enumerated above may also be included in future financing agreements which we may enter into to finance our fund requirements for business operations and expansion.

If we breach any of these covenants, our lenders will be entitled to accelerate debt obligations, which may also trigger cross-acceleration clauses. Our Company is also the guarantor for certain borrowings of our Subsidiary. While there have not been any such instances in the past, the inability of our Subsidiaries and Joint Ventures to discharge their debt obligations from their respective profits/ cash may have an adverse effect on the Company's cash flows, liquidity and financial condition. Further, while we have not had defaults under our debt obligations in the past, there can be no assurance that such defaults may not occur in the future. Further, any such default could require that we repay these debts prior to maturity as well as limit our ability to obtain additional financing, which in turn may have a material adverse effect on our cash flow and liquidity. In addition, increase in our borrowings could make it more difficult for us to satisfy our financing obligations; increase our vulnerability to a downturn in our business or general economic and industry conditions; require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, and negatively impact credit terms with our creditors, possible rating downgrades, limiting, among other things, our ability to borrow additional funds or raise equity capital, and increasing the costs of obtaining additional capital, which would adversely affect our results of operations, financial condition and business prospects.

16. ***Our operations are subject to various operational risks that could expose us to material liabilities, loss in revenues and increase in expenses. We may also be subject to liability claims arising from defects in services provided by us.***

Our operations are subject to hazards inherent in providing erection, civil and maintenance services, such as risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Project sites often put our employees and others in close proximity with mechanized equipment, moving vehicles, high platforms and highly regulated materials. Further, on many of our sites, we are responsible for the safety of our workforce and are required to implement safety procedures. If we fail to implement such procedures or if the procedures implemented are ineffective, our employees and others may be injured. Unsafe work sites also have the potential to increase employee turnover, increase the cost of a project to our clients, and raise our operating costs. Any of the foregoing could result in financial losses, which could have a material adverse effect on our business, results of operations and financial condition. While we may have had instances where our employees or others have been injured thereby causing operating costs to increase, as described above, we cannot assure you that such instances shall not also occur in the future. Although we endeavor to provide adequate insurance coverage and a safe working environment to all our employees, we cannot rule out the possibility of future accidents at our project sites.

Our safety record is critical to our reputation. Many of our clients require that we meet certain safety criteria to be eligible to bid for contracts. As a result, our failure to maintain adequate safety standards could result in reduced profitability or the loss of business and could have a material adverse effect on our business, results of operations and financial condition. Additionally, the occurrence of any of these risks may also adversely affect public perception about our operations and the perception of our suppliers, clients and employees, leading to an adverse effect on our business.

We may also be subject to claims resulting from defects arising in the services provided by us within the warranty periods provided by us. Actual or claimed defects in construction quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, pollution, inefficient operating processes, loss of production or suspension of operations. Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective. In some of the jurisdictions in which we operate, environmental and workers' compensation liability may be assigned to us as a matter of law. Clients and subcontractors may not have adequate financial resources to meet their indemnity obligations to us.

We maintain insurance for a variety of risks, including risks relating to construction equipment and other similar risks. While we believe that the insurance coverage which we maintain directly or through our contractors, would be reasonably adequate to cover the normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. Any liability in excess of our insurance limits could result in additional costs, which would reduce our profits and adversely affect our business and results of operations.

17. ***Our international operations are subject to political, economic, regulatory and other risks of doing business in those jurisdictions.***

Our international operations in jurisdictions such as Nigeria, Oman, Bangladesh and Saudi Arabia are subject to political, economic, regulatory and other risks of doing business in those jurisdictions, including uncertain political and economic environments and political instability, as well as legal systems, laws and regulations that are different from the legal systems, laws and regulations that we may be familiar with in India, and which may be less established or predictable than those in more developed countries. In addition, we could be subject to expropriation or deprivation of contract rights, interruptions from war or civil strife, foreign currency restrictions, non-availability of suitable personnel and equipment, exchange rate fluctuations and unanticipated taxes or encounter potential incompatibility with foreign joint venture partners or consortium members. In order to manage our international operations, we must also overcome cultural and language barriers and assimilate different business practices. In addition, we are required to create compensation programs, employment policies, codes of conduct and other administrative programs that comply with the laws and customs of different jurisdictions.

Regulatory changes in the international jurisdictions in which we operate may require us to, among other things, obtain licenses or permits in order to bid on contracts or conduct our operations or enter into a consortium arrangement, joint venture, agency or similar business arrangements with local businesses in order to conduct business in those countries. These laws and regulations may also encourage or mandate the hiring of local contractors and require foreign contractors to employ citizens of, or purchase supplies from within, the relevant country. In addition, we may become involved in proceedings with regulatory authorities that may require us to pay fines, unanticipated taxes comply with more rigorous standards or other requirements or incur capital and operating expenses for compliance with such laws and regulations. An inability to successfully manage our international operations could adversely affect our operations.

18. ***Our operations are dependent on a large pool of contract labour and an inability to access adequate contract labor at reasonable costs at our project sites across India and overseas may adversely affect our business prospects and results of operations.***

Our operations are significantly dependent on access to a large pool of contract labour for our construction work and the execution of our projects. The number of contract labourers employed by us varies from time to time based on the nature and extent of work we are involved in. Our dependence on such contract labour may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract labour during peak periods in labour intensive sectors such as ours. There can be no assurance that we will have adequate access to skilled workmen at reasonable rates and in the areas in which we execute our projects. As a result, we may be required to incur additional costs to ensure timely execution of our projects.

The utilization of our workforce is affected by a variety of factors including our ability to forecast our project schedules and contract labour requirements, and our ability to transition employees from completed projects to new projects or between projects. While our forecasts and estimates are based upon our experience and historical costs, such estimates may be unreliable. The uncertainty of contract award timing can present difficulties in mobilizing contract labour based on the contract requirements and our expenses towards contract labour may also increase. While we may have had instances in the past where our expenses towards contract labour has increased due to the availability of labour in a timely manner or at all, we cannot assure you that such instances shall not occur in the future.

In addition, there may be local regulatory requirements relating to use of contract labour in specified areas and such regulations may restrict our ability to recruit contract labour for a project. Furthermore, all contract labourers engaged in our projects are assured minimum wages that are fixed by the relevant State governments, and any increase in such minimum wages payable may adversely affect our results of operations.

19. ***Our Company, our Directors and our Subsidiaries are involved in certain legal, regulatory and arbitration proceedings that, if determined against us, may have an adverse effect on our business, financial condition and results of operations.***

There are certain outstanding legal proceedings involving our Company, our Subsidiaries and our Directors that are incidental to our business and operations. These include, *inter alia*, material civil proceedings, criminal proceedings and proceedings before regulatory authorities. These are pending at different levels of adjudication before various courts, tribunals and appellate tribunals.

Type of proceeding	Number of cases	Amount* *(in ₹ million)*
Legal proceedings against our Company		
Material civil litigation	2	1,517.81
Tax matters	12	60.87
Actions and proceedings initiated by statutory and regulatory authorities	Nil	Nil
Criminal matters	Nil	Nil
Legal proceedings by our Company		
Material civil litigation	8	6,178.05
Tax matters	Nil	Nil
Actions and proceedings initiated by statutory and regulatory authorities	N.A.	Nil
Criminal matters	Nil	Nil
Legal proceedings against our Subsidiaries		
Material civil litigation	Nil	Nil
Tax matters	Nil	Nil
Actions and proceedings initiated by statutory and regulatory authorities	Nil	Nil
Criminal matters	Nil	Nil
Legal proceedings by our Subsidiaries		
Material civil litigation	Nil	Nil
Tax matters	Nil	Nil
Actions and proceedings initiated by statutory and regulatory authorities	N.A.	Nil
Criminal matters	Nil	Nil
Legal proceedings against our Directors		
Material civil litigation	Nil	Nil
Tax matters	Nil	Nil
Actions and proceedings initiated by statutory and regulatory authorities	Nil	Nil
Criminal matters	Nil	Nil
Legal proceedings by our Directors		
Material civil litigation	Nil	Nil
Tax matters	Nil	Nil
Actions and proceedings initiated by statutory and regulatory authorities	N.A.	Nil
Criminal matters	Nil	Nil

**To the extent ascertainable*

Any unfavourable decision in any matters which may arise, may adversely affect our reputation and financial condition. Such litigation could divert management time and attention and consume financial resources in their defence or prosecution. In addition, should any new developments arise, such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our business, results of operations and financial condition could be adversely affected. For further details of the material legal proceedings that we are subject to, see the chapter titled "*Legal Proceedings*" on page 219.

Further, the audit and limited review reports of our Statutory Auditors and our former statutory auditors, as applicable, in respect of the financial periods relating to our audited consolidated and standalone financial statements and the unaudited consolidated and standalone financial results in the five years preceding the date of this Preliminary Placement Document contain certain emphasis of matter and observations including the CARO 2016/2020. These matters and observations, as contained in such audit reports, relate to proceedings carried out under Section 132 of Income-tax Act, 1961 by the Income-tax department in the month of July, 2022 in various locations of the Company, and delays in remittance of and disputes in relation to certain statutory dues. For further details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Reservations, Qualifications, Emphasis of Matter, Adverse Remarks, Observations included in the audited consolidated and standalone financial statements, and unaudited consolidated and standalone financial results*" on page 113 of this Preliminary Placement Document.

20. Our business is dependent on maintaining relationships with our clients and joint venture partners including consortium arrangements.

Our business is dependent on ETC-BTG, O&M and civil works projects undertaken for various government and private clients. Pre-qualification is key to our winning major projects and we continue to develop on our pre-qualification status through focused client development efforts and entering into strategic joint partnerships and consortium arrangements with other service providers. We have developed long term relationships with various public sector undertakings and private sector clients, including large EPC companies that operate in the power sector as well as other infrastructure and allied sectors. We believe that our long term relationships with our clients enable us to better understand our clients' requirements and better evaluate the scope of work and risks involved in a project we bid for, as well as address changing demands in our target markets. Our business is therefore significantly dependent on developing and maintaining relationships with our clients and strategic alliances with joint venture partners and consortium partners who facilitate the growth of our business.

There can be no assurance that we will be able to maintain historic levels of business from our existing clients or develop new clients. Similarly, there can be no assurance that we will be able to continue to enter into strategic joint venture or consortium arrangements which could have a significant effect on our business, results of operations and financial condition.

21. Any slowdown or work stoppages at our project sites may have a material adverse effect on our business, financial condition and results of operations.

Our projects are subject to various operational risks including, among various factors, the breakdown or failure of equipment, power supply or processes, labour disputes, natural disasters, accidents and the need to comply with applicable legal and regulatory requirements. The occurrence of any of these factors could significantly affect our results of operations and financial condition. Any disruption in our operations due to disputes or other issues with our employees or contract labour work force may adversely affect our business and results of operations. Long periods of business disruption could result in a loss of customers. Although we take precautions to minimize the risk of any significant operational problems at our operation sites, there can be no assurance that we will not face such disruptions in the future.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Also any upward revision of the prescribed minimum wage or other benefits required to be paid to our workers (including in the event of injuries or death sustained in course of employment, dismissal or retrenchment) will result in the increase in cost of labour which we may be unable to pass on to our customers due to market conditions and also the pre agreed conditions of contract. This would result in us being required to absorb the additional cost, which may have a material adverse impact on our profitability. Further we also depend on third party contractors for the provision of various services associated with our business. Such third-party contractors and their employees/workmen may also be subject to these labour legislations.

22. Our operations are subject to risks of mishaps or accidents that could cause damage or loss to life and property and could also result in loss or slowdown in our business.

Our business operations are subject to operating risks, including but not limited to, fatal accidents and mishaps. Our insurance coverage may not be adequate to cover such loss or damage to life and property, and any consequential losses arising due to such events will affect our operations and financial condition. Further, any such fatal accident or incident causing damage or loss to life and property, even if we are fully insured or held not to be liable, could negatively affect our reputation, thereby making it more difficult for us to conduct our business operations effectively, and could significantly affect our Order Book, availability of insurance coverage in the future and our results of operations.

23. We may be liable for penalties and other liabilities under our O&M services contracts in case of any deficiencies in the services provided by us, which may adversely affect our business prospects, results of operations, financial condition and cash flows.

In accordance with the provisions of our O&M contracts we may liable for events of default, including the imposition of penalties. In most cases, we provide various types of warranties and guarantees in relation to our services, including in certain instances, advance bank guarantees, corporate guarantees or performance guarantees, which are released only upon successful completion of our obligations under the terms of the relevant contracts and, in the event we are unable to fulfil our obligations under such contracts, our customers may invoke these bank guarantees. If the products that we supply or the services we provide fail to meet the performance levels guaranteed, we may be subject to the contractual claims for failure to maintain the stipulated machine availability or those related to payment of warranty claims, which could materially and adversely affect our business, financial condition, cash flows and results of operations.

The amount of claims arising from any cancellations of orders, deferrals or other unanticipated delays, which arise on account of our fault or from the warranties and guarantees in relation to our products, could materially and adversely affect our business, cash flows, financial condition and results of operations.

24. An inability to effectively manage project execution and milestone schedules may lead to project delays which may adversely affect our business and results of operations.

Our business is dependent on our ability to effectively manage the execution of our projects. An inability to effectively manage our operations, including ineffective or inefficient project management procedures could increase our costs and expenses, result in project delays and thereby materially and adversely affect our profitability. Further our contracts typically provide specified milestones to be achieved within a specific timeframe, and we may be liable to our clients for any failure to meet such project milestones within the stipulated schedule in accordance with the terms of the relevant contract. The effectiveness of our project management processes and our ability to execute projects in a timely manner may be affected by various factors, including:

- delays in receipt of work schedules and engineering inputs, approvals and decisions required from the client;
- delays in delivery of raw materials, components or equipment;
- changes to project plans and process requirements;
- delays due to interface issues with other contractors employed by the customer;
- delays in performance by the sub-contractors;
- delays due to environmental considerations;
- delays in receiving the necessary regulatory clearances, approvals and certifications or delay in renewal of the same;
- onsite accidents and accidents during delivery and installation of our products;
- delays in transportation of equipment and construction material;
- unavailability of skilled and unskilled labour;
- local strikes, work stoppages and curfews by political parties;
- adverse weather conditions; and
- adverse changes to the relevant legal, regulatory or tax regimes.

Additionally, in some contracts, in case of delay due to our fault or because of defective work done by us, clients have the right to rectify the defective work, or engage a third party to complete the work and to deduct additional costs or charges incurred for completion of the work from the contract price payable to us. Further, in our contracts our clients may be required to obtain statutory approvals for right of way, acquire land and make payments towards crop and tree compensation, increasing the risks of idling of resources and delay, as well as our liabilities. In addition, most contracts that we enter into are subject to certain completion schedule requirements with liquidated damages in the event schedules are not met as a result of circumstances within our control. Further if a project is delayed our customers may invoke the bank guarantees that we have provided in connection with the performance of the project or retain our security deposits as compensation for such damages. Such factors would have an adverse effect on our results of operations and financial condition.

25. This Preliminary Placement Document contains information from the industry report from CRISIL. Investors are advised not to base their investment decision solely on such information.

This Preliminary Placement Document includes information that is derived from the CRISIL Report. We have exclusively commissioned and paid for the CRISIL Report in connection with this Issue pursuant to an engagement letter dated August 30, 2023. CRISIL is not in any manner related to us, our Directors, our Promoters, our Key Managerial Personnel or Senior Management. The terms, categorisations and definitions used in the CRISIL Report are not based on any legal, governmental or regulatory definition or categorisation, but have been created by CRISIL specifically to explain the nature of the industry we operate in.

The CRISIL Report is not exhaustive, is subject to various limitations and based upon certain assumptions, parameters and conditions identified by CRISIL that are subjective in nature and that may prove to be incorrect. Given the scope and extent of the CRISIL Report, disclosures are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Preliminary Placement Document. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in CRISIL Report, and consequently, this Preliminary Placement Document. Industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Further, the CRISIL Report is not a recommendation to invest in the Equity Shares. You should consult your own advisors and undertake an independent assessment of information in this Preliminary Placement Document based on, or derived from, the CRISIL Report. You are advised not to place undue reliance on the CRISIL Report or extracts thereof as included in this Preliminary Placement Document, when making your investment decision. Also, see "*Industry and Market Data*" and "*Industry Overview*" on pages 14 and 121, respectively.

26. Delays in land acquisition or litigation and other forms of opposition from local communities and other parties may adversely affect our results of operations and financial condition.

The environmental impact of the power projects we are engaged on depends on the location of the project and the surrounding ecosystem. Further, the construction and commissioning of power projects may require the displacement or relocation of local communities or may otherwise disrupt their activities and livelihoods, especially during the project construction period.

There can be no assurance that we or our clients will not be subject to litigation or other forms of opposition from public interest groups, local communities or non-governmental organizations, in relation to the environmental impact of the projects we are engaged on or in relation to land acquisition and construction activities on such projects and the consequent displacement and rehabilitation of affected communities. Any such claims or other opposition may delay or prevent the execution of our projects. Our clients may be required to bear substantial compliance, rehabilitation and other liabilities, which may lead to significant increases to the project development costs and delay projects. As a result, our business, results of operations and financial condition may be adversely affected.

27. We operate in a highly competitive industry and an inability to compete effectively may lead to a lower market share or reduced operating margins.

We operate in a competitive environment. The principal factors affecting competition include: price; customer relationships; technical excellence or differentiation; service quality; health, safety and environmental standards and practices; financial strength; breadth of technology and technical sophistication and risk management awareness and processes. The level of competition also varies depending on the sector or business vertical, as well as the size, nature and complexity of the project and the geographical region in which the project is to be implemented.

We compete both against international and domestic companies operating in our industry. Some of our international competitors may have greater financial and other resources and better access to capital than we do, which may enable them to compete more effectively for large scale project awards. Competitors may, whether through consolidation or growth, present more credible integrated and/or lower cost solutions than we do, causing us to win fewer tenders as we may lack the pre-qualification criterion required in certain sectors of our business. If we do not succeed in being awarded the contracts for projects, we could fail to increase, or maintain, our volume of order intake and operating revenues. While, in the past, we have been able to compete effectively to maintain the volume intakes, there can be no assurance that we can continue to effectively compete with our competitors in the future, and the failure to compete effectively could have a material adverse effect on our business, financial condition and results of operations. Moreover, the competitive nature of the industry may result in lower prices for our services and decreased gross profit margins, either of which may materially adversely affect our profitability.

28. ***We are exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.***

Due to the nature of, and the inherent risks in, the agreements and arrangements with our customers, we are subject to counterparty credit risk and a significant delay in receiving large payments or non-receipt of large payments may adversely impact our results of operations. Our operations involve extending credit to our customers in respect of sale of our products and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and may continue to have high levels of outstanding receivables. For Fiscal 2021, 2022 and 2023, our trade receivables were ₹ 5,335.10 million, ₹ 6,665.70 million and ₹ 8,935.10 million, respectively. There is no assurance that we will accurately assess the creditworthiness of our customers. Further, macroeconomic conditions which are beyond our control, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which could adversely affect our results of operations and cash flows.

29. ***Our success largely depends upon the knowledge and experience of our Promoters, Directors, our Key Managerial Personnel and Senior Management as well as our ability to attract and retain personnel with technical expertise. Any loss of our Promoters, Directors, Key Managerial Personnel, Senior Management or our ability to attract and retain them and other personnel with technical expertise could adversely affect our business, financial condition and results of operations.***

Our success largely depends upon the knowledge and experience of our Promoters, Directors, Key Managerial Personnel and our Senior Management as well as our ability to attract and retain skilled personnel. Any loss of our Promoters, Directors, Key Managerial Personnel and our Senior Management or our ability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations. We depend on the management skills and guidance of our Promoters for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel and our Senior Management. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Key Managerial Personnel or Senior Management are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business, financial condition and results of operations could be adversely affected.

In addition, we may require a long period of time to hire and train replacement personnel when personnel with technical expertise terminate their employment with us. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining personnel with technical expertise that our business requires.

There is significant competition for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. In the event that we are not able to attract and retain talented employees as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and results of operations may be adversely affected. For further information, see "*Board of Directors and Senior Management*" on page 158.

30. Any downgrade in our credit ratings may increase interest rates for refinancing our borrowings, which would increase our cost of borrowings, and adversely affect our ability to borrow on a competitive basis.

Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Set forth below is the instrument wise credit rating assigned to our debt facilities by CARE Ratings Limited, as on September 13, 2023:

Instrument	Rating	Rating action
Long term bank facilities	CARE A; Positive (Single A; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Long term / Short term bank facilities	CARE A; Positive/ CARE A1 (Single A; Outlook: Positive/ A1)	Reaffirmed; Outlook revised from Stable
Short term bank facilities	CARE A1 (A one)	Reaffirmed

Any future downgrade in our credit ratings may result in increased interest rates for refinancing our borrowings, which would increase our cost of borrowings, and may adversely affect our future issuances of debt and our ability to borrow on a competitive basis. Further, any downgrade in our credit ratings may also lead to an increase in the interest rate that we have to pay our lenders. If any of these risks materialise, it could materially and adversely affect our business, cash flows, financial condition and results of operations.

31. An increase in employee and contract labour, equipment and material or fuel costs may adversely affect our results of operations.

We incur a majority of our expenses towards contract execution which primarily include employee and contract labour costs, other subcontractor expenses, equipment and material costs and fuel costs. We also hire certain construction equipment for our projects. The cost and supply of employee and contract labour, equipment and material costs or fuel costs depend on various factors beyond our control, including general economic conditions, competition, supply of materials and equipment and transportation costs. Furthermore, our ability to pass on increases in such costs may be limited under lump-sum price or item rate contracts. Such unanticipated increases in costs may impair our ability to meet construction schedules and our business and results of operations may be adversely affected.

32. Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or other disputes with our employees.

As of August 31, 2023, we had 11,316 full time employees, including a large number of qualified engineers in all the segments. In addition, we employ a large number of specialized contract labour depending on the requirements of our various projects. We are exposed to the risk of strikes, work stoppages, and other industrial actions by our employees and in the past, have faced minor disruptions of such nature. We cannot assure you that we will not experience such disruptions in our work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations.

Any employee unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. Further, efforts by labour unions may divert our management's attention and result in increased costs. We may be unable to negotiate any acceptable collective bargaining agreements with such employees who have chosen to be represented by unions, which could lead to union-initiated stoppages. Further, our third-party suppliers may experience strikes or other labour disruptions and shortages that could affect our operations, possibly for a significant period of time, result in increased wages, shortage in manpower and other costs and otherwise materially and adversely affect our business, results of operations or financial condition. These actions are very difficult for us to predict or control and any such event could adversely affect our business, financial condition and results of operations. A potential increase in the salary scale of our employees as a result of organisation or unrest, or a disruption in services from our employees or contract manufacturers due to potential strikes, could adversely affect our business, results of operations and financial condition.

33. ***We require various licenses and approvals for undertaking our businesses and the failure to obtain or renew such licenses or approvals in a timely manner, or at all, may adversely affect our operations.***

Our business operations are subject to various laws, the compliance of which is supervised by multiple regulatory authorities and government bodies. In order to conduct our business, we are required to obtain multiple licenses, approvals, permits and consents. Additionally, our government approvals and licenses are subject to numerous conditions, some of which are onerous including making an application for amending the existing approval and require us to make substantial expenditure. Most of these approvals and licenses are subject to ongoing inspection and compliance requirements and are valid only for a fixed period of time subject to renewals and accreditations. Additionally, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. If we fail to renew, obtain or retain any of such approvals, in a timely manner, or at all, our business and operations may be adversely affected. There is no assurance that we will be able to receive such approvals in a timely manner or at all.

34. ***We are dependent on external suppliers for key raw materials, components, spares, equipment and machinery, which could materially and adversely affect our business and operations***

We are dependent on our ability to source sufficient amounts of raw materials and spares at competitive prices for our business verticals such as O&M, railways and metro, roads, water project works, and MD&O projects. The quality of our products and eventually, the acceptance of such products by our customers, is dependent on the quality of the raw materials, components and spares and the ability of suppliers to deliver such materials in a timely manner.

The prices and supply of such raw materials and components depend on factors beyond our control, including general economic conditions, competition, production levels, transportation costs and import duties. Suitable alternative suppliers who can meet our technical and quality standards, and who can supply the necessary quantities, may be hard to find in the event of a supply failure. The failure of any of our suppliers to deliver these raw materials or components in the necessary quantities, to adhere to delivery schedules for supply, or to comply with specified quality standards and technical specifications, could adversely affect our production and our business operations.

Further, since we import certain of our raw materials, in the event there are any natural and other disasters, civil unrest, bilateral or international disruptions such as Russia-Ukraine war, our supply of such imported raw materials, components and spares may be disrupted, which may materially and adversely affect our business, cash flows, financial condition and results of operations.

35. ***We may be liable for any substandard quality work or materials delivered by suppliers or sub-contractors engaged by us.***

The quality of work and materials delivered by suppliers and sub-contractors engaged by us for our projects has a direct impact on the overall quality of our construction work and the timeliness of our delivery. Although we generally ensure strict quality and process control measures for suppliers and sub-contractors, we may be subject potential claims against us by our clients in case of any substandard quality work or materials provided by our suppliers or sub-contractors. In such circumstances, our reputation may suffer and our business may be adversely affected. In addition, our resources could be strained by any claim which proceeds to litigation.

36. ***Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.***

The declaration and payment of dividends, if any is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act. There can be no assurance that we shall pay any dividend in the future or dividend payout, if any shall reflect the dividend payout in the past. The amount of future dividend payments by our Company, if any, will depend upon a number of factors, including but not limited to our future earnings, financial condition, cash flows, working capital requirements, capital expenditure restrictive covenants under our contractual obligations and applicable Indian legal restrictions. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into to finance our fund requirements for our business activities.

In accordance with the Dividend Policy, the Board will assess our Company's financial requirements, including consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and other relevant factors and declare dividend in any Financial Year. The dividend for any Financial Year shall normally be paid out of our Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous Financial Year(s) in accordance with provisions of the Companies Act and the SEBI Listing Regulations, as applicable.

There can be no assurance that we will be able to pay dividends in the future. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. For details, see "*Dividends*" on page 85.

37. We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded by debt and increases in interest rate (and consequent increase in the cost of servicing such debt) may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we may in the future engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

38. Fluctuations in the cost and availability of third party transportation service providers may adversely affect our operations or result in increased operating costs.

We rely on third-party service providers for material supplies such as steel and cement as well as for transportation of our construction equipment to project sites. We also utilize third party transportation providers for mobilising our workforce to and between our project sites. The cost and availability of such transportation services is dependent on various factors beyond our control, including general economic conditions, commercial activity levels and demand for such services. Transport strikes and related logistics issues may have an adverse effect on our operations, affecting supply of materials, equipment or labor to our project sites. A significant increase in transportation costs may also have an adverse effect on our results of operations.

39. The success of our business is dependent on various construction and other operating procedures developed by us which know-how cannot be protected under any particular intellectual property right regime.

We have over the years developed expertise and know how relating to various construction and other operating methodologies and procedures utilized by us in executing our construction projects in an efficient manner within the completion schedules specified by our clients. We believe that this know-how provides us with a significant competitive advantage. However, such expert know-how cannot be protected under any particular intellectual property right regime. In order to help maintain the confidentiality of our technical know-how, we maintain internal controls and systems and enter into non-disclosure agreements with some of our employees and clients. However, if we are unable to maintain the confidentiality of our technical know-how relating to our construction and other operating methodologies, it could have a material adverse effect on our business.

40. Our clients' confidential information may be misappropriated by our employees in violation of applicable confidentiality agreements.

Although we require our employees to enter into non-disclosure arrangements to limit access to and distribution of our clients' confidential information, there can be no assurance that such steps will be adequate to ensure protection of such information. If any of our clients' or our proprietary rights are misappropriated by our employees, this may affect our reputation and relationship with existing and potential clients, and adversely affect our business operations.

41. ***Our Promoters have provided personal guarantees in connection with our borrowings and the revocation of all or any of such guarantees may adversely affect our business, results of operation and financial condition.***

Our Promoters, Sajja Kishore Babu and Sajja Lakshmi, have provided personal guarantees for certain of our borrowings. If any of these guarantees are revoked, our lenders may require alternative guarantees or cancel such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, results of operations, cash flows and financial condition may be adversely affected by the revocation of all or any of the guarantees provided by our Promoters in connection with our Company's borrowings.

42. ***We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.***

As of March 31, 2023, our contingent liabilities amounted to ₹ 100.80 million. The following table sets forth certain information relating to our contingent liabilities as of March 31, 2023:

Particulars	**Amount (₹ in million)**
Claims against our Company not acknowledged as debts	
VAT	18.00
Goods and Service Tax (GST)	82.80
Total	100.80

If any of these contingent liabilities materialize, our results of operations and financial condition may be adversely affected.

43. ***Our Directors, Key Managerial Personnel and Senior Management hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.***

Our Directors, Key Managerial Personnel and Senior Management may be interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of the Equity Shares held by them in our Company, and any dividends, bonuses or other distributions on such Equity Shares. For further details, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Board of Directors and Senior Management – Interest of our Directors and Promoters*" on page 160.

44. ***We have entered into certain transactions with related parties in the past and may continue to do so in the future. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.***

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties including remuneration paid to our Directors. For further information, see "*Financial Statements*" on page 229. We cannot assure you that we will receive similar terms in our related party transactions in the future and that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

The transactions we have entered into are on an arm's length and any further transactions that we may have with our related parties could potentially involve conflicts of interest which may be detrimental to us. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

45. An inability to maintain our equipment assets may adversely affect our business and financial conditions.

We own a large base of equipment assets including material handling equipment, cranes, transportation equipment, welding equipment, batching plants, concrete pumps, dozers and modern laboratory testing machines, which enable us to quickly and effectively mobilise project works. The maintenance and management of such equipment is critical for timely completion and delivery of our projects. An inability to maintain and adequately manage our equipment assets, which have a limited period of useful life, could have an adverse impact on our business and financial condition.

46. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds. Further, the schedule of the implementation of the projects for which funds are being raised in the Offer, is subject to risk of unanticipated delays in implementation and cost overruns.

We intend to utilize the Net Proceeds of the Offer as set forth in "*Use of Proceeds*" section of this Preliminary Placement Document beginning on page 72. The funding requirements mentioned as a part of the use of proceeds are based on internal management estimates and commercial considerations and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies.

Based on the competitive nature of our industry, we may have to revise our business plan and/or management estimates from time to time and consequently our funding requirements may also change. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds.

Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

Further, certain information contained in this Preliminary Placement Document, such as our funding requirements and our intended use of the proceeds of the Issue, in addition to not being appraised by any bank, financial institution or independent agency are based on management estimates and internal management information systems and our business plan. We may also have to revise our funding estimates, future projects and the estimated commencement and completion dates of our projects depending on future contingencies and events, including, among others: changes in laws and regulations; competition; receipt of statutory and regulatory approvals and permits; the ability of third parties to complete their services on schedule and on budget; delays, cost overruns or modifications to our future projects; commencement of new projects and new initiatives; and changes in our business plans due to prevailing economic conditions. Accordingly, the schedule of the implementation of the projects for which funds are being raised in the Issue, is subject to risk of unanticipated delays in implementation and cost overruns.

47. Our operations expose us to the risks of currency exchange rate fluctuations.

The exchange rate between the Rupee and the other foreign currencies has changed substantially in recent years and may continue to fluctuate significantly in the future. Changes in currency exchange rates influence our results of operations. A portion of our revenues, relating to our international operations, is denominated in currencies other than Indian rupees, most significantly the U.S. dollar. Depreciation of the Indian rupee against the U.S. dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of financing any debt denominated in foreign currency that we may enter into or any proposed capital expenditure in foreign currencies such as for imported construction equipment. Accordingly, our operating results may be impacted by fluctuations in the exchange rate between the Indian Rupee and other foreign currencies.

48. Failure or disruption of our IT, manufacturing automation systems and/or ERP systems may adversely affect our business, financial condition and results of operations.

We have implemented various information technology ("**IT**") and enterprise resource planning ("**ERP**") solutions to cover key areas of our operations, procurement, dispatch and accounting. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT systems, ERP systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT, manufacturing automation systems and ERP systems may lead to inefficiency or disruption of our operations and thereby adversely affecting our business, financial condition and results of operations.

49. We do not own certain premises used by the Company.

Certain premises used by the Company have been obtained on a lease or license basis. Our Registered and Corporate Office, situated at Plot No. 77, Jubilee Enclave Road, Opposite Hitex, Madhapur, Hyderabad, 500 081, Telangana, India, has been obtained on a lease, part of which is taken on lease from one of our Promoters, namely Sajja Lakshmi.

In addition to the above, we also have other properties which are either owned or held by us on a leasehold basis, and for some of these leased properties, we have entered into agreements with our Promoters and members of our Promoter Group. If any of the owners of such leased or licensed premises do not renew the agreements under which we occupy or use the premises on terms and conditions acceptable to us, or at all, we may suffer a disruption in our operations. For further information, see the sub-section titled "*Our Business – Property*" beginning on page 157.

50. As the securities of our Company are listed on Stock Exchanges in India, our Company is subject to certain obligations and reporting requirements under SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties

Our Company is subject to the obligations and reporting requirements under SEBI Listing Regulations. During the last three preceding years from the date of this Placement Document, our Company has been regular in compliance with SEBI Listing Regulation except for one instance where for the month of September 2023, our Company received a notice from the Stock Exchanges for non-submission of the voting results within the period prescribed under Regulation 44(3) of the SEBI Listing Regulations. The Stock Exchanges levied the necessary fine to our Company and the same was paid. Though our Company's endeavour is to comply with all such obligations/reporting requirements, there may be instances of non-compliance and delays in complying with such obligations/reporting requirements. Any such delays or non-compliance would render our Company to prosecution and/or penalties. Although our Company have not received any further communication from the stock exchanges or any authority in this regard, there could be a possibility that penalties may be levied against our Company for certain instances of non-compliance and delays in complying with such obligations/reporting requirements.

51. We have in the past made an application for compounding certain non-compliances under FEMA.

We have in the past made an application for compounding of contraventions of the provisions of FEMA and the regulations issued thereunder before the RBI. These non-compliances have been subsequently compounded pursuant to the order passed by the RBI. We cannot assure you that in the future we shall be in compliance under the applicable law including the FEMA. We have also paid a penalty for this non-compliance under FEMA.

Any such repeated non-compliances may be detrimental to the interest of our Company and may have a material adverse effect. Additionally, we cannot assure you that there will be no fines that will be imposed on us in the future for any non-compliances.

52. There are certain instances of delays in payment of statutory dues by us. Any further delays in payment of statutory dues may attract financial penalties from the respective government authorities and in turn may have a material adverse impact on our financial condition and cash flows.

During the last three Fiscals we have had instances of delays in the payment of certain statutory dues with respect to GST and TDS, amongst others, which have all been paid or are disputed as on the date of this Preliminary Placement Document. There can be no assurance that such delays may not arise in the future. This may lead to financial penalties from respective government authorities which may have a material adverse impact on our financial condition and cash flows.

External risks

53. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

54. Our business is affected by global economic conditions, especially in the geographies we cater to, which may have an adverse effect on our business, financial condition, results of operations and prospects.

Our business depends substantially on global economic conditions. During Fiscal 2021, Fiscal 2022 and Fiscal 2023 and three months ended June 30, 2023, our overseas sales, as a percentage of our revenue from operations were 11.82%, 13.52%, 11.01% and 10.18% respectively. A significant number of our customers and the majority of the end users of our services are located and primarily operating in, among other places, Nigeria, Oman, and Bangladesh and some of them were adversely impacted by the economic downturn in these economies, disruption in banking and financial systems, economic weakness, unfavourable government policies, rising inflation, lowering of spending power and customer confidence, and political uncertainty.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, financial condition and results of operations.

In February 2022, hostilities between Russia and the Ukraine commenced, which has led stock, commodities and foreign exchange markets worldwide to fluctuate. In addition, the market price of oil has risen sharply since the commencement of hostilities in the Ukraine, which may have an inflationary effect in India and other countries. A prolonged war or a protracted period of hostilities in the Ukraine may lead to global economic disturbances.

If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, financial condition, results of operations and prospects may be adversely affected.

55. Changing regulations in India could lead to new compliance requirements that are uncertain.

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. Any change in the policies by the government may impact our business growth due to a potential change in terms of such contracts which may adversely affect out business, financial condition, results of operations and prospects.

For instance, the GoI has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, financial condition, results of operations and prospects.

56. If we are unsuccessful in implementing our strategies, particularly our growth strategy, our business, financial condition, results of operations and cash flows may be adversely affected

The success of our business depends greatly on our ability to effectively implement our strategies, particularly our growth strategy; please see "*Our Business – Our Strategies*" on page 152. Even if we have successfully executed our business strategies in the past, we cannot assure you that we will be able to execute our strategies on time and within the estimated budget, or that we will achieve expected results. We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls. We may be unable to sustain such growth in revenues and profits or maintain a similar rate of growth in the future. Further, as we grow and diversify, we may be unable to execute our projects efficiently, which could result in delays, increased costs and diminished quality and may adversely affect our reputation. If we are unable to implement our growth strategy effectively, our business, financial condition, results of operations and cash flow may be adversely affected.

57. A slowdown in our exports due to tariffs and trade barriers and international sanctions could adversely affect our business, financial condition and results of operations.

A significant portion of our revenue is derived from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the European Community and the United States, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. In February 2022, hostilities between Russia and the Ukraine commenced, which has led to the imposition of sanctions of various Russian interests (and in some cases Belarus) by the European Union, Australia, Canada, Japan, New Zealand, Switzerland, South Korea, the United Kingdom and the United States. Any such imposition of trade barriers or international sanctions may have an adverse effect on our business, financial condition and results of operations.

58. Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the Indian economy and our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, financial condition and results of operations.

India has experienced natural calamities, such as earthquakes and floods in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our manufacturing facilities or other assets which are concentrated in one location. Any of these natural calamities could adversely affect our business, financial condition and results of operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, has caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

Our operations may be damaged or disrupted as a result of natural calamities. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our facilities. Any of the above factors may adversely affect our business, financial condition and results of operations.

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. In case there are mass protests leading to civil unrest, such incidents could impact both our operations and adversely affect our business, financial condition and results of operations. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armaments and Kashmir. In April 2019, skirmishes along India's border with Pakistan and the downing of an Indian military jet fighter plane significantly escalated tensions between the two countries. India has also experienced terrorist attacks in some parts of the country. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

59. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, financial condition and results of operations.

60. Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document.

Our Financial Statements as of, and for the years ended, March 31, 2021, 2022 and 2023 and for the three months period ended June 30, 2023 incorporated in this Preliminary Placement Document have been prepared and presented in accordance with Ind-AS. Ind-AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document. Accordingly, the degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is dependent on the prospective investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

61. Any adverse change in India's sovereign credit rating by international rating agencies could adversely affect our business, financial condition, results of operations and cash flows.

In November 2016, Standard & Poor's, an international rating agency, reiterated its negative outlook on India's credit rating. It identified India's high fiscal deficit and heavy debt burden as the most significant constraints on its rating and recommended the implementation of reforms and containment of deficits. Standard & Poor's affirmed its outlook on India's sovereign debt rating to "stable", while reaffirming its "BBB-" rating. In May 2017, Fitch, another international rating agency, affirmed India's sovereign outlook to "stable" and affirmed its rating as "BBB-". In November 2017, Moody's Investors Service ("**Moody's**") upgraded the Sovereign Credit Rating of India to Baa2 from Baa3 and changed the outlook on the rating to stable from positive. On June 1, 2020, Moody's downgraded India's sovereign rating to the lowest investment grade and maintained the outlook from stable to negative. In October 2021, Moody's affirmed India's sovereign rating to Baa3 with a stable outlook and it continues to be the same. Prior to the onset of the pandemic, India's GDP growth slowed on account of existing vulnerabilities such as a weak financial sector and subdued private investment. Going forward, the sovereign ratings outlook will remain dependent on whether the government is able to transition the economy into a high-growth environment, as well as exercise adequate fiscal restraint. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our business, financial condition, results of operations and cash flows.

62. The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our business, financial condition and results of operations.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies including our chemical products, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our business, financial condition and results of operations.

63. Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. Additionally, shareholders who seek to convert the Indian Rupees proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. For further details, please see on "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 198 and 206.

In terms of the Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**"), the foreign direct investment policy has been recently amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. Further, in the event of a transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made a similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended and the General Financial Rules, 2017, as amended, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

64. It may not be possible for investors to enforce any judgment obtained outside India against us, the Book Running Lead Manager or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

Our Company is a limited liability company incorporated under the laws of India. Our Board of Directors comprises members all of whom are Indian citizens. All our Key Managerial Personnel and Senior Management are residents of India and majority of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes, among others, the United Kingdom, Singapore, United Arab Emirates and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

65. Our business and activities may be regulated by the Competition Act and proceedings may be enforced against us.

The Competition Act seeks to prevent business practices that have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished. On March 4, 2011, the GoI notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions, including agreements between vertical trading partners i.e., entities at different stages or levels of the production chain in different markets, which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. We may also be subject to queries from the CCI pursuant to complaints by consumers or any third persons, which could be made without any or adequate basis given our market presence. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

Risks relating to our Equity Shares and the Issue

66. An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.

The Equity Shares are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the Issue of the Equity Shares, Eligible QIBs subscribing to the Equity Shares may only sell their Equity Shares on the Stock Exchanges and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price and liquidity of the Equity Shares.

67. ***Any future issuance of the Equity Shares or sales of the Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of the Equity Shares.***

A future issuance of Equity Shares by us may dilute your shareholding in the Issuer. There are no restrictions on our ability to issue further Equity Shares, including allotment of any securities to the Promoters, other than as stipulated under applicable laws. The issue and allotment of Equity Shares by us to third parties would result in a dilution of your shareholding and rights in the Issuer.

Moreover, any significant disposal of Equity Shares by any of our significant shareholders, or the perception that such sales will occur, may affect the trading price of our Equity Shares. As a publicly traded company, there is no restriction on our shareholders to dispose of a part or the entirety of their shareholding in the Issuer, which could lead to a negative sentiment in the market regarding the Issuer that could in turn impact the value of the Equity Shares.

68. ***Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.***

Pursuant to the Companies Act, 2013 a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution when the votes cast in favour of the resolution by the holders who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. However, if the law of the jurisdiction the investor is in does not permit them to exercise their pre-emptive rights without us filing a Preliminary Placement Document or registration statement with the applicable authority in the jurisdiction they are in, they will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to make such a filing, you may not be able to exercise your pre-emptive rights in relation to such an offering. To the extent that investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

69. ***The price of the Equity Shares may be volatile.***

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, results of operations and financial condition. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

70. ***Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on BSE and NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

71. ***Applicants to this Issue are not allowed to withdraw or revise downwards their Bids after the Bid /Issue Closing Date.***

In terms of the SEBI ICDR Regulations, applicants in this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operations and financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/ Issue Closing Date and the date of Allotment of Equity Shares in this Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

72. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemption Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of securities transaction tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Additionally, the Finance Act, 2020 provides, amongst others things that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

The Government of India has announced the union budget for the Financial Year 2024, pursuant to which the Finance Act has introduced various amendments. The Finance Act has been passed by the Parliament of India and was notified on March 31, 2023. Our Company cannot predict whether any tax laws or other regulations impacting it or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations could have a material adverse effect on the trading price of our Equity Shares.

73. Our Equity Shares are quoted in Indian Rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupees and risks associated with the conversion of Indian rupee proceeds into foreign currency.

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian Rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian Rupees against the US dollar and other currencies may subject investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

74. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Indian Rupees proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 14,906,357 Equity Shares have been issued, subscribed, and paid up. The Equity Shares have been listed on BSE and NSE since August 26, 2015. The Equity Shares are listed and traded on BSE under the scrip code 539302 and the symbol POWERMECH and are listed and traded on NSE under the symbol POWERMECH.

On October 17, 2023, the closing price of the Equity Shares on BSE and NSE was ₹ 4,013.60 and ₹ 4,010.35 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

BSE									
Fiscal	**High (₹) (1)**	**Date of high (2)**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹) (1)**	**Date of low (2)**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹) (3)**
2023	2,464.15	March 31, 2023	8,125	19.85	835.45	June 22, 2022	4,893	4.12	1,556.05
2022	1,089.40	October 18, 2021	22,550	24.24	546.70	April 12, 2021	3,152	1.76	840.01
2021	582.90	March 31, 2021	3,100	1.79	311.55	May 27, 2020	973	0.31	426.15

(Source: www.bseindia.com)

Notes:

1. *High and low prices are based on the daily closing prices, for the respective period.*
2. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*
3. *In case of a year, average price for the year represents the average of the closing prices on each day of each year.*

NSE									
Fiscal	**High (₹) (1)**	**Date of high (2)**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹) (1)**	**Date of low (2)**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹) (3)**
2023	2,469.90	March 31, 2023	76,786	188.00	835.35	June 22, 2022	38,071	32.18	1,556.69
2022	1,086.80	October 18, 2021	79,294	85.31	547.20	April 12, 2021	49,317	27.37	840.43
2021	583.90	March 31, 2021	73,324	42.50	312.05	May 29, 2020	39,266	12.52	426.20

(Source: www.nseindia.com)

Notes:

a) *High and low prices are based on the daily closing prices, for the respective period.*
b) *In case of two days with the same high or low price, the date with the higher volume has been chosen.*
c) *In case of a year, average price for the year represents the average of the closing prices on each day of each year.*

The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded during each of the last six months, as applicable:

BSE											
Month, year	**High (₹) (1)**	**Date of high (2)**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹) (1)**	**Date of low (2)**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the month (₹) (3)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ million)**
September, 2023	4,546.65	September 11, 2023	11,404	50.47	4,049.55	September 06, 2023	4,627	18.89	4,225.52	55,768	238.00
August, 2023	4,732.20	August 01, 2023	12,034	57.51	3,830.85	August 14, 2023	6,644	25.56	4,098.04	114,403	477.44
July, 2023	4,609.95	July 31, 2023	17,415	82.64	3,388.70	July 03, 2023	1,198	4.04	3,856.62	83,529	336.56
June, 2023	3,392.85	June 21, 2023	3,789	12.93	3,182.60	June 13, 2023	2,184	6.98	3,255.79	62,367	203.27
May, 2023	3,203.45	May 26, 2023	12,274	39.67	2,599.10	May 02, 2023	1,444	3.78	3,033.65	332,142	964.58
April, 2023	2,724.75	April 24, 2023	18,192	47.98	2,466.70	April 21, 2023	1,948	4.83	2,532.66	49,856	128.82

(Source: www.bseindia.com)

Notes:
1. *High and low prices are based on the daily closing price, for the respective period.*
2. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*
3. *In case of a month, average price for the month represents the average of the closing prices on each day of each month.*

NSE											
Month, year	**High (₹) (1)**	**Date of high (2)**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹) (1)**	**Date of low (2)**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the month (₹) (3)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ million)**
September, 2023	4,538.25	September 11, 2023	109,067	478.24	4,041.90	September 06, 2023	34,654	141.42	4,223.71	722,092	3,059.91
August, 2023	4,726.50	August 01, 2023	180,783	863.91	3,872.30	August 14, 2023	54,949	211.56	4,099.76	1,267,641	5,318.53
July, 2023	4,614.65	July 31, 2023	281,275	1323.36	3,387.25	July 03, 2023	30,287	102.04	3,858.00	991,008	4,022.72
June, 2023	3,389.90	June 21, 2023	43,622	148.92	3,178.10	June 26, 2023	22,890	72.68	3,256.87	742,807	2,423.61
May, 2023	3,202.15	May 26, 2023	131,370	424.36	2,598.20	May 02, 2023	40,792	106.57	3,033.63	1,883,042	5,635.86
April, 2023	2,727.10	April 24, 2023	285,349	758.16	2,464.50	April 21, 2023	64,993	161.55	2,534.11	920,426	2,377.31

(Source: www.nseindia.com)

Notes:
1. *High and low prices are based on the daily closing price, for the respective period.*
2. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*
3. *In case of a month, average price for the month represents the average of the closing prices on each day of each month.*

The following table set forth the details of the number of Equity Shares traded on BSE and NSE and the turnover during Fiscals 2023, 2022 and 2021:

Fiscal	Number of Equity Shares Traded		Turnover (In ₹ million)	
	BSE	NSE	BSE	NSE
2023	1,497,946	15,151,112	2,455.98	24,203.96
2022	2,228,551	17,190,876	1,868.10	14,091.65
2021	1,939,880	17,311,770	870.68	7,822.25

(Source: www.bseindia.com and www.nseindia.com)

The following tables set forth the market price on the Stock Exchanges on August 28, 2023, being the first working day following the approval of the Board for this Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ million)**
3,960.00	4,012.05	3,908.00	4,000.10	3,707	14.62

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ million)**
3,977.00	4,028.95	3,924.00	3,999.90	17,962	71.12

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from this Issue shall be approximately ₹ [●] million. Subject to compliance with applicable laws, the net proceeds from this Issue, after deducting fees, commissions and expenses relating to this Issue, will be approximately ₹ [●] million ("**Net Proceeds**").

Purpose of this Issue

Subject to compliance with applicable laws and regulations, our Company proposes to utilize the Net Proceeds for:

1. Funding capital expenditure for the installation and operation of washery and coal handling plant including other incidental infrastructure works for the Tasra opencast project ("**Tasra Project**");
2. Repayment of a portion of the loan availed by our Company from Bank of Bahrain and Kuwait B.S.C; and
3. General corporate purposes

(collectively, referred to herein as the "**Objects**").

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in the following manner:

(In ₹ million)

Particulars	Amount which will be financed from Net Proceeds
Funding capital expenditure for the installation and operation of washery and coal handling plant including other incidental infrastructure works for the Tasra opencast project	2,400.00
Repayment / prepayment, in full or part of a portion of the loan availed by our Company from Bank of Bahrain and Kuwait B.S.C	200.00
General corporate purposes	[●]
Total	**[●]**

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in million)

Sr. No	Particulars	Total estimated cost	Amount to be financed from internal accruals / debt	Amount which will be financed from Net Proceeds	Estimated deployment of the Net Proceeds		
					Fiscal 2024	Fiscal 2025	Fiscal 2026
1.	Funding capital expenditure for the installation and operation of washery and coal handling plant including other incidental infrastructure works for the Tasra opencast project	6,900.00*#	4,500.00 (1)	2,400.00	240.00	480.00	1,680.00
2.	Repayment / prepayment in full or part, of a portion of the loan availed by our Company from Bank of Bahrain and Kuwait B.S.C	200.00	-	200.00	200.00	-	-
3.	General corporate purposes**	-	-	[●]	[●]	[●]	[●]
	Total	**-**	**4,500.00**	**[●]**	**[●]**	**[●]**	**[●]**

** Total estimated cost, as per the techno economic viability report dated October 17, 2023 prepared by Dun & Bradstreet Information Services India Private Limited*

 # Rounded off to the closest integer

*** The funds which will be raised for various general corporate purposes, in line with the business of our Company and will be updated in the Placement Document.*

[1] To be financed by way of a term loan. Our Company has executed a non-binding term sheet dated September 26, 2023 with RBL Bank Limited in this respect.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event that the estimated utilization of the Net Proceeds and Issue related expenses in a scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year or if required, the amount scheduled for deployment in a specific Fiscal may be utilized in an earlier Fiscal, as may be determined by our Company, in accordance with applicable laws. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements.

Subject to compliance with applicable laws, in case of any variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements or by surplus funds available in respect of the other purposes for which funds are being raised in the Issue (except towards general corporate purposes).

Details of the Object of the Net Proceeds

1. **Funding capital expenditure for the installation and operation of washery and coal handling plant including other incidental infrastructure works for the Tasra opencast project ("Tasra Project")**

   Steel Authority of India Limited ("**SAIL**") issued a letter of award dated July 28, 2023 ("**LoA**") to a consortium of our Company and P C Patel Infra Private Limited for the mining and development of the Tasra opencast project. Our Company and P C Patel Infra Limited formed a joint venture company, namely, Kalyaneswari Tasra Mining Private Limited ("**KTMPL**") on August 25, 2023 to undertake various activities for the entire development and operation works for the Tasra opencast project.

   Our Company and P C Patel Infra Limited entered into a Coal Mine Services Agreement dated September 8, 2023 ("**CMSA**") with SAIL and KTMPL pursuant to which SAIL has accepted KTMPL as the entity which shall undertake and perform the obligations under the LoA. For performing the various activities under the scope of work for the Tasra Project as mentioned in the LoA and the CMSA, KTMPL has sub-contracted the scope of work of installation and operation of washery and coal handling plant to our Company by way of a memorandum of understanding dated October 6, 2023 (the "**MoU**"). As per the MoU, KTMPL shall pay our Company a consideration of ₹ 845 per ton of the coal washed or such other consideration as may be mutually agreed between the parties to the MoU. The total cost of the mining and development works at Tasra opencast project is estimated at ₹ 17,176.40 million, for further details see "*Our Business*" on page 147. Further, the land required for the completion of the entire Tasra shall be acquired by SAIL.

   Out of the total project cost of the mining and development works at Tasra opencast project, the estimated cost for our Company to carry out the activity of installation and operation of washery and coal handling plant ("**Tasra Project**") is ₹ 6,900.00 million. Our Company intends to fund the Tasara Project through a combination of term loan amounting to ₹ 4,500 million for which we have executed non-binding term sheet dated September 26, 2023 with RBL Bank Limited and the remaining amount of ₹ 2,400.00 million from the Net Proceeds from this Issue. A summary of the project cost for the Tasra Project is as provided below. The details set out below are based on the techno economic viability report dated October 17, 2023 prepared by Dun & Bradstreet Information Services India Private Limited and certified by way of a certificate dated October 18, 2023 issued by a mining consultant, namely ReVal Consulting Private Limited.

(in ₹ million)

Description of activity	Total estimated cost *	Quotation/cost summary received from	Date of quotation
Coal Handling Plant	1,384.40	Bevcon IIOT(OPc) Private Limited	October 6, 2023
Coal Washery	4,910.00	Bekem Infra Projects Private Limited	October 4, 2023
Total (A)			**6,294.40**
Interest During Construction (B)^			425.30
Contingencies (C)^			180.40
Total Project Cost (D) = (A+B+C)			**6,900.00**#
Term Loan[(1)]			**4,500.00**
Funded from Net Proceeds			**2,400.00**

^ Based on management estimates
#Rouned off to the closest integer
**Exclusive of GST and other duties. Any taxes or duties will be borne by the Company through internal accruals*
(1) To be financed by way of a term loan. Our Company has executed a non-binding term sheet dated September 26, 2023 with RBL Bank Limited in this respect.

The quotation received from the above suppliers are valid as on the date of this Preliminary Placement Document. However, we have not placed any order or entered into any definitive agreements with any suppliers and there can be no assurance that the abovementioned suppliers would be engaged to eventually provide the services at the same costs. While the aforesaid quotations cover the project in a comprehensive form, in the process of execution, we may rely on one or more suppliers for supplying materials or services as may be necessary for us to execute the project in a cost efficient and timely manner. If there is any increase in the costs, the additional costs shall be borne by our Company from its internal accruals.

Description of the scope of work under the project activity

Coal Handling Plant

The scope of work involves installation and operation of the coal handling plant including conveyor belt and other related infrastructure activities. The capital expenditure shall be utilised towards receiving hoppers, primary crushers, bel conveyor system, ground bunker and its extraction system. It shall also include dust suppression system, noise control, fire fighting system, plant cleaning system including civil and structural works and electricals.

Coal Washery

The scope of work is for the design, engineering, manufacture, supply, storage, handling at site, construction, erection, testing, commissioning including civil & structural works along with rapid loading system and demonstration of performance of coal washery of annual capacity of 3.5 Mty. The scope of work includes (i) pre washery including receiving and storage of raw coal; (ii) washery; (iii) post washery loadout bin and rapid loading system; (iv) common facilities; and (v) consultants, services and service providers.

Government approvals

In relation to the Tasra Project, we are required to obtain various approvals from governmental, regulatory and statutory authorities including mining plan approval, environmental clearances, mine closure plan, consent to operate and consent to establish and mine opening permission, approval for power supply and approval for water supply. Certain of these approvals have been received and the remaining will be applied for in due course, as certified by a mining consultant, namely ReVal Consulting Private Limited, by way certificate dated October 18, 2023. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. For details, see risk factor "*We require various licenses and approvals for undertaking our businesses and the failure to obtain or renew such licenses or approvals in a timely manner, or at all, may adversely affect our operations.*"

2. **Repayment / prepayment, in full or part, of a portion of the loan availed by our Company from Bank of Bahrain and Kuwait B.S.C**

As of August 31, 2023, we had total outstanding borrowings of ₹ 5,350.50 million. Our Company has entered into various financial arrangements with various banks. The borrowing arrangements entered into by us include, *inter alia*, term loans and working capital facilities. We propose to utilise ₹ 200.00 million from the Net Proceeds for repayment / prepayment, in full or part, of the loan availed by our Company from Bank of Bahrain and Kuwait B.S.C. The repayment/ prepayment, will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt - equity ratio. In addition, we believe that since our debt - equity ratio will improve, it will enable us to raise further resources at competitive rates and additional funds/ capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future. Set forth below are the details of repayment/pre-payment proposed by our Company:

Name of the lender	Nature of borrowing	Purpose	Amount sanctioned (in ₹ million)	Principal amount outstanding as on August 31, 2023 (in ₹ million)	Interest rate as of August 31, 2023 (% per annum)	Tenor and Repayment Schedule	Prepayment Penalty	Amount proposed to be repaid out of the Net Proceeds	Whether the loan has been utilized for the purpose for which it has been availed
Bank of Bahrain and Kuwait B.S.C	Working Capital Demand Loan#	To meet working capital requirements	450.00	391.77	8.00%	Maximum 180 days. To be repaid on due date with roll over option after a cooling period of 2 days.	Nil	200.00	Yes

 # Working capital demand loan is the sub-limits of overall ₹ 600 million limit to the bill discounting facility sanctioned vide letter dated December 28, 2022.
***Note:** As certified by our Statutory Auditors M/s K S Rao & Co, Chartered Accountants by way of their certificate dated October 18, 2023*

3. General Corporate Purposes

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

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Monitoring Utilization of Funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**"), as the size of our Issue exceeds ₹ 1,000 million. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Interim Use of Proceeds

Pending utilisation of the Net Proceeds towards the purposes described in this section, our Company intends to deposit the Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market / mutual funds, as approved by the Board and/or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and final listing and trading approvals are received from each of the Stock Exchanges and the corresponding return of Allotment is filed with the RoC.

Other Confirmations

Neither our Promoters nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management Personnel.

CAPITALISATION STATEMENT

The following table sets forth the capitalisation of our Company, on a consolidated basis, as at June 30, 2023 and as adjusted to give effect to the receipt of the gross proceeds of this Issue.

This table should be read in conjunction with sections entitled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 38 and 86, respectively.

(₹ in millions except ratios)

Particulars	Pre-Issue as at June 30, 2023	As adjusted for the Issue*#^
Total borrowings		
- Current borrowings (including current maturities of long-term borrowings)	4,866.90	[●]
- Non-current borrowings	250.77	[●]
Debt (A)	**5,117.67**	**[●]**
Total Equity		
- Equity Share capital	149,06	[●]
- Other equity	13,085.77	[●]
Total Equity (B)	**13,234.83**	**[●]**
Ratio: Debt / Total equity (A/B)	**0.39**	**[●]**

** Will be finalized upon determination of the Issue Price.*
 # Adjustments do not include Issue related expenses
^ As adjusted to reflect the number of Equity Share issued pursuant to the Issue
Note:
**The corresponding post-Issue capitalisation data for each of the above amounts given in the table is not determinable at this stage pending the determination of terms of the Issue and hence, the same have not been provided in the above statement.*

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Preliminary Placement Document, is set forth below:

(in ₹, except share data)

	Particulars	Aggregate value at face value#
A	**AUTHORISED SHARE CAPITAL**	
	26,000,000 Equity Shares	260,000,000
B	**ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL PRIOR TO THE ISSUE**	
	14,906,357 Equity Shares	149,063,570
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT (1)**	
	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●](1) (2)	[●]
D	**ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL AFTER THE ISSUE(2)**	
	[●] Equity Shares of face value of ₹ 10 each	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (₹ in million)	1,857.36
	After the Issue (2)(3)	[●]

(1) *This Issue was approved by the Board of Directors on August 25, 2023. Subsequently, our Shareholders, through a special resolution passed, approved this Issue at the AGM held on September 28, 2023.*

(2) *To be determined upon finalization of the Issue Price.*

(3) *The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue. Adjustments do not include Issue related expenses.*

#*Except for securities premium account*

Equity Share capital history of our Company

The history of the Equity Share capital of our Company as on the date of this Preliminary Placement Document is provided in the following table:

Date of issue/allotment	Number of equity shares	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares	Cumulative issued and paid-up equity share capital (₹)
July 23, 1999	1,000	10	10	Cash	Subscription to memorandum(1)	1,000	10,000
December 31, 1999	150,000	10	10	Cash	Allotment of Equity Shares(2)	151,000	1,510,000
March 06, 2000	5,000	10	10	Cash	Allotment of Equity Shares(3)	156,000	1,560,000
July 29, 2000	45,000	10	10	Cash	Allotment of Equity Shares(4)	201,000	2,010,000
March 16, 2001	55,000	10	10	Cash	Allotment of Equity Shares(5)	256,000	2,560,000
December 20, 2001	94,000	10	10	Cash	Allotment of Equity Shares(6)	350,000	3,500,000
September 25, 2002	150,000	10	10	Cash	Allotment of Equity Shares(7)	500,000	5,000,000
March 27, 2003	100,000	10	10	Cash	Allotment of Equity Shares(8)	600,000	6,000,000
February 17, 2004	50,000	10	10	Cash	Allotment of Equity Shares(9)	650,000	6,500,000
June 01, 2004	100,000	10	10	Cash	Allotment of Equity Shares(10)	750,000	7,500,000
July 18, 2005	100,000	10	10	Cash	Allotment of Equity Shares(11)	850,000	8,500,000
March 29, 2006	150,000	10	10	Cash	Allotment of Equity Shares(12)	1,000,000	10,000,000

Date of issue/allotment	Number of equity shares	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares	Cumulative issued and paid-up equity share capital (₹)
March 31, 2007	2,000,000	10	Nil	Other than cash	Bonus issue of Equity Shares in the ratio of 2:1(13)	3,000,000	30,000,000
March 31, 2008	2,000,000	10	10	Cash	Preferential allotment(14)	5,000,000	50,000,000
August 13, 2008	1,000,000	10	10	Cash	Preferential allotment(15)	6,000,000	60,000,000
September 29, 2008	3,000,000	10	Nil	Other than cash	Bonus issue of shares in the ratio of 1:2(16)	9,000,000	90,000,000
November 27, 2009	100	10	10	Cash	Preferential allotment(17)	9,000,100	90,001,000
January 18, 2011	1,752,664	10	142.64	Cash	Conversion of compulsorily convertible preference shares to Equity Shares(18)	10,752,764	107,527,640
November 26, 2013	187,500	10	200	Cash	Conversion of compulsorily convertible debentures to Equity Shares (19)	10,940,264	109,402,640
June 26, 2014	1,080,000	10	Nil	Other than cash	Bonus issue of Equity Shares in the ratio of 1.2:10 (20)	12,020,264	120,202,640
July 16, 2014	562,500	10	200	Cash	Conversion of compulsorily convertible debentures to Equity Shares(21)	12,582,764	125,827,640
August 21, 2015	2,128,000	10	640.00	Cash	Initial Public Offering(22)	14,710,764	147,107,640
October 8, 2022	195,593	10	1,278.16	Other than cash	Conversion of unsecured loan into equity(23)	14,906,357	149,063,570
Total						**14,906,357**	**149,063,570**

(1) *900 Equity Shares subscribed by S. Kishore Babu and 100 Equity Shares subscribed by G. Srinivasulu.*

(2) *Allotment of 30,000 Equity Shares to Sajja Kishore Babu, 5,000 Equity Shares to G. Srinivasulu, 35,000 Equity Shares to Sajja Kishore Babu (HUF), 35,000 Equity Shares to Sajja Lakshmi, 500 Equity Shares to K. Sambasiva Rao, 500 Equity Shares to K. Subhasini, 500 Equity Shares to K. Ajay Kumar, 500 Equity Shares to K. Pitchaiah, 500 Equity Shares to S. Siva Rama Krishna, 500 Equity Shares to S. Vijaya Lakshmi, 500 Equity Shares to Sai Mallewara Rao, 500 Equity Shares to G. Saya Devi, 500 Equity Shares to G. Babu, 500 Equity Shares to G. Sekhar, 5000 Equity Shares to G. Sridevi, 10,000 Equity Shares to A.R.N. Rao, 3,000 Equity Shares to A. Vijaya Lakshmi, 2,000 Equity Shares to A. Lakshman Rao, 5,000 Equity Shares to K. Aboobacker, 5,000 Equity Shares to K. Mymoona Aboobacker, 5,000 Equity Shares to K.K.M. Koya and 5,000 Equity Shares to K.K. Mumtaz.*

(3) *Allotment of 5,000 Equity Shares to Yeshwant Torar.*

(4) *Allotment of 15,000 Equity Shares to Sajja Kishore Babu, 15,000 Equity Shares to Sajja Lakshmi, 4,500 Equity Shares to K. Ajay Kumar, 1,000 Equity Shares to K. Swati, 4,500 Equity Shares to G. Babu, 1,000 Equity Shares to G. Leela, 1,000 Equity Shares to G. Neelima, 1,000 Equity Shares to K. Ravi Kumar, 1,000 Equity Shares to K. Padmaja, 500 Equity Shares to V. Srinivasa Rao and 500 Equity Shares to V. Gowri Devi.*

(5) *Allotment of 50,000 Equity Shares to Sajja Lakshmi and 5,000 Equity Shares to Manne Praveen.*

(6) *Allotment of 15,000 Equity Shares to Sajja Kishore Babu, 15,000 Equity Shares to Sajja Kishore Babu (HUF), 50,000 Equity Shares to Sajja Rohit, 2,500 Equity Shares to G. Srinivasulu, 1,500 Equity Shares to G. Sridevi, 1,000 Equity Shares to K. Aboobacker, 1000 Equity Shares to KK. Mumtaz, 1,000 Equity Shares to K. Mymoona Aboobacker, 1,000 Equity Shares to K.K.M. Koya, 1,500 Equity Shares to A.R.N. Rao, 500 Equity Shares to A. Vijaya Lakshmi, 2,000 Equity Shares to K. Ajay Kumar and 2,000 Equity Shares to G. Babu.*

(7) *Allotment of 4,100 Equity Shares to Sajja Kishore Babu, 30,000 Equity Shares to Sajja Kishore Babu (HUF), 35,000 Equity Shares to Sajja Lakshmi, 45,000 Equity Shares to S. Vignatha, 3,000 Equity Shares to K. Ajay Kumar, 4,500 Equity Shares to S. Siva Rama Krishna Prasad, 4,500 Equity Shares to S. Sai Malleswara Rao, 4,900 Equity Shares to G. Saya Devi, 3,000 Equity Shares to G. Babu, 1,000 Equity Shares to K. Swathi, 3,000 Equity Shares to G. Leela, 1,000 Equity Shares to K. Ravi Kumar, 500 Equity Shares to V. Srinivasa Rao, 500 Equity Shares to V. Gouri Devi, 5000 Equity Shares to Meka Veera Venkata Satyanarayana and 5,000 Equity Shares to Meka Krishna Kumari.*

(8) *Allotment of 30,000 Equity Shares to Sajja Kishore Babu (HUF), 20,000 Equity Shares to Sajja Rohit and 50,000 Equity Shares to Sajja Lakshmi.*

(9) *Allotment of 50,000 Equity Shares to Sajja Kishore Babu (HUF).*

(10) *Allotment of 100,000 Equity Shares to Sajja Kishore Babu.*

(11) *Allotment of 100,000 Equity Shares to Sajja Kishore Babu.*

(12) *Allotment of 50,000 Equity Shares to Sajja Kishore Babu (HUF) and 100,000 Equity Shares to Sajja Lakshmi.*

(13) *Bonus issue in the ratio of 2:1, where two Equity Shares were issued for every Equity Share.*

(14) *Preferential allotment of 1,350,000 Equity Shares to Sajja Kishore Babu, 450,000 Equity Shares to Sajja Lakshmi, 30,000 Equity Shares to Sajja Rohit and 170,000 Equity Shares to Sajja Kishore Babu (HUF).*

(15) *Preferential allotment of 694,700 Equity Shares to Sajja Rohit, 200,000 Equity Shares to S. Vignatha, 100,000 Equity Shares to Sajja Lakshmi, 1,500 Equity Shares to K. Nalini, 1,500 Equity Shares to K. Varun, 500 Equity Shares to P. Srinivasa Rao, 500 Equity Shares to D. S. Rao, 200 Equity Shares to T. Satish Kumar, 150 Equity Shares to Mohit Gurjar, 100 Equity Shares to Vikas Sirohiya, 200 Equity Shares to G. Sri Lakshmi and 650 Equity Shares to A.K. Khan.*

(16) *Bonus issue in the ratio of 1:2, where one Equity Share was issued for every two Equity Shares.*

(17) *Preferential allotment of 25 Equity Shares to India Business Excellence Fund and 75 Equity Shares to India Business Excellence Fund I*

(18) *Pursuant to a resolution dated January 18, 2011, 2,500,000 compulsorily convertible preference shares held by India Business Excellence Fund were converted to 438166 Equity Shares and 7,500,000 compulsorily convertible preference shares India Business Excellence Fund I were converted into 1,314,498 Equity Shares respectively at ₹ 142.64 each.*

(19) *Pursuant to a resolution dated November 26, 2013, 375 compulsorily convertible debentures held by India Business Excellence Fund were converted to 187,500 Equity Shares at ₹ 200 each.*

(20) *Bonus issue in the ratio of 1.2:10, where 1.2 Equity Shares were issued for every 10 Equity Shares, however, pursuant to letters dated June 10, 2014, certain shareholders of our Company, namely, India Business Excellence Fund I and India Business Excellence Fund, gave their consent to the Equity Shares under the bonus issue being allotted to all other Shareholders except them. Accordingly, no Equity Shares were allotted to such shareholders of our Company under the bonus issue.*

(21) *Pursuant to a resolution dated July 16, 2014, 1125 compulsorily convertible debentures held by India Business Excellence Fund I were converted to 562,500 Equity Shares at ₹ 200 each.*

(22) *Pursuant to resolution dated August 21, 2015, issue of 2,128,000 equity shares of face value ₹ 10 each at a price of ₹ 640 per share by way of the initial public offering to the public by the Company.*

(23) *Pursuant to resolution dated August 25, 2022, 1,95,593 equity shares of face value ₹ 10 each were allotted to Power Mech Infra Limited (a Promoter Group entity) by way of conversion of the unsecured loan into equity shares under a preferential allotment.*

Pre-Issue and post-Issue shareholding pattern of Company

The pre-Issue and post-Issue shareholding pattern of our Company, as on June 30, 2023, is set forth below:

#	Category	Pre-Issue (as on June 30, 2023)#		Post-Issue*	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
A. Promoters/ Promoter Group holding**					
1.	Indian				
	Individuals/ Hindu Undivided Family	9,362,141	62.81	[●]	[●]
	Others	195,593	1.31	[●]	[●]
	Sub-total	**9,557,734**	**64.12**	[●]	[●]
2.	Foreign promoter	Nil	Nil	-	-
	Sub-total (A)	**9,557,734**	**64.12**	[●]	[●]
B. Non-Promoter Holding					
1.	Institutional Investors				
	Mutual funds	1,783,277	11.96	[●]	[●]
	Alternative investment funds	225,586	1.51		
2.	Non-Institutional Investors				
	*Key Managerial Personnel^*	Nil	Nil	[●]	[●]
	Individual share capital upto ₹ 2 Lacs	1,754,272	11.77	[●]	[●]
	Individual share capital in excess of ₹ 2 Lacs	480,062	3.22	[●]	[●]
	Non-Resident Indians (NRIs)	122,594	0.82	[●]	[●]
	Foreign Companies	Nil	Nil	[●]	[●]
	Bodies Corporate	323,393	2.17	[●]	[●]
	Any Other				
	Foreign Portfolio Investors Category II	16,330	0.11	[●]	[●]
	Foreign Portfolio Investors Category I	516,487	3.46	[●]	[●]
	HUF	123,966	0.83	[●]	[●]
	Clearing Members	2,656	0.02	[●]	[●]
	Sub-total	**5,348,623**	**35.88**	[●]	[●]
3.	Non-Promoter non-public	Nil	Nil	[●]	[●]
	Sub-total (B)	**5,348,623**	**35.88**	[●]	[●]
	Grand Total (A+B)	**14,906,357**	**100.00**	[●]	[●]

^ Other than Sajja Kishore Babu, our Chairman and Managing Director who is also one of the Promoter and whose shareholding has been disclosed under Promoters / Promoter Group holding.
**The details of the post-Issue shareholding pattern will be filled-in before filing of the Placement Document with the Stock Exchanges.*
***Includes shareholding of the members of the Promoter Group.*

Other confirmations

There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

There would be no change in control in our Company consequent to this Issue.

Our Company has not made any allotment of Equity Shares or Preference Shares, including for consideration other than cash, in the last one year preceding the date of this Preliminary Placement Document:

Our Company has not allotted securities on preferential basis in the last one year preceding the date of this Preliminary Placement Document.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on recognised stock exchanges in India.

Employee Stock Option Scheme

As on the date of this Preliminary Placement Document, our Company does not have any employee stock option plan.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Proposed Allottees in the Issue*" on page 230.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) Fiscal 2023; (ii) Fiscal 2022; and (iii) Fiscal 2021, as per the requirements under Ind AS notified under the Ind AS Rules read with Section 133 of the Companies Act, 2013, please see the section entitled "*Financial Statements*" on page 229.

DIVIDENDS

The declaration and payment of dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. Our Board may also, from time to time, declare one or more interim dividends during any Financial Year. Our Board has approved and adopted a formal dividend policy on June 17, 2021, in terms of Regulation 43A of the SEBI Listing Regulations. ("**Dividend Policy**").

In accordance with the Dividend Policy, the Board will assess our Company's financial requirements, including consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company and other relevant factors and declare dividend in any Financial Year. The dividend for any Financial Year shall normally be paid out of our Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous Financial Year(s) in accordance with provisions of the Companies Act and the SEBI Listing Regulations, as applicable.

Particulars	**From July 1, 2023 till the date of this PPD**	**Three months ended June 30, 2023**	**Fiscals**		
			2023	**2022**	**2021**
Face value per share (₹)	10.00	10.00	10.00	10.00	10.00
Dividend per share (₹)	-	-	2.00	1.50	Nil
Dividend rate (%)	-	-	20%	15%	Nil
Dividend paid on Equity Shares (₹ in million)	-	-	22.16	-	14.72

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the Financial Year in which they have been allotted. For further information, please see the section entitled "*Description of the Equity Shares*" on page 212. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, See, "*Risk Factors*" on page 38.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is based on, and should be read in conjunction with, the information in the section titled "Selected Financial Information" beginning on page 33 of this Preliminary Placement Document, and our Audited Consolidated Financial Statements and our Unaudited Consolidated Financial Results beginning on pages F-6 and F-1 of this Preliminary Placement Document. Unless the context requires otherwise, the financial information corresponding to (i) Fiscals 2023, 2022 and 2021 has been derived from the Audited Consolidated Financial Statements, and (ii) the three months ended June 30, 2023 and June 30, 2022 has been derived from the Unaudited Consolidated Financial Results.

Our Audited Consolidated Financial Statements as at, and for, the fiscal years ended March 31, 2021, 2022 and 2023 (including the schedules, notes and significant accounting policies thereto), have been prepared in accordance with Ind AS, read with the Companies (Indian Accounting Standards) Rules, 2015. Ind AS differs in certain respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Ind AS on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

Statements in this Preliminary Placement Document that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause our actual financial performance to differ materially from the conditions contemplated in such forward-looking statements. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us or any other person, or that these results will be achieved or are likely to be achieved. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors and contingencies that could affect our financial condition, results of operations and cash flows. You are advised to read the sections titled, "Forward-Looking Statements" and "Risk Factors" beginning on pages 15 and 38, respectively, which discuss a number of factors or contingencies that could affect our business, financial condition and results of operations. You are cautioned not to place undue reliance on these forward-looking statements.

*Unless otherwise indicated, all industry and market data used in this section has been derived from the report titled "Assessment of Construction & EPC Industry in India" dated October 16, 2023 (the "**CRISIL Report**"), which is a report commissioned and paid for by us and prepared by CRISIL MI&A, a division of CRISIL Limited ("**CRISIL**"). Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12 months period ended March 31 of that year. Financial information for the three months ended June 30, 2023 and June 30, 2022 is not annualized and not indicative of full year results, and is not comparable with annual financial statements presented in this Preliminary Placement Document. Further, please note that figures from a previous financial year have been regrouped wherever necessary to conform to the subsequent financial year classification, as applicable.

Overview

Our Company is one of the leading industrial services, infrastructure and construction companies in India, with a global presence, providing a range of integrated services across the power, non-power and infrastructure sectors (*Source: CRISIL Report*). Our Company is one of the largest operations and maintenance ("**O&M**") service providers in the conventional power sector in India (*Source: CRISIL Report*). Our Company has made a significant niche in power sector, covering segments such as erection, testing and commissioning ("**ETC**") of boilers, turbines and generators ("**BTG**") and balance of plant ("**BOP**") works, operation and maintenance ("**O&M**"), repairs, overhauling, renovation and modernization of power plants and related civil works. Our Company played a major role in the installation of high performance super critical thermal units including installation of India's first ultra mega power plants.

Our ETC business has been an integral part of our operations since inception of our Company. Our ETC business included works related to coal and gas-based power plant which was further expanded by our entry into other sectors such as oil and gas, steel, material handling and retrofit packages of fitting FGD systems as part of emission control. Our Company has an installed reference base of 68,646 MW in domestic market, 6,792 MW in overseas market, 546 Kms of cross-country pipelines, 2.8 million MT of erection and 0.24 million MT of fabrication works, as of August 31, 2023.

Our Company has captured the O&M business in India particularly in the independent power producer sector and later in the State sector reaching an O&M service capacity of 68,375 MW as on date of this Preliminary Placement Document. O&M has been playing a very important role in the growth of our Company for sustained business potential and has contributed 25.81% to our revenue from operations for Fiscal 2023. The additions in supercritical units over last 15 years has helped our Company in forward integration of O&M practices needed to operate and maintain supercritical based power plants.

Our service offerings are backward integrated with our manufacturing facility in Noida, Uttar Pradesh. The facility can undertake major works related to manufacture, supply of rebuilding of spares, major repairs of steam turbines, rotor balancing and reverse engineered parts manufacturing for various rotating parts of power plant both in thermal and hydro sector. Further we have undertaken job works for parts needed for railway electrification at our Noida facility.

Over the years, our Company, has been updating and adopting the business strategy in catching up with the market dynamics and continuously changing business environment. As per the CRISIL Report, the paradigm shift of policy to reduce greenhouse gas emissions, paved the way for large scale investments in renewables throughout the World. India having established its huge thermal capacity to meet the growing energy needs using the abundant coal availability had to shift its priority to renewable power generation and alter its policies after 2015 (*Source: CRISIL Report*). As a result, renewable sources excluding hydro power which accounted for less than 15% of electricity generation capacity prior to Fiscal 2015 now account for over 30% as of Fiscal 2023 (*Source: CRISIL Report*). The alteration in the investment priority was a major change for our Company's business and its growth and this was both a challenge and an opportunity. Our Company in anticipation of this tilt in the power sector investments, had reconciled to the changing scenario and had realigned its business approach to massive diversify by finding new business opportunities. In the last ten years, our Company has started diversifying in line with its strategy to maintain a balance mix between power and non-power sector. Our Company has entered sectors having synergistic offering services including industrial plants, railways, metros, roads and water projects.

We believe our significant experience and execution capabilities have enabled us to develop firm relationships with various private sector clients as well as public sector undertakings. We have established long-term relationships with various companies and power utilities. Our Company, having its major operations in India, extended its operations globally and has established presence as a service provider in countries mostly in Asia and Africa. Our Company has established itself in the Middle East and African market for power and energy related projects both in the construction of power plants and post construction and maintenance works. Our Company has established an installed base of 6,792 MW mostly in gas and oil based thermal units for the export market of Middle East, Bangladesh and Africa. In order for us to expand and take advantage of market opportunities we have also entered into joint ventures and consortium with companies having domain expertise in order for us to meet qualification criteria for venturing into new areas of business. This plan has assisted our Company in quicker penetration into the export market in Middle East and Africa with the help of the local partnership which also assisted in forging new initiatives and facilitating in competing with established local players present.

In the last two years, our Company has forayed into mining development and operations ("**MDO**") as part of forward integration for sustained and long term growth. The MDO business is driven by the combined existing expertise from our business verticals.

Our revenue from operations for the Fiscals 2021, 2022 and 2023, and the three months ended June 30, 2023 and June 30, 2022, was ₹18,840.85 million, ₹27,104.94 million, ₹ 36,011.90 million, ₹ 8,651.31 million and ₹ 7,466.13 million, respectively, growing at a CAGR of 38.30% between Fiscal 2021 to Fiscal 2023. Our profit after tax for Fiscals 2021, 2022 and 2023 was ₹ (486.04) million, ₹1,384.90 million and ₹2,073.11 million while our profit after tax for the three months ended June 30, 2023 and June 30, 2022 amounted to ₹509.64 million and ₹394.33 million, respectively. Our aggregate Order Book as of August 9, 2023 was ₹ 533,200 million (including MDO contracts of ₹ 92,940 million and ₹ 304,380 million execution considered up to June 30, 2023).

Principal factors affecting our results of operations

Our business, financial condition and results of operations are affected by a number of factors, including the following:

Our ability to successfully bid for and win projects

Majority of our projects, including those in erection works, civil works, O&M services, power sector, roads, railways and the recent mining, development and operations services are typically awarded to us through a competitive bidding process. Pre-qualification is therefore key to our winning major projects and we continue to develop on our pre-qualification status through focused client development efforts and entering into strategic joint partnerships and pre-bid arrangements with other service providers. In selecting contractors for major projects, clients generally limit the tender to contractors (or sub-contractors) they have pre-qualified based on several criteria including experience, technical and technological capacity, previous performance, reputation for quality, safety record, the financial strength of the bidder as well as its ability to provide performance guarantees. However, price competitiveness of the bid is typically one of the most important selection criterion. We believe that our long-term relationships with various public sector and private sector clients in India and internationally enable us to better understand our clients' requirements and better evaluate the scope of work and risks involved in a project we bid for. We have also worked on various projects with companies such as CESC Limited, Jindal Steel and Power Limited, RVNL, RITES, Siemens, Toshiba JSW Power System Private Limited, Vedanta Limited, Dangote Petroleum Refinery and Petrochemicals FZE. For further details, please refer to the section titled "*Our Business – Our business operations*" on page 153.

The composition of our Order Book and our ability to execute such contracts

In our industry, an order book is considered one of the key indicators of future performance as it represents a portion of anticipated future revenue. By diversifying our operations across different sectors as well as geographically, we have been able to undertake a broader range of projects and consequently, optimize our business volume and profit margins. Our Order Book as of a particular date comprises estimated revenues from (i) the unexecuted portions of existing contracts as of such date; (ii) contracts for which definitive agreements have been executed; and (iii) contracts for which letters of intent/ award have been issued by the client, although definitive agreements have not yet been executed as of such date.

Our aggregate Order Book as of August 9, 2023 was ₹ 533,200 million (including MDO contracts of ₹ 92,940 million and ₹ 304,380 million execution considered up to June 30, 2023) which includes the Order Book for our erection works, O&M, civil and other works and electricals. The following table sets forth certain information relating to our Order Book as of August 9, 2023:

Particulars	Estimated Order Book (₹ in million) *	Percentage of Estimated Total Order Book (%)
Erection Works	68,456	50.38
O&M	4,657	3.43
Civil and other works	60,050	44.19
Electricals	2,717	2.00

**Excluding MDO contracts*

Order Book calculation may vary across industries and companies, and the manner in which we calculate our Order Book may be subjective and vary from that followed by other companies including our competitors. For further discussion on various factors that may affect the execution of our projects and consequently the realization of our Order Book as of a particular date, see the section titled "*Risk Factors - Our Order Book does not represent our future revenues and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations*" on page 40. For further information in relation to our Order Book, see the section titled "*Our Business – Strong Order Book*" on page 149.

Lump sum contracts

Some of our projects are performed on a lump-sum contract basis. Under a lump-sum price contract, we agree on the price for the entire project, based upon specific assumptions and scope of work agreed. Our expenditure in executing a lump-sum contract may vary substantially from the assumptions underlying our bid for several reasons, including unanticipated changes in engineering design of the project, unanticipated increases in the cost of equipment, material or manpower, delays associated with the delivery of equipment and materials to the project site, unforeseen construction conditions, including inability of the client to obtain requisite environmental and other approvals, delays caused by local weather conditions and suppliers' or subcontractors' failure to perform. Equipment, materials and fuel costs constitute a significant part of our operating expenses, and unanticipated increases in such costs if not taken into account in our bid may adversely affect our results of operations. Our ability to pass on increase in overall material prices may be limited under lump-sum contracts with limited price variation provisions. For further discussion on various factors affecting the increase in expenses in a project beyond the lump-sum price, please see the section titled "*Risk Factors - We are exposed to time and cost overrun risks on our lump-sum price and item rate contracts, resulting in reduced profits or losses*" on page 42.

Success of our international expansion plans and strategic diversification into other sectors

Our Company has established its presence pan-India and certain countries in Asia and Africa. The geographical expansion carried out by our Company over the years in India and overseas through joint ventures and partnerships has helped us in pursuing opportunities available across continents and has created new business units for better execution. As of August 31, 2023, our Company has operations across 21 states in India. We established our first overseas branch in Dubai, U.A.E, in the year 2013. We have established our global presence through branches, Subsidiaries and Joint Ventures in various countries including through our projects being carried out in Saudi Arabia, Kuwait, Oman, Bahrain, UAE and further expanded our business into Bangladesh and West Africa with undertaking of power plant installation works in Nigeria.

Some of our key joint ventures target projects in the field of railways and roads and our joint venture with RITES Limited targets projects of railway locomotive depots and metro depots. Our Company has recently formed joint ventures for the MDO projects awarded to it.

The success of our international expansion plans and strategic diversification into new sectors and industries are linked to amongst others, our ability to leverage our existing track record in the power sector to provide cost and operational advantages to our clients. Demand for our services would also depend upon the sustained economic development in the industries and regions that we seek to expand and operate in, applicable government policies as well as competition in our target sectors. For further information in relation to our international operations and partnerships, please refer to the section titled "*Our Business – Pan-India presence with international operations with strategic partnerships*" on page 150.

Statement of significant accounting policies (As per audited consolidated financial statements for the year ended March 31, 2023)

1. Basis of preparation of Audited Consolidated Financial Statements

The Audited Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards ("**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.

The Audited Consolidated Financial Statements are prepared in accordance with 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 and guidelines issued by 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.

The Audited Consolidated Financial Statements incorporate the financial statements of our Company and entities controlled by us and our Subsidiaries. Control is achieved when our 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 our Company gains control until the date when our Company ceases to control the subsidiary.

Profit and loss and each component of other comprehensive income are attributed to the Shareholders of our

Company and to the non-controlling interests. Total comprehensive income of our Subsidiaries is attributed to the Shareholders of our 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 our 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 the Associate are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. Any distributions received from the investee will reduce the carrying amount of investment. The Group's investment in the Associate includes goodwill/capital reserve identified on acquisition.

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in a Joint Venture are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. Any distributions received from investee will reduce the carrying amount of investment. The Group's investment in a Joint Venture includes goodwill/capital reserve identified on acquisition.

2. Principles of consolidation

The Audited 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 our Company's separate financial statements. If a member of the Group uses accounting policies other than those adopted in the Audited Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Audited Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The Audited Consolidated Financial Statements relate to our Company, our Subsidiaries, Joint Ventures and Associate. The Audited Consolidated Financial Statements have been prepared on the following basis:

a) The financial statements of our Company and our 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 the 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 Audited 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 Audited Consolidated Financial Statements.

d) In case of the 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 the Subsidiaries is identified and presented in the statements separately within equity. The non-controlling interests in the net assets of the 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 the Subsidiaries are shown separately in the statement of profit and loss and statement of changes in equity.

f) Investments in our Joint Ventures and Associate have been accounted under the equity method as per Ind AS-

28 “Investments in associates and joint ventures”.

g) The financial statements of our Company and our Subsidiaries, Joint Ventures are drawn up to the same reporting date i.e March 31 except in case of an overseas Associate where the financial statements have been drawn upto December 31, 2022 and for consolidation purposes additional financial information for the quarter ended March 31, 2023 has been prepared.

3. Changes in the Group’s ownership interests in existing Subsidiaries

Changes in the Group’s ownership interests in the 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 our 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.

Other significant accounting policies

1. Use of estimates and judgements

The preparation of the Group’s financial statements in conformity requires the 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 Unit's ("**CGU**") 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 group 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 transactions 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 creditworthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2. 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 our 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.

3. 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.

4. 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 is 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.

5. Government grants

Government grants are not recognized until there is a reasonable assurance that the Group will comply with the conditions attached 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.

6. Investment in Joint Ventures and Associate

Investment in the Joint Ventures 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 Joint Ventures 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 Joint Ventures and Associate. The amount of other comprehensive income ("**OCI**") of these entities are included in the Group's OCI. Unrealised gains and losses resulting from transactions between the Group and its entity are eliminated to the extent of interest in the Joint Ventures and Associate.

7. 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 lifetime 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 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.

8. 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.

9. Inventories

i. 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.

ii. 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.

iii. Contracts awarded to our 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.

10. 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.

i. Identifying performance obligation

A performance obligation is identified in the construction projects that the Group engages in, owing to the high degree of integration and customization of the various goods and services to provide a combined output which is transferred to the customer over time and not at a specific point in time. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time.

ii. Determination of transaction price

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

iii. 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 our 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.

11. 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 the Life Insurance Corporation of India ("**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.

12. Foreign currency transactions

The Audited Consolidated Financial Statements are presented in Indian rupee which is the functional currency of our 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 the Audited 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 OCI 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.

13. 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 OCI.

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.

14. 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 our 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. Our Company does not recognize contingent liabilities but the same are disclosed in the notes to the Audited Consolidated Financial Statements.

Contingent assets are not recognized in the Audited Consolidated Financial Statements since this may result in the recognition of income that may never be realized.

15. 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.

16. 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.

17. Leases

Our Company's leased assets primarily consist of buildings. Our 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, our Company assesses whether: (i) the contract involves the use of an identified asset (ii) our Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) our Company has the right to direct the use of the asset.

At the date of commencement of the lease, our 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, our 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.

18. 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.

19. 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.

i. 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.

ii. Subsequent measurement

a) 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.

b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through OCI 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 our 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 OCI.

c) 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.

- <u>De-recognition of financial asset</u>

Our 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.

- <u>Impairment of financial assets</u>

Our Company applies expected credit loss ("**ECL**") model for measurement and recognition of loss assets in case of trade receivables and other financial assets. For trade receivables, our Company applies simplified approach which requires expected lifetime losses to be recognised from initial recognition of receivables. Our Company uses historical default rates applied on the ageing of receivables to determine loss allowance on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward-looking estimates are analysed. In case of other assets, our Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk has not increased significantly, an amount equal to 12-month ECL is measured and recognized as a loss allowance. However, if the credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as a loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, our Company reverses the impairment loss recognized earlier.

d) 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*

Our Company de-recognises financial liabilities when our 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.

20. Recent accounting pronouncements

The MCA notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules, 2015 ("**Ind AS 2015 Rules**") as issued from time to time. On March 31, 2023, the MCA, by way of the Companies (Indian Accounting Standards) Amendment Rules, 2023 ("**Ind AS 2023 Amendment**"), has amended the Ind AS 2015 Rules, as below. The effective date for adoption of the Ind AS 2023 Amendment is annual periods beginning on or after April 1, 2023.

Ind AS 1, Presentation of Financial Statements: The Ind AS 2023 Amendment requires disclosure of material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is considered material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors: The Ind AS 2023 Amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12, Income Taxes: The Ind AS 2023 Amendment has narrowed the scope of the initial recognition exemption in paragraphs 15 and 24 of Ind AS 12, so that it does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning liabilities.

Changes in the accounting policies, if any, in the last three years and their effect on our profits and reserves

There have been no changes in accounting policies of our Company during the Fiscal 2021, Fiscal 2022 or Fiscal 2023 and for the three months period ended June 30, 2023.

EBITDA and EBITDA Margin

The following table sets forth our EBITDA and EBITDA Margin including a reconciliation of EBITDA and EBITDA Margin to our profits/losses before tax and prior period items, in each of the Fiscal 2021, Fiscal 2022 and Fiscal 2023 and in the three months period ended June 30, 2022, and June 30, 2023.

(*in ₹ millions, except percentages*)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months period ended June 30, 2022	Three months period ended June 30, 2023
Total income (A)	19,004.14	27,278.06	36,181.90	7,486.42	8,706.73
Revenue from operations (B)	18,840.85	27,104.94	36,011.90	7,466.13	8,651.31
Profit before tax and prior period items (C)	(568.54)	1,869.40	2,880.99	552.82	742.52

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months period ended June 30, 2022	Three months period ended June 30, 2023
Add: Finance costs (D)	792.72	794.75	895.43	203.39	203.67
Add: Depreciation and amortization expenses (E)	357.56	368.99	429.10	99.15	101.63
EBITDA (F=C+D+E)	581.74	3,033.14	4,205.52	855.36	1,047.82
EBITDA Margin (G=F/A)	3.06%	11.12%	11.62%	11.43%	12.03%
Total Comprehensive Income for the period attributable to the Shareholders of the Company (H)	(448.18)	1,384.51	2,092.80	409.52	480.08
Total equity (I)	9,048.59	10,433.10	12,753.75	10,843.52	13,234.83

Capital Employed and Return on Capital Employed (ROCE)

The following table sets forth our Capital Employed and Return on Capital Employed (ROCE), including a reconciliation of ROCE to our profits/losses before tax and prior period items in each of the Fiscal 2021, Fiscal 2022 and Fiscal 2023 and in the three months period ended June 30, 2022, and June 30, 2023.

(*in ₹ millions, except percentages*)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months period ended June 30, 2022	Three months period ended June 30, 2023
Profit before tax and prior period items (A)	(568.54)	1,869.40	2,880.99	552.82	742.52
Add: Share in Profit/(loss) from JV and Associates (B)	(30.91)	(22.72)	(81.30)	(22.52)	3.73
Add: Finance costs (C)	792.72	794.75	895.43	203.39	203.67
EBIT (D=A+B+C)	193.27	2,641.43	3,695.12	733.69	949.92
Average net worth (E)	9,280.21	9,740.84	11,593.42	10,638,.31	12,994.29
Average debt (F)	5,129.06	5,182.29	5,011.39	5,791.65	4,934.50
Capital Employed (G=E+F)	14,409.27	14,923.13	16,604.81	16,429.96	17,928.79
ROCE (H=D/G)*	1.34%	17.70%	22.25%	4.47%	5.30%

**ROCE figures for the three months ended June 30, 2022 and June 30, 2023 are not annualized.*

Debt, Net Debt, Debt-Equity Ratio and Net Debt-EBITDA Ratio

The following table sets forth our Debt, Net Debt, Debt-Equity Ratio and Net Debt-EBITDA Ratio as at Fiscal 2021, Fiscal 2022 and Fiscal 2023, and as at the three months period ended June 30, 2022, and June 30, 2023.

(*in ₹ millions, except ratios*)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months period ended June 30, 2022	Three months period ended June 30, 2023
Non-current borrowings (A)	158.55	349.60	260.74	355.59	250.77
Current borrowings (B)	4,934.55	4,921.87	4,490.58	5,956.24	4,866.90
Debt (C=A+B)	5,093.10	5,271.47	4,751.32	6,311.84	5,117.67
Total equity (D)	9,048.59	10,433.10	12,753.75	10,843.52	13,234.83
Debt-Equity Ratio (E=C/D)	0.56	0.51	0.37	0.58	0.39
Total Debt (C)	5,093.10	5,271.47	4,751.32	6,311.84	5,117.67
Less: cash and cash equivalents and bank balances (B) (including FDR's more than 12 months)	1,296.01	2,079.78	2,307.62	1,533.67	2,056.15
Net Debt (C=A-B)	3,797.10	3,191.69	2,443.70	4,778.16	3,061.52
EBITDA (D)	581.74	3,033.14	4,205.52	855.36	1,047.82
Net Debt-EBITDA Ratio (E=C/D)	6.53	1.05	0.58	5.59	2.92

Interest Coverage Ratio

The following table sets forth our Interest Coverage Ratio as at Fiscal 2021, Fiscal 2022 and Fiscal 2023, and as at the three months period ended June 30, 2022, and June 30, 2023.

(*in ₹ millions, except ratios*)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months period ended June 30, 2022	Three months period ended June 30, 2023
Profit/ (loss) before share of profit/(loss) from Joint Venture/Associate, exceptional items and tax (A)	(568.54)	1,869.40	2,880.99	552.82	742.52
Interest (B)	792.72	794.75	895.43	203.39	203.67
Total (C=A+B)	**224.18**	**2,664.15**	**3,776.42**	**756.21**	**946.19**
Interest Coverage Ratio (C/B)	**0.28**	**3.35**	**4.22**	**3.72**	**4.65**

Overview of Revenue and Expenditure

The following descriptions set forth information with respect to key components of our income statement.

Revenue

Revenue from operations

Revenue from operations comprises income from (i) contract receipts, which includes income from contracts and services; and (ii) other operating revenue, which includes income from crane and equipment hire charges received.

Other Income

Other income primarily comprises interest from banks and others (at amortized cost), interest on unwinding portion of rental deposits (at amortized cost), profit on sale of assets, dividend received, rental income, fair value gain on current investments, gain on exchange fluctuations and sale of duty credit scrip and deferment of government grants.

Expenditure

Our expenditure comprises the following:

Cost of materials consumed: Cost of materials consumed comprises purchases adjusted for opening and closing stock.

Changes in inventories of work-in-progress: Expenses accounted for pursuant opening work-in-progress and closing work-in-progress.

Contract execution expense: Contract execution expense comprises sub-contract expenses, radiography charges, royalty charges, hire charges, rent at project sites, power and fuel, insurance, vehicles movement and other freight expenses, repairs and maintenance (plant and machinery, other assets), fuel and vehicle maintenance and traveling expenses at projects.

Employee benefit expense: Employee benefit expenses comprises salaries and wages, remuneration to managerial personnel, contribution to provident and other funds, staff welfare expenses and contribution towards group gratuity.

Finance costs: Finance costs comprises interest paid to banks and others, loan processing charges, interest on income tax, exchange fluctuations on deferred credit payment and finance cost on lease liability.

Depreciation and amortisation expenses: Depreciation and amortization expenses comprises depreciation, amortisation and amortisation of right-to-use assets.

Other Expenses: Other expenses comprise primarily of Directors' sitting fee, payments to auditors (towards statutory audit and towards tax audit and taxation matters), rates and taxes, fair value changes on current investments, miscellaneous expenses, bad debts written off (adjusted for provision withdrawn), provision towards doubtful debts and advances, corporate social responsibility expenses, loss on exchange fluctuation and loss on sale of assets/ assets written off.

Operating Segment

Our Group predominantly operates only in construction and maintenance activities. As such, in accordance with Ind AS, the Group's 'operating segment' is considered to constitute one business segment.

Geographic segment

The Group has operations within India and outside India and the segment information is presented in the Audited Consolidated Financial Statements as mentioned in Ind AS.

(*in ₹ millions*)

Geographical segment	Revenue			Segment Assets			Capital Expenditure		
	For the year ended March 31,			As on March 31,			For the year ended March 31,		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Within India	16,614.00	23,440.30	32,046.50	19,671.50	22,332.30	26,657.20	210.50	388.10	504.50
Outside India	2,226.90	3,664.60	3,965.30	2937.20	3636.40	3,884.30	58.60	50.20	32.00

Summary of our Results of Operations

Our Results of Operations based on our Unaudited Consolidated Financial Results

Three months period ended June 30, 2022 and June 30, 2023

The following tables set forth our select financial information from our statement of profit and loss for the three months ended June 30, 2022 and June 30, 2023, the components of which are also expressed as a percentage of total income for such periods.

Particulars	For the three months period ended			
	June 30, 2022		June 30, 2023	
	Amount (*₹ in million*)	% of Total Income	Amount (*₹ in million*)	% of Total Income
Income				
Revenue from operations	7,466.13	99.73%	8,651.31	99.36%
Other income	20.29	0.27%	55.42	0.64%
Total income	**7,486.42**	100.00%	**8,706.73**	100.00%
Expenses				
Cost of materials consumed	1,147.86	15.33%	1,161.11	13.34%
(Increase)/Decrease in inventories of finished goods, stock-in-trade and work-in-progress	(26.15)	(0.35%)	(36.03)	(0.41%)
Contract execution expenses	4,154.42	55.49%	5,090.15	58.46%
Employee benefits expense	1,269.51	16.96%	1,317.65	15.13%
Finance costs	203.39	2.72%	203.67	2.34%
Depreciation and amortization expenses	99.15	1.32%	101.63	1.17%
Other expenses	85.42	1.14%	126.03	1.45%
Total expenses	**6,933.60**	92.62%	**7,964.21**	91.47%
Profit/(Loss) before share of profit/(loss) from Joint Venture/Associate, exceptional items and tax	**552.82**	7.38%	**742.52**	8.53%
Share of Profit/(Loss) from Joint Venture/Associate	(22.52)	(0.30%)	3.73	0.04%
Profit before exceptional items and tax	**530.30**	7.08%	**746.25**	8.57%
Exceptional items	-	-	-	-
Profit before tax	**530.30**	7.08%	**746.25**	8.57%
Tax expenses				
Current tax	136.77	1.82%	200.55	2.28%
Short Provision of Current tax	-	-	45.00	0.52%
Deferred tax charge/(credit)	(0.80)	(0.01%)	(8.94)	(0.08%)
Total tax expenses	**135.97**	1.82%	**236.61**	2.72%
Profit for the period after tax	**394.33**	5.27%	**509.64**	5.85%
Other comprehensive income				
Items that will not be reclassified to profit or loss				

Particulars	For the three months period ended			
	June 30, 2022		June 30, 2023	
	Amount (₹ in million)	% of Total Income	Amount (₹ in million)	% of Total Income
Remeasurement of defined employee benefit plans	3.07	0.04%	1.93	0.02%
Changes in fair value of equity measurements	0.03	0.00%	0.07	0.00%
Items that will be reclassified to profit or loss				
Exchange fluctuations on revaluation of foreign operations	12.10	0.16%	(31.78)	(0.37%)
Total other comprehensive income	**15.20**	0.20%	**(29.78)**	(0.34%)
Total comprehensive income	**409.53**	5.47%	**479.86**	5.51%
Profit for the period before other comprehensive income	**394.33**	5.27%	**509.64**	5.85%

Results of operations for the three months period ended June 30, 2023 compared with June 30, 2022

Particulars	For the three months period ended		Change (%)
	June 30, 2022	June 30, 2023	
Income			
Revenue from operations	7,466.13	8,651.31	15.87%
Other income	20.29	55.42	173.07%
Total income	**7,486.42**	**8,706.73**	16.30%
Expenses			
Cost of materials consumed	1,147.86	1,161.11	1.15%
(Increase)/Decrease in inventories of finished goods, stock-in-trade and work-in-progress	(26.15)	(36.03)	37.81%
Contract execution expenses	4,154.42	5,090.15	22.52%
Employee benefits expense	1,269.51	1,317.65	3.79%
Finance costs	203.39	203.67	0.14%
Depreciation and amortization expenses	99.15	101.63	2.50%
Other expenses	85.42	126.03	47.54%
Total expenses	**6,933.60**	**7,964.21**	14.86%
Profit/(Loss) before share of profit/(loss) from Joint Venture/Associate, exceptional items and tax	**552.82**	**742.52**	34.31%
Share of Profit/(Loss) from Joint Venture/Associate	(22.52)	3.73	116.57%
Profit before exceptional items and tax	**530.30**	**746.25**	40.72%
Exceptional items	-	-	
Profit before tax	**530.30**	**746.25**	40.72%
Tax expenses:			
Current tax	136.77	200.55	45.25%
Short Provision of Current tax	-	45.00	N.M.*
Deferred tax charge/(credit)	(0.80)	(8.94)	973.73%
Total tax expenses	**135.97**	**236.61**	74.02%
Profit for the period after tax	**394.33**	**509.64**	29.24%

**Not Meaningful*

Revenue from operations

Our revenue from operations increased by 15.87% from ₹ 7,466.13 million in three months period June 30, 2022 to ₹ 8,651.31 million in the three months period ended June 30, 2023. This increase was primarily due to (i) an increase in contract revenues from the O&M business from ₹ 1,960.90 million in three months ended June 30, 2022 to ₹ 2,238.90 million in three months ended June 30, 2023 with the increased Order Book; and (ii) an increase in contract revenue from civil and others including railway and water projects from ₹ 3,756.50 million in three months ended June 30, 2022 to ₹ 4,932.70 million in three months ended June 30, 2023 due to increase in civil and other order book.

Other income

Our other income increased by 173.07% from ₹ 20.29 million in the three months period ended June 30, 2022 to ₹ 55.42 million in the three months period ended June 30, 2023. This mainly consists of interest on fixed deposits with banks and fluctuation in foreign exchange.

Cost of materials consumed

Our cost of materials consumed increased by 1.15% from ₹ 1,147.86 million in the three months period ended June 30, 2022 to ₹ 1,161.11 million in the three months period ended June 30, 2023, primarily due to increase in our revenues. Further, our cost of materials as a percentage of total income declined from 15.33% for three months period June 30, 2022 to 13.34% for three months ended period June 30, 2023 because of change in business/ project mix.

Change in inventories of finished goods and work-in-progress

The reduction in our change in inventories of finished goods and work-in-progress to ₹ (36.03) million in the three months period ended June 30, 2023 from ₹ (26.15) million in the three months period ended June 30, 2022 was primarily as a result of new projects for which mobilisation has been completed but the billing has not yet started.

Contract execution expense

The increase in our contract execution expense from ₹ 4,154.42 million in the three months period ended June 30, 2022 to ₹ 5,090.15 million in the three months period ended June 30, 2023 was primarily due to increase in sub-contracting expense by 43.58% from ₹ 4,335.12 million in the three months period ended June 30, 2022 to ₹ 3,019.35 million in the three months period ended June 30, 2023 driven by growth in revenue from operation.

Employee benefits expense

Our employee benefits expense increased by 3.79% from ₹ 1,269.51 million in the three months period ended June 30, 2022 to ₹ 1,317.65 million in the three months period ended June 30, 2023 primarily due to (i) an increase in the average number of senior officials hired in the two comparative periods; and (ii) an increase in operations and business mix.

Finance costs

Our finance costs increased marginally by 0.14% from ₹ 203.39 million in three months period June 30, 2022 to ₹ 203.67 million in the three months period ended June 30, 2023.

Depreciation and amortization expenses

Our depreciation and amortization expense increased by 2.50% from ₹ 99.15 million in the three months period ended June 30, 2022 to ₹ 101.63 million in the three months period ended June 30, 2023, primarily due to an increase in fixed assets.

Other expenses

Our other expenses increased by 47.54% from ₹ 85.42 million in the three months period ended June 30, 2022 to ₹ 126.03 million in the three months period ended June 30, 2023, primarily due to provision made on receivables and Loss on foreign exchange fluctuations.

Profit before tax

As a result of the foregoing, we recorded an increase of 40.72% in our profit before tax, which amounted to ₹ 746.25 million in the three months period ended June 30, 2023, as compared to ₹ 530.30 million in the three months ended June 30, 2022.

Tax expenses

Our total tax expenses increased by 74.02% from ₹ 135.97 million in the three months period ended June 30, 2022 to ₹ 236.61 million in the three months period ended June 30, 2023 primarily due to an increase in profit during the year and short provision of current tax provided.

Profit for the period

As a result of the foregoing, we recorded an increase of 29.24% in our profit for the period from ₹ 394.33 million in the three months period ended June 30, 2022 to ₹ 509.64 million in the three months period ended June 30, 2023.

Our Results of Operations based on our Audited Consolidated Financial Statements

Fiscals 2021, 2022 and 2023

The following tables set forth our select financial information from our statement of profit and loss for Fiscals 2021, 2022 and 2023, the components of which are also expressed as a percentage of total income for such years. The financial information corresponding to Fiscals 2021, 2022 and 2023 has been derived from the Audited Consolidated Financial Statements.

Particulars	**For the years ended March 31,**					
	2021		**2022**		**2023**	
	Amount *(₹ in million)*	**% of Total Income**	**Amount** *(₹ in million)*	**% of Total Income**	**Amount** *(₹ in million)*	**% of Total Income**
Income						
Revenue from operations	18,840.85	99.14%	27,104.94	99.37%	36,011.90	99.53%
Other income	163.29	0.86%	173.12	0.63%	170.00	0.47%
Total income	**19,004.14**	**100%**	**27,278.06**	**100%**	**36,181.90**	**100%**
Expenses						
Cost of materials consumed	2,640.54	13.89%	3,361.92	12.32%	5,361.81	14.82%
(Increase)/Decrease in inventories of finished goods, stock-in-trade and work-in-progress	62.10	0.33%	(19.65)	(0.07%)	(167.55)	(0.46%)
Contract execution expenses	12,237.20	64.39%	16,330.86	59.87%	20,928.21	57.84%
Employee benefits expense	3,222.15	16.95%	4,231.62	15.51%	5,428.29	15.00%
Finance costs	792.72	4.17%	794.75	2.91%	895.43	2.47%
Depreciation and amortization expenses	357.56	1.88%	368.99	1.35%	429.10	1.19%
Other expenses	260.41	1.37%	340.17	1.25%	425.62	1.18%
Total expenses	**19,572.68**	102.99%	**25,408.66**	93.15%	**33,300.91**	92.04%
Profit before share of profit/(loss) from Joint Venture/Associate, exceptional items and tax	**(568.54)**	(2.99%)	**1,869.40**	6.85%	**2,880.99**	7.96%
Share of Profit/(Loss) from Joint Venture/Associate	(30.91)	(0.16%)	(22.72)	(0.08%)	(81.30)	(0.22%)
Profit/(loss) before exceptional items and tax	**(599.45)**	(3.15%)	**1,846.68**	6.77%	**2,799.69**	7.74%
Exceptional items	-		-		-	
Profit before tax	**(599.45)**	(3.15%)	**1,846.68**	6.77%	**2,799.69**	7.74%
Tax expenses						
Current tax	21.49	0.11%	362.99	1.33%	731.40	2.02%
Deferred tax charge/(credit)	(134.90)	(0.71%)	98.79	0.36%	(4.82)	(0.01%)
Total tax expenses	**(113.41)**	(0.60%)	**461.78**	1.69%	**726.58**	2.01%
Profit/(loss) for the year after tax	**(486.04)**	(2.56%)	**1,384.90**	5.08%	**2,073.11**	5.73%
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurement of defined employee benefit plans	13.74	0.07%	11.62	0.04%	8.27	0.02%
Changes in fair value of equity measurements	0.16	0.00%	0.11	0.00%	0.10	0.00%
Items that will be reclassified to profit or loss						
Exchange fluctuations on revaluation of foreign operations	(6.90)	(0.04%)	(16.54)	(0.06%)	(6.19)	(0.02%)
Total other comprehensive income	**7.00**	0.04%	**(4.81)**	(0.02%)	**2.18**	0.01%
Total comprehensive income	**(479.04)**	(2.52%)	**1,380.09**	5.06%	**2,075.29**	5.74%
Profit/(loss) for the year before other comprehensive income	**(486.04)**	(2.56%)	**1,384.90**	5.08%	**2,073.11**	5.73%

Results of operations for the Fiscal 2023 compared with Fiscal 2022

(₹ in millions)

Particulars	For the year ended March 31,		Change (%)
	2022	2023	
Income			
Revenue from operations	27,104.94	36,011.90	32.86%
Other income	173.12	170.00	(1.80%)
Total income	**27,278.06**	**36,181.90**	32.64%
Expenses			
Cost of materials consumed	3,361.92	5,361.81	59.49%
(Increase)/Decrease in inventories of finished goods, stock-in-trade and work-in-progress	(19.65)	(167.55)	752.67%
Contract execution expenses	16,330.86	20,928.21	28.15%
Employee benefits expense	4,231.62	5,428.29	28.28%
Finance costs	794.75	895.43	12.67%
Depreciation and amortization expenses	368.99	429.10	16.29%
Other expenses	340.17	425.62	25.12%
Total expenses	**25,408.66**	**33,300.91**	31.06%
Profit before share of profit/(loss) from Joint Venture/Associate, exceptional items and tax	**1,869.40**	2,880.99	54.11%
Share of Profit/(Loss) from Joint Venture/Associate	(22.72)	(81.30)	257.86%
Profit/(loss) before exceptional items and tax	**1,846.68**	**2,799.69**	51.61%
Exceptional items	-	-	
Profit before tax	**1,846.68**	**2,799.69**	51.61%
Tax expenses:			
Current tax	362.99	731.40	101.50%
Deferred tax charge/(credit)	98.79	(4.82)	N.M.*
Total tax expenses	**461.78**	**726.58**	57.34%
Profit/(loss) for the year after tax	**1,384.90**	**2,073.11**	49.69%

**Not Meaningful*

Revenue from operations

Our revenue from operations increased by 32.86% from ₹ 27,104.94 million in Fiscal 2022 to ₹ 36,011.90 million in Fiscal 2023. This increase was primarily due to (i) an increase in contract revenues from the O&M business from ₹ 8,046.70 million in Fiscal 2022 to ₹ 9,295.90 million in Fiscal 2023 with the increased Order Book; (ii) an increase in revenue from erection, testing and commissioning from ₹ 5,211.50 million in Fiscal 2022 to ₹ 6,059.10 million in Fiscal 2023; and (iii) an increase in contract revenue from civil and others including railway and water projects from ₹ 12,904.80 million in Fiscal 2022 to ₹ 19,954.80 million in Fiscal 2023 due to increase in civil and other order book.

Other income

Our other income decreased by 1.80% from ₹ 173.12 million in Fiscal 2022 to ₹ 170.00 million in Fiscal 2023. This mainly consists of interest on fixed deposits with various banks, foreign exchange fluctuations, etc. Such decrease was primarily due to gain on foreign exchange fluctuation.

Cost of materials consumed

Our cost of materials consumed increased by 59.49% from ₹ 3,361.92 million in Fiscal 2022 to ₹ 5,361.81 million in Fiscal 2023, primarily due to growth in revenue and change in business/project mix.

Change in inventories of finished goods and work-in-progress

The reduction in our change in inventories of finished goods and work-in-progress to ₹ (167.55) million in Fiscal 2023 from ₹ (19.65) million in Fiscal 2022 was primarily as a result of new projects for which mobilisation has been completed but the billing has not yet started.

Contract execution expense

The increase in our contract execution expense by 28.15% from ₹ 16,330.86 million in Fiscal 2022 to ₹ 20,928.21 million in Fiscal 2023 was primarily due to an increase in sub-contracting expenses by 35.5% from ₹ 12,457.80 million in Fiscal 2022 to ₹ 16,886.40 million in Fiscal 2023 driven by growth in revenue from operation. Further, our contract execution expense declined as a percentage of total income from 59.87% in Fiscal 2022 to 57.84% in Fiscal 2023 due to change in business/ project mix.

Employee benefits expense

Our employee benefits expense increased by 28.28% from ₹ 4,231.62 million in Fiscal 2022 to ₹ 5,428.29 million in Fiscal 2023 is primarily due to (i) wage increments in ordinary course; and (ii) an increase in operations and change in business/ project mix.

Finance costs

Our finance costs increased by 12.67% from ₹ 794.75 million in Fiscal 2022 to ₹ 895.43 million in Fiscal 2023, primarily due to increase in utilisation fund and non-fund limits.

Depreciation and amortization expenses

Our depreciation and amortization expense increased by 16.29% from ₹ 368.99 million in Fiscal 2022 to ₹ 429.10 million in Fiscal 2023, primarily due to an increase in fixed assets.

Other expenses

Our other expenses increased by 25.12% from ₹ 340.17 million in Fiscal 2022 to ₹ 425.62 million in Fiscal 2023, primarily due to an increase in consultancy charges, travelling, conveyance and visa expenses.

Profit before tax

As a result of the foregoing, we recorded an increase of 51.61% in our profit before tax, which amounted to ₹ 2,799.69 million in Fiscal 2023, as compared to ₹ 1,846.68 million in Fiscal 2022.

Tax expenses

Our tax expenses (current and deferred) increased by 57.34% from ₹ 461.78 million in Fiscal 2022 to ₹ 726.58 million in Fiscal 2023 primarily due to an increase in profits of our Company.

Profit for the year

As a result of the foregoing, we recorded an increase of 49.69% in our profit for the year from ₹ 1,384.90 million in Fiscal 2022 to ₹ 2,073.11 million in Fiscal 2023.

Results of operations for the Fiscal 2022 compared with Fiscal 2021

(₹ in millions)

Particulars	For the year ended March 31,		Change (%)
	2021	2022	
Income			
Revenue from operations	18,840.85	27,104.94	43.86%
Other income	163.29	173.12	6.02%
Total income	**19,004.14**	**27,278.06**	43.54%
Expenses			
Cost of materials consumed	2,640.54	3,361.92	27.32%
(Increase)/Decrease in inventories of finished goods, stock-in-trade and work-in-progress	62.10	(19.65)	N.M.*
Contract execution expenses	12,237.20	16,330.86	33.45%
Employee benefits expense	3,222.15	4,231.62	31.33%
Finance costs	792.72	794.75	0.26%
Depreciation and amortization expenses	357.56	368.99	3.20%

Particulars	For the year ended March 31,		Change (%)
	2021	2022	
Other expenses	260.41	340.17	30.63%
Total expenses	**19,572.68**	**25,408.66**	29.82%
Profit before share of profit/(loss) from Joint Venture/Associate, exceptional items and tax	**(568.54)**	**1,869.40**	N.M.*
Share of Profit/(Loss) from Joint Venture/Associate	(30.91)	(22.72)	N.M.*
Profit/(loss) before exceptional items and tax	**(599.45)**	**1,846.68**	N.M.*
Exceptional items	-	-	-
Profit before tax	**(599.45)**	**1,846.68**	N.M.*
Tax expenses:			
Current tax	21.49	362.99	1,588.73%
Deferred tax charge/(credit)	(134.90)	98.79	N.M.*
Total tax expenses	**(113.41)**	**461.78**	N.M.*
Profit/(loss) for the year after tax	**(486.04)**	**1,384.90**	N.M.*

**Not Meaningful*

Revenue from operations

Our revenue from operations increased by 43.86% from ₹18,840.85 million in Fiscal 2021 to ₹ 27,104.94 million in Fiscal 2022. This increase was primarily due to (i) an increase in contract revenues from the O&M business from ₹ 6,607.50 million in Fiscal 2021 to ₹ 8,046.70 million in Fiscal 2022 with the increased Order Book; (ii) an increase in revenue from erection, testing and commissioning from ₹ 4,458.70 million in Fiscal 2021 to ₹ 5,211.50 million in Fiscal 2022; (iii) an increase in electrical business from ₹ 860.00 million in Fiscal 2021 to ₹ 930.00 million in Fiscal 2022; and (iv) an increase in contract revenue from civil and others including railway and water projects from ₹ 6,872.40 million in Fiscal 2021 to ₹ 12,904.80 million in Fiscal 2022 due to increase in civil and other order book.

Other income

Our other income increased by 6.02% from ₹ 163.29 million in Fiscal 2021 to ₹ 173.12 million in Fiscal 2022. Such increase was primarily on account of foreign exchange fluctuations.

Cost of materials consumed

Our cost of materials consumed increased by 27.32% from ₹ 2,640.54 million in Fiscal 2021 to ₹ 3,361.92 million in Fiscal 2022, primarily due to growth in revenue. Further, cost of material consumed as a percentage of total income declined from 13.89% in Fiscal 2021 as compared to 12.32% in Fiscal 2022 due to a change in business/project mix.

Change in inventories of finished goods, stock-in-trade and work-in-progress

The reduction in our change in inventories of finished goods, stock-in-trade and work-in-progress to ₹ (19.65) million in Fiscal 2022 from ₹ 62.10 million in Fiscal 2021 was primarily a result of new projects for which mobilisation has been completed but the billing has not yet started.

Contract execution expense

Our contract execution expense increased by 33.45% from ₹ 12,237.20 million in Fiscal 2021 to ₹ 16,330.86 million in Fiscal 2022 was primarily due to an increase in sub-contracting expenses by 35.9% from ₹ 9,170.10 million in Fiscal 2021 to ₹ 12,457.80 million in Fiscal 2022 driven by growth in revenue from operation. Further, our contract execution expense declined as a percentage to total income from 64.39% in Fiscal 2021 to 59.87% in Fiscal 2022 due to change in business/ project mix.

Employee benefits expense

Our employee benefits expense increased by 31.33% from ₹ 3,222.15 million in Fiscal 2021 to ₹ 4,231.62 million in Fiscal 2022 primarily due to (i) increase in our employee strength driven by increase in revenue; and (ii) wage increments in ordinary course.

Finance costs

Our finance costs increased marginally by 0.26% from ₹ 792.72 million in Fiscal 2021 to ₹ 794.75 million in Fiscal 2022. There was no significant increase in our finance costs despite steep increase in the volume of our operations.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 3.20% from ₹ 357.56 million in Fiscal 2021 to ₹ 368.99 million in Fiscal 2022, primarily due to an increase in fixed assets.

Other expenses

Our other expenses increased by 30.63% from ₹ 260.41 million in Fiscal 2021 to ₹ 340.17 million in Fiscal 2022 primarily due to provision made on doubtful debts and advances and loss on sale of assets.

Profit/(Loss) before tax

We incurred a loss of ₹ 599.45 million in Fiscal 2021 as compared to Fiscal 2022 when we reported profit (before tax) amounting to ₹ 1,846.68 million.

Tax expenses

Our tax expenses (current and deferred) increased from ₹ (113.41) million in Fiscal 2021 to ₹ 461.78 million in Fiscal 2022 primarily due to profit earned during Fiscal 2022 as compared to loss incurred in Fiscal 2021.

Profit/(Loss) for the year

We incurred a loss of ₹ (486.04) million in Fiscal 2021, as compared to profit earned of ₹ 1,384.90 million in Fiscal 2022.

Liquidity risk and Capital Management

Capital Management

Our Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to its Shareholders. The capital structure of our Company is based on the 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 equity share capital and other equity are considered for the purpose of Company's capital management.

The management and the Board of Directors of our Company monitors the return on capital as well as the level of dividends to its Shareholders. Our Company may take appropriate steps in order to maintain, or if necessary, adjust its capital structure.

Liquidity

Our Company maintains its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. Also, our Company has availed credit limits from banks. Our Company repays its borrowings as per the schedule of repayment and no amount remains pending for remittance beyond its due date.

Cash Flows

The following table summarizes our cash flows for Fiscal 2021, Fiscal 2022 and Fiscal 2023:

(₹ in millions)

Particulars	As at March 31,		
	2021	**2022**	**2023**
Net Cash from Operating Activities	1,222.08	1,746.26	1,822.63
Net Cash used in Investing activities	(467.99)	(517.48)	(909.99)
Net Cash used in Financing activities	(912.99)	(631.45)	(1,202.83)
Net Increase / (Decrease) in Cash and Cash Equivalents	(158.90)	597.33	(290.19)
Cash and Cash Equivalents at the beginning of the year	296.43	137.53	734.86
Cash and Cash Equivalents at the end of the year	137.53	734.86	444.67

Cash flows generated from operating activities

Net cash from operating activities was ₹ 1,822.63 million during Fiscal 2023. While our profit before tax was ₹ 2,799.69 million, we had an operating profit before working capital changes of ₹ 4,107.76 million, primarily due to adjustments for depreciation expenses of ₹ 429.10 million, movement in foreign currency translation reserve of ₹ (6.19) million, interest and finance charges of ₹ 890.00 million, interest on income tax of ₹ 5.44 million, loss on sale of assets of ₹ 0.41 million, fair value gain on current investments of ₹ 0.50 million, net loss arising on financial assets measures at FVTPL of ₹ (0.77) million, interest income of ₹ (83.30) million, amortisation of deferred government grants of ₹ (0.51) million, profit on sale of assets of ₹ (16.18) million, remeasurement benefits on defined benefit plans/obligations considered in OCI of ₹ 8.27 million and share of profit/(loss) in Joint Ventures of ₹ 81.30 million. Our movements in working capital for Fiscal 2023 primarily consisted of (i) adjustments for (increase)/ decrease in operating assets which consisted of increase in trade receivables of ₹ (2,269.40) million, increase in inventories of ₹ (96.82) million, increase in other assets of ₹ (1,921.01) million; and (ii) adjustments for increase/(decrease) in operating liabilities which consisted of increase in trade payables of ₹ 2,097.74 million and increase in other liabilities and provisions of ₹ 637.00 million. Our cash generated from operations was ₹ 2,555.27 million, adjusted by direct tax paid of ₹ (732.64) million.

Net cash from operating activities was ₹ 1,746.26 million during Fiscal 2022. While our profit before tax was ₹ 1,846.68 million, we had an operating profit before working capital changes of ₹ 2,987.19 million, primarily due to adjustments for depreciation expenses of ₹ 368.99 million, movement in foreign currency translation reserve of ₹ (16.55) million, interest and finance charges of ₹ 787.68 million, interest on income tax of ₹ 7.07 million, loss on sale of assets of ₹ 31.83 million, fair value gain on current investments of ₹ (1.96) million, net loss arising on financial assets measures at FVTPL of ₹ (0.68) million, interest income of ₹ (67.34) million, amortisation of deferred government grants of ₹ (0.52) million, profit on sale of assets of ₹ (2.35) million, remeasurement benefits on defined benefit plans/obligations considered in OCI of ₹ 11.62 million and share of profit/(loss) in Joint Ventures of ₹ 22.72 million. Our movements in working capital for Fiscal 2022 primarily consisted of (i) adjustments for (increase)/ decrease in operating assets which consisted of increase in trade receivables of ₹ (1,329.94) million, increase in inventories of ₹ (229.91) million, increase in other assets of ₹ (801.63) million; and (ii) adjustments for increase/(decrease) in operating liabilities which consisted of increase in trade payables of ₹ 267.02 million and increase in other liabilities and provisions of ₹ 1,465.43 million. Our cash generated from operations was ₹ 2,358.16 million, adjusted by direct taxes paid of ₹ (611.90) million.

Net cash from operating activities was ₹ 1,222.08 million during Fiscal 2021. While our profit before tax was ₹ (599.45) million, we had an operating profit before working capital changes of ₹ 519.52 million, primarily due to adjustments for depreciation expenses of ₹ 357.56 million, movement in foreign currency translation reserve of ₹ (6.90) million, interest and finance charges of ₹ 792.52 million, interest on income tax of ₹ 0.20 million, loss on sale of assets of ₹ 3.57 million, fair value gain on current investments of ₹ (1.08) million, net loss arising on financial assets measures at FVTPL of ₹ (0.52) million, interest income of ₹ (65.23) million, amortisation of deferred government grants of ₹ (1.17) million, profit on sale of assets of ₹ (4.63) million, remeasurement benefits on defined benefit plans/obligations considered in OCI of ₹ 13.74 million and share of profit/(loss) in Joint Ventures of ₹ 30.91 million. Our movements in working capital for Fiscal 2021 primarily consisted of (i) adjustments for (increase)/ decrease in operating assets which consisted of decrease in trade receivables of ₹ 82.51 million, decrease in inventories of ₹ 116.59 million, decrease in other assets of ₹ 953.08 million; and (ii) adjustments for increase/(decrease) in operating liabilities which consisted of decrease in trade payables of ₹ (652.60) million and increase in other liabilities and provisions of ₹ 465.07 million. Our cash generated from operations was ₹ 1,484.17 million, adjusted by direct taxes paid of ₹ (262.09) million.

Cash flows from investing activities

Net cash used in investing activities was ₹ (909.99) million in Fiscal 2023, primarily on account of ₹ (536.51) million used for purchase of fixed assets/capital work in progress, ₹ 41.12 million received as proceeds from sale of fixed assets, ₹ 20.13 million received pursuant to redemption of units in mutual funds, ₹ (518.03) million used as margin money deposits and other balances and ₹ 83.30 million received as interest.

Net cash used in investing activities was ₹ (517.48) million in Fiscal 2022, primarily on account of ₹ (438.26) million used for purchase of fixed assets/capital work in progress, ₹ 40.05 million received as proceeds from sale of fixed assets, ₹ (0.17) million used for investment in mutual funds, ₹ (186.44) million used as margin money deposits and other balances and ₹ 67.34 million received as interest.

Net cash used in investing activities was ₹ (467.99) million in Fiscal 2021, primarily on account of ₹ (269.07) million used for purchase of fixed assets/capital work in progress, ₹ 20.19 million received as proceeds from sale of fixed assets, ₹ (22.50) used for investment in mutual funds, ₹ (261.84) million used for margin money deposits with banks and other bank balances and ₹ 65.23 million received as interest.

Cash flows used in financing activities

Net cash used in financing activities in Fiscal 2023 amounted to ₹ (1,202.83) million in Fiscal 2023, which primarily consisted of ₹ 250.00 million as conversion of loan to equity, ₹ (250.00) million used for repayment of unsecured loan by way of conversion, ₹ (270.14) million used for repayment of borrowings, ₹ (887.49) million used for payment of interest and finance charges, ₹ (23.13) million used for payment of lease rent and ₹ (22.07) million used for payment of dividends and dividend tax.

Net cash used in financing activities in Fiscal 2022 amounted to ₹ (631.45) million, which primarily consisted of ₹ 178.36 million received as proceeds from borrowings, ₹ (783.36) million used for payment of interest and finance charges, and ₹ (26.45) million used for payment of lease rent.

Net cash used in financing activities in Fiscal 2021 amounted to ₹ (912.99) million, which primarily consisted of ₹ (71.85) million used for repayment of borrowings, ₹ (786.46) million used for payment of interest and finance charges, ₹ (25.11) million used for payment of lease rent and ₹ (29.57) million used for payment of dividends and dividend tax.

Capital Expenditure

Our capital expenditure requirements are dependent on the nature of projects awarded to us. Our capital expenditures have historically consisted of plant and equipment, cranes, motor vehicles, temporary sheds, land, office buildings, office equipment, furniture, fixtures and computers for our construction operations. In Fiscals 2021, 2022, 2023 and the three months ended June 30, 2023, we incurred capital expenditure amounting to ₹ 269.10 million, ₹ 438.30 million, ₹ 536.50 million and ₹ 94.94 million, respectively, on, in addition to the purposes mentioned above, purchase of land, and capital work in progress.

Financial Indebtedness

The following table sets forth our secured and unsecured debt position as of June 30, 2023.

(₹ in millions)

Indebtedness	As of June 30, 2023
I. Short Term Borrowings	
A. Secured Borrowings, comprising of:	
1. Loans repayable on demand:	
Working capital loans from banks	3,914.34
2. Current maturities of long-term debt	382.62
B. Unsecured Borrowings, comprising of:	
1. Loans repayable on demand:	
Working capital loans from banks and others	569.94
II. Long Term Borrowings	
A. Secured Borrowings, comprising of:	
Bank term loans	210.57
B. Unsecured Borrowings	40.20
Total Indebtedness	5,117.67

Contingent Liabilities and Commitments

The following table sets forth certain information relating to our contingent liabilities and commitments as at March 31, 2021, March 31, 2022 and March 31, 2023, as determined in accordance with Ind AS 37:

(*₹ in million*)

Contingent liabilities and Commitments	As at March 31,		
	2021	2022	2023
A. Contingent Liabilities			
Claims against our Company not acknowledged as debts			
VAT	18.00	18.00	18.00
Goods and Service Tax (GST)	-	-	82.80
B. Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for	4.90	21.70	42.40

Quantitative and Qualitative Analysis of Market Risks

We are exposed to market risks that are related to the normal course of our operations such as credit risk, liquidity risk and foreign currency risk which may affect economic growth in India and the value of our financial liabilities, our cash flows and our results of operations.

Credit risk

Credit risk is the risk of financial loss to our Company if a customer fails to meet its contractual obligation. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness. Credit risk is controlled by monitoring and interaction with the customers on a continuous basis.

Financial instruments that are subject to concentration of credit risk principally consists of trade receivables, retentions, deposits with customers and unbilled revenue.

Receivables from customers

Concentration of credit risk with respect to trade receivables are limited since major customers of our Company are from public sector and account for more than 39% of our 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 retention and deposit amounts.

(*₹ in million*)

Particulars	Year ended March 31,		
	2021	2022	2023
Turnover from top 5 customers	6,986.20	11,981.80	20,075.20
Dues from top 5 customers	2,544.40	3,279.10	5,991.90

Other financial assets

Our 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 fulfilment of conditions as specified in the work orders.

Our Company's maximum exposure of credit risk as at March 31, 2021, March 31, 2022 and March 31, 2023 is the carrying value of each class of financial assets.

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. Our Company has not entered into any forward exchange contract to hedge against currency risk.

Our Company, in addition to its Indian operations, operates outside India through its project centres. The particulars of unhedged foreign currency exposures of Indian operations as at March 31, 2021, March 31, 2022 and March 31, 2023 are set forth below:

(₹ *in million*)

Particulars	**Currency**	**As at March 31,**		
		2021	**2022**	**2023**
Letter of credit	USD	25.90	-	40.20

The income and expenditure of the foreign projects are denominated in currencies other than the Indian currency. Accordingly, our Company enjoys natural hedge in respect of its assets and liabilities of foreign projects. Our Company's unhedged foreign currency exposure in respect of these project centres is limited to uncovered amount, the particulars of which, as at March 31, 2021, March 31, 2022 and March 31, 2023 are given below.

(₹ *in million*)

Particulars	**As at March 31,**		
	2021	**2022**	**2023**
Net investment in			
USD – US Dollars	125.70	93.50	101.10
SAR – Saudi Arabian Riyals	38.10	30.60	0.40
AED – Arab Emirates Dirham	136.50	190.80	324.90
BDT – Bangladeshi Taka	985.10	1,652.60	1,816.10
LYD – Libyan Dinars	12.10	12.20	14.70
KWD – Kuwaiti Dinar	49.10	53.00	42.40
Total	**1,346.60**	**2,032.70**	**2,299.60**

Our Company does not have any risk of currency fluctuation since its 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.

Liquidity risk

Liquidity risk is the risk that our Company will not be able to meet its financial obligations as they become due. Our Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Our Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2021, March 31, 2022 and March 31, 2023. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

Our 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.

Reservations, Qualifications, Emphasis of Matter, Adverse Remarks, Observations included in the audited

consolidated and standalone financial statements, and unaudited consolidated and standalone financial results

Except as disclosed below, there are no reservations, qualifications, emphasis of matter, adverse remarks or any other observations including the CARO 2016/ 2020, included in the respective audit reports or limited review report by the Statutory Auditors (or the former statutory auditors) of our Company under the audited consolidated financial statements, the audited standalone financial statements, the unaudited consolidated financial results, and unaudited standalone financial results in the five years preceding this Preliminary Placement Document:

Financial year / period ended	Type	Particulars	Impact on the financial statements and financial position	Corrective steps taken and proposed to be taken by our Company
June 30, 2023	Consolidated	<u>*Emphasis of Matter:*</u> Attention is invited to note no. 3 of the unaudited consolidated financial results, wherein proceedings under section 132 of the Income-tax Act has been carried out by the Income-tax department in the month of July, 2022 in various locations of our Company. Since the investigation and related proceedings are pending, and pending filing of return of income in response to the notices issued by the Income-tax department, there is uncertainty as regards impact, if any, of the outcome of the proceedings, which cannot be ascertained at this point of time. The opinion of our Statutory Auditors is not modified in respect of this matter	Since the investigation and related proceedings are pending, and pending filing of return of income in response to the notices issued by the Income-tax department, there is uncertainty as regards impact, if any, of the outcome of the proceedings, which cannot be ascertained, the management is of the opinion that this will not have any impact on our Company's financial position, financial results and operations as at June 30, 2023, on a consolidated basis.	Since the management's assessment is that there will be no impact on the financial position, financial results and operations of our Company, the management has not taken and is of opinion that no corrective steps are required to be taken by our Company in this regard.
June 30, 2023	Standalone	<u>*Emphasis of Matter:*</u> Attention is invited to note no.3 of the financial results, wherein proceedings under section 132 of the Income-tax Act has been carried out by the Income-tax Department in the month of July, 2022 in various locations of our Company. Since the investigation and related proceedings are pending, there is uncertainty as regards impact, if any, of the outcome of the proceedings, which cannot be ascertained at that point of time. The opinion of our Statutory Auditors is not modified in respect of this matter.	Since the investigation and related proceedings are pending, and pending filing of return of income in response to the notices issued by the Income-tax department, there is uncertainty as regards impact, if any, of the outcome of the proceedings, which cannot be ascertained, the management is of the opinion that this will not have any impact on our Company's financial position, financial results and operations as at June 30, 2023.	Since the management's assessment is that there will be no impact on the financial position, financial results and operations of our Company, the management has not taken and is of the opinion that no corrective steps are required to be taken by our Company.

Financial year / period ended	Type	Particulars	Impact on the financial statements and financial position	Corrective steps taken and proposed to be taken by our Company
Fiscal 2023	Consolidated	*<u>Emphasis of Matter:</u>* Attention is invited to note no. 54, of the financial statements, relating to the search carried out by the Income-tax department in July, 2022 at various locations of our Company. Since the investigation and related proceedings are pending, there is uncertainty as regards the impact, if any, of the outcome of the proceedings. Due to this, no provision for liability has been recognized in the financial statements of our Company. The opinion of our Statutory Auditors is not modified in respect of the matter above.	Since the investigation and related proceedings are pending, and pending filing of return of income in response to the notices issued by the Income-tax department, there is uncertainty as regards impact, if any, of the outcome of the proceedings, which cannot be ascertained, the management is of the opinion that this will not have any impact on our Company's financial position, financial results and operations as at March 31, 2023.	Since the management's assessment is that there will be no impact on the financial position, financial results and operations of our Company, the management has not taken and is of opinion that no corrective steps are required to be taken by our Company.
Fiscal 2023	Standalone	*<u>Emphasis of Matter:</u>* Attention is invited to Note No. 51, of the audited standalone financial statements, relating to the search carried out by the Income-tax department in July, 2022 at various locations of our Company. Since the investigation and related proceedings are pending, there is uncertainty as regards the impact, if any, of the outcome of the proceedings. Due to this, no provision for liability has been recognized in the financial statements. The opinion of our Statutory Auditors is not modified in respect of the matter above.	Since the investigation and related proceedings are pending, and pending filing of return of income in response to the notices issued by the Income-tax department, there is uncertainty as regards impact, if any, of the outcome of the proceedings, which cannot be ascertained, the management is of the opinion that this will not have any impact on our Company's financial position, financial results and operations as at March 31, 2023.	Since the management's assessment is that there will be no impact on the financial position, financial results and operations of our Company, the management has not taken and is of the opinion that no corrective steps are required to be taken by our Company.
Fiscal 2023	Standalone	<u>CARO Observations:</u> a) Our Company made certain delays in remittance of its statutory dues such as TDS, GST and is regular in depositing the other statutory dues. b) There were no undisputed statutory dues in arrears in respect of PF, ESI, Customs duty, GST, Income-tax and other material statutory dues as at the date of the financial statements, for a period of more than six months from	Since, there were only delays in payment of taxes, there is no impact on financial statements and financial position of the company.	Company is taking measures by collecting information from all the sites, passing entries at the earliest possible to ensure that all the statutory dues are remitted within the time limits prescribed by respective Acts.

Financial year / period ended	Type	Particulars	Impact on the financial statements and financial position	Corrective steps taken and proposed to be taken by our Company
		the date they became payable except an amount of ₹ 3.5 million being liability towards GST pending for remittance. c) The following amounts of value added tax have been disputed by our Company, and hence were not remitted to the authorities concerned at the date of the financial statement: <u>Name of the statute</u>: Bihar VAT Act <u>Nature of dues</u>: VAT <u>Amount involved</u>: ₹ 18.0 million <u>Amount unpaid</u>: ₹ 8.6 million <u>Period to which it relates</u>: Fiscal 2015 <u>Forum where dispute is pending</u>: Joint Commissioner of Commercial Taxes, Patna <u>Name of the statute</u>: GST Act, 2017 <u>Nature of dues</u>: GST <u>Amount involved</u>: ₹ 82.8 million <u>Amount unpaid</u>: ₹ 80.3 million <u>Period to which it relates</u>: Fiscal 2018 to Fiscal 2022 <u>Forum where dispute is pending</u>: Before various appellate authorities.		
Fiscal 2022	Consolidated	Nil	N.A.	N.A.
	Standalone	*<u>CARO Observations:</u>* a) Our Company made delays in remittance of its statutory dues such as TDS, GST and is regular in depositing the other statutory dues. b) There were no undisputed statutory dues in arrears in respect of PF, ESI, customs duty, GST, Income-tax and other material statutory dues as at the date of the financial statement, for a period of more than six months from the date they became payable.	Since there were only delays in payment of taxes, there is no impact on financial statements and financial position of our Company.	Our Company is taking measures by collecting information from all the sites, passing entries at the earliest possible measure to ensure that all the statutory dues are remitted within the time limits prescribed by the respective statutes.

Financial year / period ended	Type	Particulars	Impact on the financial statements and financial position	Corrective steps taken and proposed to be taken by our Company
		c) The following amounts of value added tax have been disputed by our Company, and hence were not remitted to the authorities concerned at the date of the financial statement: Name of the statute: Bihar VAT Act Nature of dues: VAT Amount involved: ₹ 12.6 million (net of payment of ₹ 5.4 million) Period to which it relates: Fiscal 2015 Forum where dispute is pending: Joint Commissioner of Commercial Taxes, Patna		
Fiscal 2021	Consolidated	Nil	N.A.	N.A.
	Standalone	*CARO Observations:* a) Our Company made delays in remittance of its statutory dues such as TDS, GST and is regular in depositing the other statutory dues. b) There were no undisputed statutory dues in arrears in respect of PF, ESI, customs duty, GST, Income-tax and other material statutory dues as at the date of the financial statement, for a period of more than six months from the date they became payable. c) The following amounts of value added tax have been disputed by our Company, and hence were not remitted to the authorities concerned at the date of the financial statement. Name of the statute: Bihar VAT Act Nature of dues: VAT Amount involved: ₹ 12.6 million (net of payment of ₹ 5.4 million) Period to which it relates: Fiscal 2015 Forum where dispute is pending: Joint	Since there were only delays in payment of taxes, there is no impact on financial statements and financial position of our Company.	Our Company is taking measures by collecting information from all the sites, passing entries at the earliest possible to ensure that all the statutory dues are remitted within the time limits prescribed by the respective statutes.

Financial year / period ended	Type	Particulars	Impact on the financial statements and financial position	Corrective steps taken and proposed to be taken by our Company
		Commissioner of Commercial Taxes, Patna		
Fiscal 2020	Consolidated	Nil	N.A.	N.A.
	Standalone	*<u>CARO Observations:</u>* a) Our 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 financial statements, for a period of more than six months from the date they became payable. c) The following amounts of value added tax have been disputed by our Company, and hence were not remitted to the authorities concerned at the date of the financial statement: <u>Name of the statute</u>: VAT Acts of various states <u>Nature of dues</u>: VAT <u>Amount involved</u>: ₹ 29.4 million and ₹ 12.6 (net of payment of ₹ 5.5 million) <u>Period to which it relates</u>: Fiscal 2013 and Fiscal 2015 <u>Forum where dispute is pending:</u> A petition has been filed before the Hon'ble High Court of Calcutta against the rejection of admission of appeal by the Additional Commissioner of Commercial Taxes, West Bengal and Joint Commissioner of Commercial Taxes, Patna.	Since there were only delays in payment of taxes, there is no impact on financial statements and financial position of our Company.	Our Company is taking measures by collecting information from all the sites, passing entries at the earliest possible to ensure that all the statutory dues are remitted within the time limits prescribed by the respective statutes.
Fiscal 2019	Consolidated	Nil	N.A.	N.A.
	Standalone	*<u>CARO Observations:</u>* a) Our Company made delays in remittance of its statutory dues such as TDS, provident fund, ESI, GST etc. b) There were no undisputed statutory dues in arrears in respect of PF, ESI, customs duty, GST, Income-tax and	Since there were only delays in payment of taxes, there is no impact on financial statements and financial position of our Company.	Our Company is taking measures by collecting information from all the sites, passing entries at the earliest possible measure to ensure that all the statutory dues are remitted within the time limits prescribed by the respective statutes.

Financial year / period ended	Type	Particulars	Impact on the financial statements and financial position	Corrective steps taken and proposed to be taken by our Company
		other material statutory dues as at the date of the financial statements, for a period of more than six months from the date they became payable. c) The following amounts of value added tax have been disputed by our Company, and hence were not remitted to the authorities concerned at the date of the financial statements. <u>Name of the statute</u>: VAT Acts of various states <u>Nature of dues</u>: VAT <u>Amount involved</u>: ₹ 29.4 million and ₹ 12.6 (net of payment of ₹ 5.5 million) <u>Period to which it relates</u>: Fiscal 2013 and Fiscal 2015 <u>Forum where dispute is pending</u>: A petition was filed before the Hon'ble High Court of Calcutta against rejection of admission of appeal by the Additional Commissioner of Commercial Taxes, West Bengal and Joint Commissioner of Commercial Taxes, Patna.		

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information see section entitled "*Financial Statements*" on page 229 of this Preliminary Placement Document.

Significant Economic Changes

Other than as described above, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

Except as described in this Preliminary Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*Principal Factors Affecting Our Results of Operations*" beginning on page 87 and the uncertainties described in the section titled "*Risk Factors*" beginning on page 38 of this Preliminary Placement Document. To our knowledge, except as described or anticipated in this Preliminary Placement Document, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described elsewhere in this Preliminary Placement Document, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

Significant developments subsequent to March 31, 2023 which may affect our future results of operations

Except as set out below and elsewhere in this Preliminary Placement Document, to our knowledge, no circumstances have arisen since the date of the last audited financial statements as disclosed in this Preliminary Placement Document which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

With respect to the search operations conducted by the Income-tax department under section 132 of the Income-tax Act in July 2022, our Company was served with notices on different dates with respect to Fiscals 2017 to 2022.

As on the date of this Preliminary Placement Document, the Assessing Officer has initiated proceedings under section 148 of the Income-tax Act for re-assessment of income, as is relevant for each of the Fiscals from 2017 to 2022 under the applicable provisions of the Income-tax Act and further, based on deliberations with the Assessing Officer, our Company has made a provision of ₹ 110.70 million towards income tax and ₹ 37.17 million towards interest on income tax for Fiscals 2017 and 2022.

For the remaining assessment years under search for which return of income has to be filed under section 148 of the Income-tax Act, our Company is in the process of discussions with the Income-tax department and is yet to file return of income pursuant to the provisions of the said section. Our Company expects to incur some tax liability on filing of returns of income which is pending for assessment of final liability. The impact of said tax liability on the financial statements for the Fiscal 2024 has not been ascertained as on the date of this Preliminary Placement Document. However, the management is of the opinion that this does not have any financial impact on the regular business operations of our Company.

*Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained or derived from the report titled "Assessment of Construction & EPC Industry in India" dated October 16, 2023 ("**CRISIL Report**"), which is a report commissioned and paid for by our Company and prepared by CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), a division of CRISIL Limited ("**CRISIL**"), exclusively for the purpose of this Issue.*

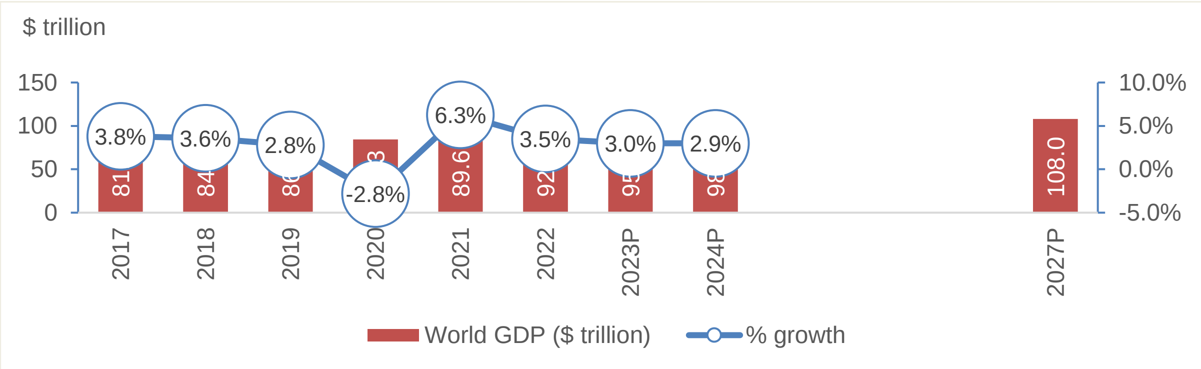
For the disclaimers associated with the CRISIL Report, see section entitled "Industry and Market Data" on page 14.

1. Global Macroeconomic Scenario

Global GDP is estimated to grow 3.0% in CY2023 and 2.9% CY2024 majorly curtailed by central banks interest rate hikes amid inflationary concerns.

Global GDP growth, as estimated by the International Monetary Fund (IMF) July 2023 update, is expected to have moderated from 3.5% in CY 2022 to 3.0% in CY 2023 and 2.9% in CY 2024. Global economy is seeing some positive impact from covid pandemic and Russia Ukraine conflict slowing down in 2023. However, the constraints that hindered the growth in second half of 2022 persist with inflation remaining high.

Global GDP trend and outlook (2017-2027P, $ trillion)



Note: P: Projection
Source: IMF economic database, World Bank national accounts data, the Organization for Economic Co-operation and Development (OECD) national accounts data, CRISIL Market Intelligence and Analytics (MI&A) Research

India remains as one of the world's fastest growing economy in 2022 among key nations

India was one of the fastest-growing economies in 2018 and 2019. In 2020, all countries, including developed ones such as the US and the United Kingdom (UK), except China, saw their GDP contracting due to the pandemic impact. India's GDP shrank 5.8% in fiscal 2021 (financial year: April-March). In 2021, GDP growth of all major economies rebounded as economic activities resumed and due to the low base of 2020. Among the major economies, India, with a growth rate of ~7.2%, was the fastest growing in 2022, followed by UK with 4.1% in 2022. The country also overtook the UK as the fifth largest economy in the word in the April-June quarter of 2022. Going ahead, India is expected to grow faster than China in 2023 and 2024. India's GDP is expected to grow at 6.3% in 2023 and 6.3% in 2024 as per the IMF forecast.

Real GDP growth by geographies

Regions	2017	2018	2019	2020	2021	2022	2023P	2024P
US	2.3	2.9	2.3	-2.8	5.9	2.1	2.1	1.5
Euro area	2.6	1.8	1.6	-6.1	5.3	3.5	0.9	1.5
Middle east and Central Asia	2.2	2.8	1.6	-2.6	4.3	5.6	2.0	3.4

UK	2.4	1.7	1.6	-11.0	7.6	4.1	0.5	0.6
China	6.9	6.8	6.0	2.2	8.5	3.0	5.0	4.2
Japan	1.7	0.6	-0.4	-4.3	2.2	1.0	2.0	1.0
India*	6.8	6.5	3.9	-5.8	9.1	7.2	6.3	6.3
World	**3.8**	**3.6**	**2.8**	**-2.8**	**6.3**	**3.5**	**3.0**	**2.9**

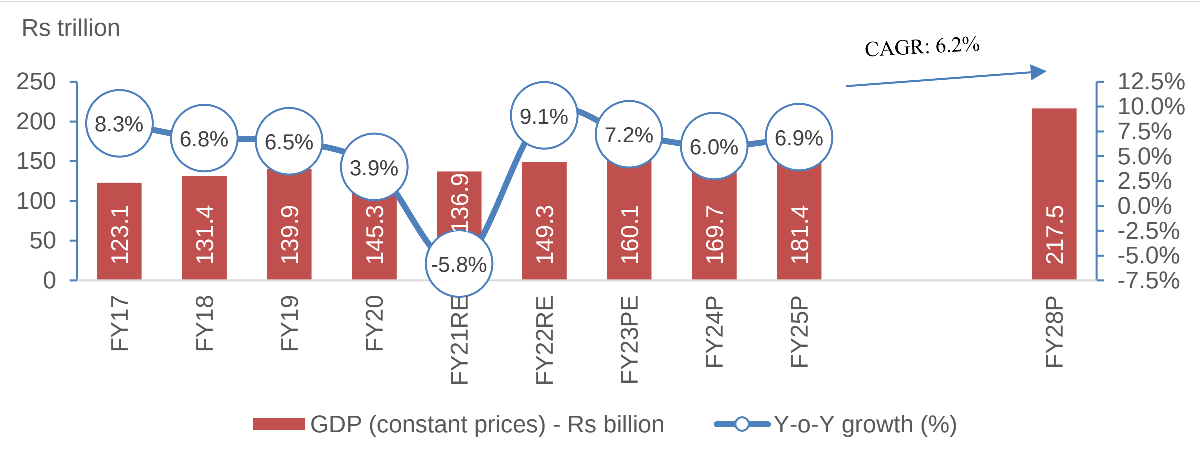
Note: P: Projection as per IMF update
**Numbers for India are for financial year (2020 is FY21 and so on) and as per IMF forecast. CRISIL GDP forecast for India: FY22: 9.1%, FY23: 7.2% and FY24: 6.0%*
Source: IMF economic database, World Bank national accounts data, OECD national accounts data, CRISIL MI&A

2. Macroeconomic assessment of India

India GDP logged 4.5% CAGR during FY17-FY23

India clocked a compound annual growth rate (CAGR) of 4.5% in gross domestic product (GDP) to reach Rs 160 trillion in FY23 from Rs 123 trillion in FY17. In FY22, the economy recovered from the pandemic-related stress as restrictions were eased and economic activity resumed, though the last quarter did see inflation spiral due to geopolitical pressures. Resumption of economic activity and healthy trade flow led to a robust GDP growth of 9.1% for the year as against a decline of 5.8% in FY21. In FY23, the GDP rose 7.2% on strong growth momentum propelled by domestic demand from investment and private consumption through the year.

Real GDP growth in India (new series) – Constant prices



Note:
PE: Provisional estimates; RE: Revised estimates; P: Projected
These values are reported by the government under various stages of estimates
Only actuals and estimates of GDP are provided in the bar graph above
GDP Projections for fiscals 2024- 2025 is projected based on CRISIL MI&A estimates and that for fiscals 2026-2028 based on IMF estimates
Source: Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation (MoSPI), IMF (World Economic Outlook – October 2023), CRISIL MI&A

India's GVA continues to record healthy growth

On the supply side, gross value added (GVA) grew 7.0% last fiscal, as per provisional estimates (compared with 8.8% in fiscal 2022). In absolute terms, real GVA rose to Rs 147.6 trillion last fiscal from Rs 138.0 trillion in fiscal 2022. Construction was the second fastest growing sector in FY23 recording a double-digit growth of 10.0%.

GVA at constant fiscal 2012 prices

Segment	FY21RE Rs trillion	FY22RE Rs trillion	FY23PE Rs trillion	Share in GVA FY23	Annual growth in FY23
Agriculture, forestry and fishing	20.8	21.5	22.3	15.1%	4.0%

Segment	FY21RE Rs trillion	FY22RE Rs trillion	FY23PE Rs trillion	Share in GVA FY23	Annual growth in FY23
Mining and quarrying	2.9	3.1	3.2	2.2%	4.6%
Manufacturing	23.3	25.8	26.2	17.7%	1.3%
Utility services	2.9	3.2	3.4	2.3%	9.0%
Construction	9.8	11.3	12.4	8.4%	10.0%
Trade, hotels, transport, communication and services related to broadcasting	21.6	24.6	28.0	19.0%	14.0%
Financial, real estate and professional services	29.6	31.0	33.2	22.5%	7.1%
Public administration, defence and other services	16.0	17.6	18.8	12.7%	7.2%
GVA at basic prices	126.8	138.0	147.6	-	7.0%

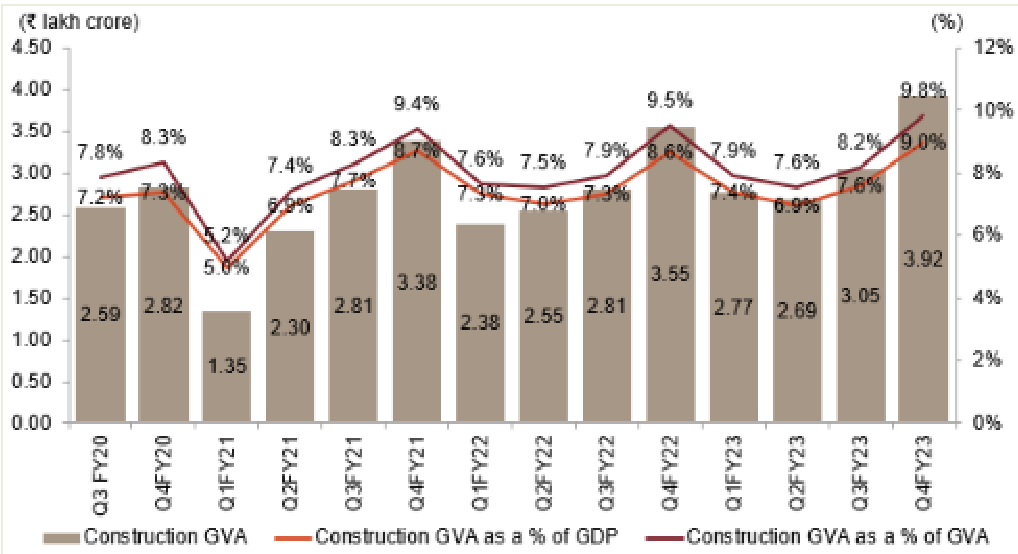
RE: revised estimate, PE: provisional estimate

Source: CRISIL MI&A

Construction GVA at highest levels

Construction GVA at highest levels compared to 4th quarter of previous fiscal driven by healthy rise in central government capex at 10% on year in Q4FY23 while state govt capex being flat. A sequential rise in construction GVA and its percentage in overall GVA attributable to seasonality of the sector with monsoon in Q2 across the country impacts construction activities.

GVA quarterly trend (constant basis)



Source: MOSPI, CRISIL MI&A

3. Overview of construction investments in India

3.1 Construction investments in India

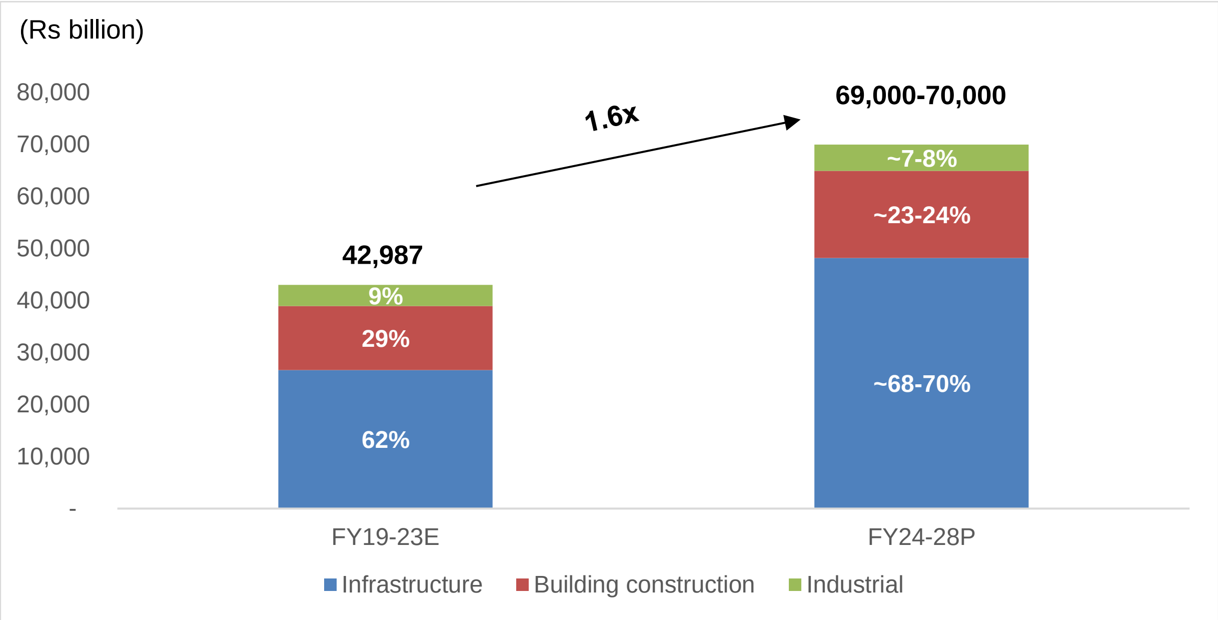
Construction investments to grow by ~1.6 times between fiscals 2024-28 compared to fiscals 2019-23; Infrastructure investments to drive long-term growth

Growth in construction sector is expected to be propelled by the infrastructure segment over the medium to long term as the building construction and industrial sectors are expected to record sedate growth rates. Road projects are expected to dominate long-term construction activity between fiscals 2024-28. CRISIL MI&A projects construction activity to rise by 62-64% between fiscals 2024-28 compared with those over fiscals 2019-23.

The share of infrastructure projects is expected to increase to 68-70% of the overall construction investments for the next five years (fiscals 2024-28) as against 62% in the past five years, as infrastructure investments are seen growing faster than the other two segments (building construction and industrial) due to the Government's focus on Infrastructure under the National Infrastructure Pipeline (NIP), National Monetisation Pipeline (NMP) and the Gati Shakti initiative. The Central government's focus on roads, urban infrastructure and railways will boost infrastructure investments. At an investment level, investments in the sector are expected to be ~1.8x during fiscals 2024-28 compared to fiscals 2019-23.
Investments in building construction are expected to increase by 34-36%, though its share is expected to fall to 23-24% between fiscals 2024-28 compared with a share of 29% between fiscals 2019-23. Investments in healthcare, education and affordable housing scheme to help increase investments moderately.

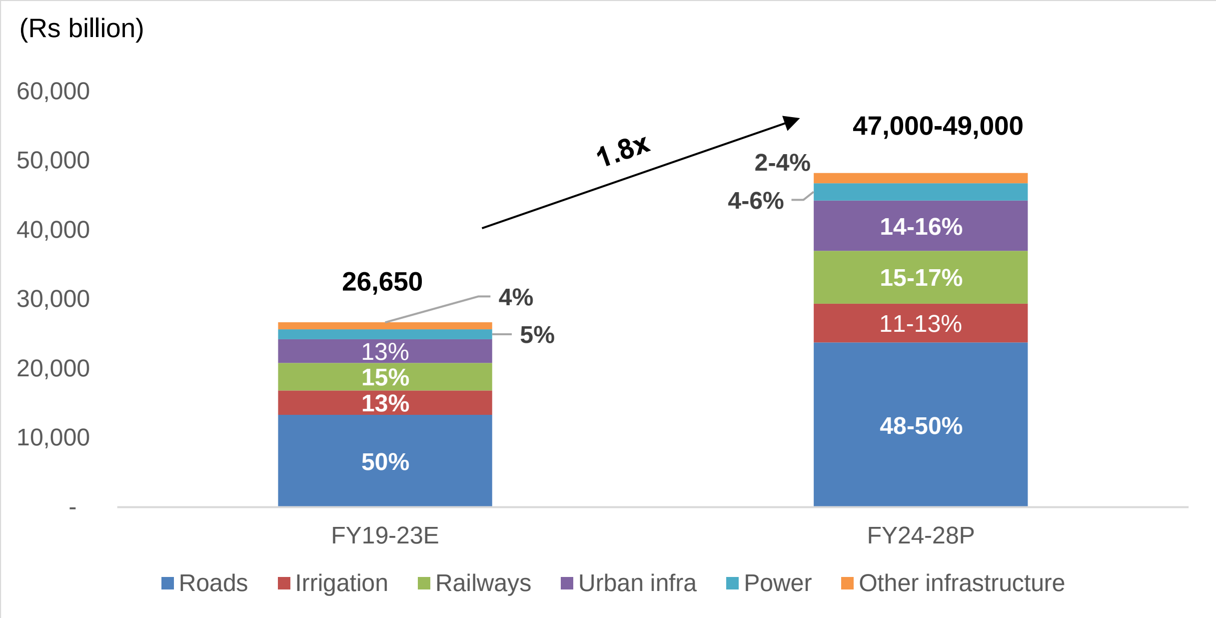
Industrials segment investments are expected to increase by 25-27% between fiscals 2024-28 compared with fiscals 2019-23. Investments in metals expected to increase, while growth in automobiles expected to remain flat in the medium term owing to cost inflation of raw materials.

Overall construction investments by segments



Note: E stands for estimated, P stands for projected
Source: CRISIL MI&A

Infrastructure segment drives investments in overall construction sector (Infrastructure segment investments by sectors is shown below in the chart)



Note: E stands for estimated, P stands for projected; percentages might not add up to 100% due to rounding of decimals
Source: CRISIL MI&A

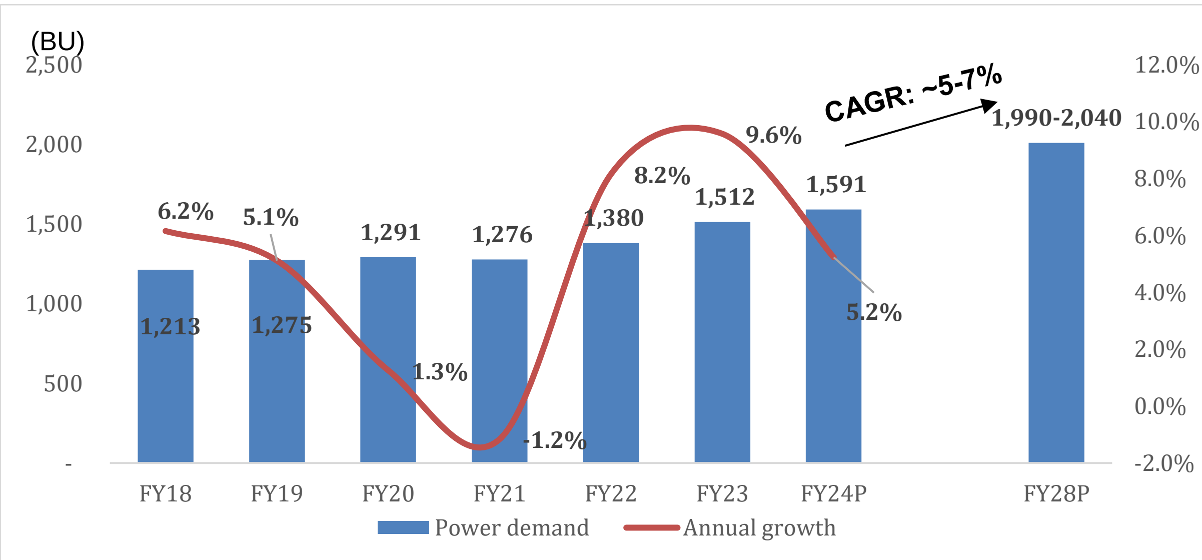
3.2 Overview of Indian power sector (conventional power) industry

Power demand to maintain healthy momentum in fiscal 2024 increasing by 4-6%, slated to grow at 5-7% CAGR over fiscals 2024-2028

Power demand surged in the first quarter of fiscal 2023 on the back of a severe heatwave raging through the nation, apart from continued momentum in economic activity. As a result, power demand registered a 9.6% on-year growth fiscal 2023 despite a high base in two consecutive years. CRISIL MI&A Research expects power demand to grow at a rate of 4-6% in fiscal 2024 to ~1,591 BUs from the 1,512 BUs consumed in fiscal 2023.

Over fiscals 2024 to 2028, power demand is expected to gradually pick up, logging a CAGR of 5-7% to reach 1,990-2.040 BUs, on the back of healthy economic growth and expansion of the power footprint via strengthening of distribution infrastructure. Major reforms initiated by the central government for improving the overall health of the power sector, particularly that of state distribution utilities, are expected to improve the quality of power supply, thereby supporting power demand.

Power demand in billion units (BU)



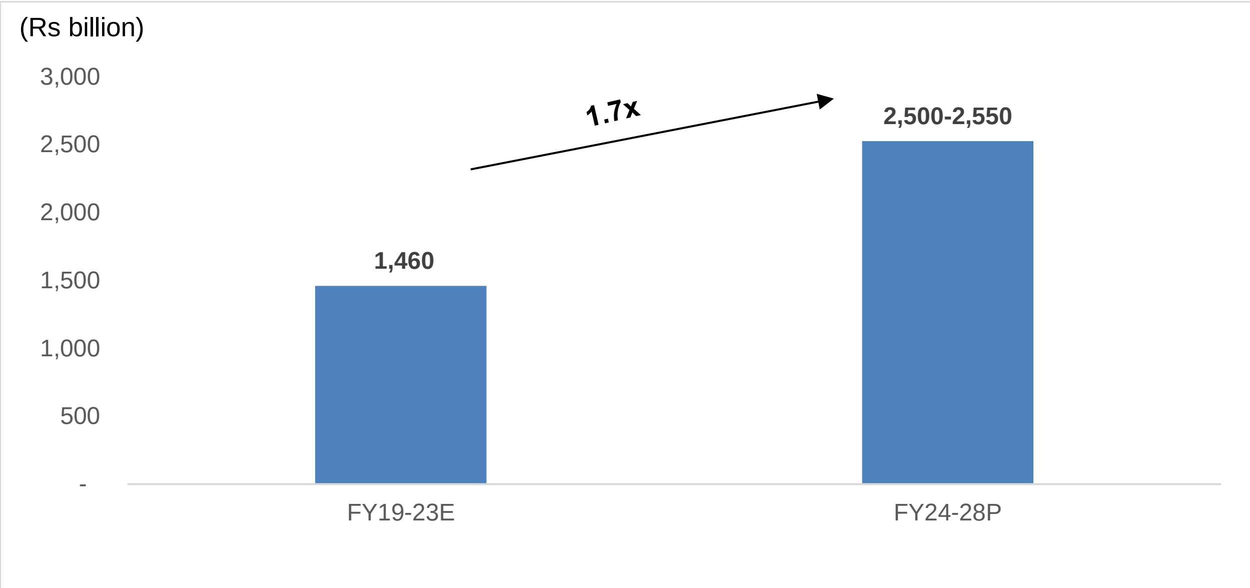
Source: CRISIL MI&A

Power sector construction investments to clock Rs 2,500-2,550 billion over fiscals 2024-28

Construction spending on power is expected to increase over the next five years by 1.7 times to Rs 2,500-2,550 billion compared to investments over fiscals 2019-23 (Rs 1,460 billion) as a result of a pickup in capacity addition across the renewable segments. The paradigm shift of policy to reduce greenhouse gas emissions, paved the way for large scale investments in renewables throughout the World. India having established its huge thermal capacity to meet the growing energy needs using the abundant coal availability had to shift its priority to renewable power generation and alter its policies after 2015. As a result, renewable sources excluding hydro power which accounted for less than 15% of electricity generation capacity prior to fiscal 2015 now account for over 30% as of fiscal 2023.

The sector had muted growth in investments over the last 5 years primarily due to the pandemic and supply chain issues which had plagued the sector. However, FY23 saw a jump in investments as stalled projects and projects which were granted extensions due to the pandemic got going.

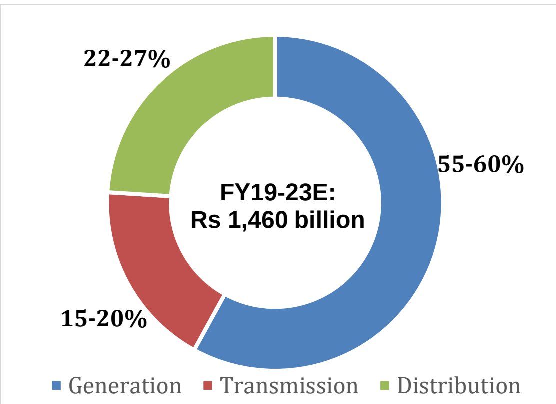
Power sector construction investments

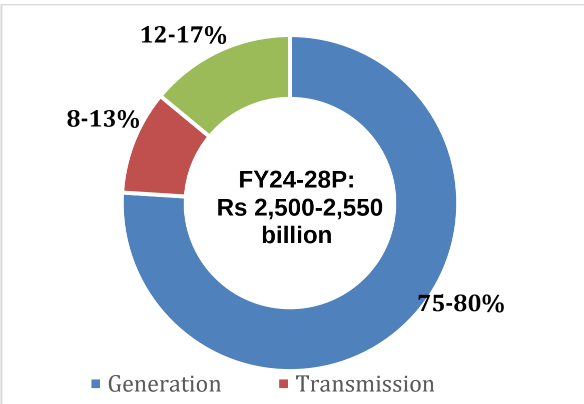


Note: E stands for estimated, P stands for projected

Source: CRISIL MI&A

Share of various segments in power sector investments (FY19-23E and FY24-28P)





Note: E stands for estimated, P stands for projected
Source: CRISIL MI&A

Overview of EPC segment in Indian power industry

Mechanical, instrumentation, civil, electrical, operations & maintenance (O&M) and annual maintenance contracts (AMCs) are the key types of EPC works undertaken in the Indian power industry

Mechanical works / erection works is the most critical component when building a power plant due to its high complexity, necessitating involvement of highly specialised suppliers/contractors of power generation, material handling and instrumentation equipment. In terms of civil works, construction requires high design prowess and construction capability due to installation of specialized equipment. Instrumentation and electrical works are of medium complexity level, with equipment power plant operations conforming to uniform industry standards. Environmental clearance is a must for all the projects. As per interactions with industry stakeholders, EPC contracting is the preferred route for power plants due to standardized process of power plant construction. EPC players typically subcontract different packages of civil, mechanical, instrumentation and electrical works, with specialized suppliers / vendors being awarded contracts for supply of equipments such as boilers, turbines and generators (BTG), heaters and cooling systems.

Overview of EPC works across generation, transmission and distribution in the power sector

Civil (15-20%)*	Mechanical/Erection works (50-55%)*	Instrumentation (10-15%)*	Electrical (10-15%)*	O&M and AMCs (8-12%)*	Miscellaneous (~5%)*
• Includes Buildings, chimney, cooling tanks, land development, roads & boundary walls, erection and fabrication, substations, foundation for different machinery and material handling, etc.	• Erection, testing and commissioning including Various complex and heavy engineering equipment - Turbine-generator and boilers, heaters, cooling system, condensing system, SCR and FGD, substations etc.	• Instrumentation and process control requirement is high in case of power sector and various equipment involves: Distributed digital control monitoring, PLC based control, Control system of boiler, turbine & balance of plant etc.	• Electrical systems such as auxiliary transformers, generators, panels, electrostatic precipitators, switchgears and cabling, transmission lines, transmission towers, substations, electrification and distribution etc.	• Operation and maintenance of power plants • Electrical network maintenance • O&M contracts of exports	• Other components such as procuring licenses, contingencies, pre-operative expenses, other development costs, etc

*Note: *Figures in brackets indicate estimated break-up of total project cost across various verticals shown above (civil, mechanical, instrumentation, electrical, O&M and miscellaneous)*
Source: CRISIL MI&A

EPC projects make up 40-50% of investments in the power construction sector

In the power sector, EPC refers to a variety of activities which include design, construction of power plants, substations, transmission lines, procurement of equipments, machinery and materials etc. Projects in the Indian power sector are usually allotted via three primary routes namely EPC, Public Private Partnership (PPP) or the project is executed in-house by the internal teams. Largely, projects are given out via EPC and PPP route barring a few brown field projects which are taken up in-house by power companies.

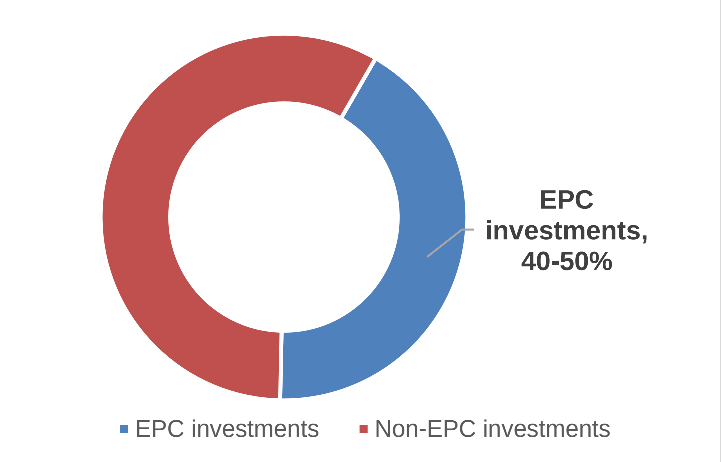
Indian power EPC sector has witnessed strong growth over the last few years, driven by the increasing demand for electricity, government initiatives, and rising investments in the sector.

Specifically, from the construction point of view, activities involve buildings, chimney, cooling tanks, land development, roads & boundary walls, erection and fabrication, substations, foundation for different machinery and material handling, etc.

Most of the small and mid-sized projects in the sector happen via the EPC route, while some bigger projects happen via PPP route on an itemized basis. Some brownfield expansions also happen in-house using internal teams by the companies. CRISIL MI&A estimates that *40-50%* of construction investments in the sector happen via the EPC route.

CRISIL MI&A estimates that out of the total investments flowing in for construction in the power sector in the country, 40-50% are coming via EPC mode of projects.

EPC investments in the power construction sector



Source: CRISIL MI&A

Key players in the EPC segment in the power industry

Bharat Heavy Electricals Ltd (BHEL), Larsen & Toubro Limited (L&T), Tata Projects Ltd., Sterlite Power Transmission Ltd., Doosan Power Systems India Pvt. Ltd., Power Mech Projects Ltd. are some of the key EPC players operating in the power sector in India.

Power Mech Projects Ltd. is one of the leading industrial services, infrastructure and construction companies in India, with a global presence, providing a range of integrated services across the power, non-power and infrastructure sectors.

Brief profiles of the above-mentioned players is given below.

Player name	Founded Year	Manufacturing capabilities	Key industries served	Key highlights in power sector
Bharat Heavy Electricals Ltd (BHEL)	1964	16 manufacturing units, 8 service centres, 150+ project sites	- Power including captive - Transport - Defence & Aerospace - Industrial products - Energy storage - Renewable energy	- 194+ giga watts (GW) generating capacity installed - More than half of India's installed capacity as of FY22 came from BHEL sets
L&T Limited	1938	Power business has an integrated manufacturing facility at Hazira, Gujarat having a capacity of 5,000 MW per annum	- Infrastructure (heavy civil. Power, transport, minerals & metals) - Energy (hydrocarbon, power, green EPC) - IT - Realty - Heavy & defence engineering - Financial services	- 14% revenue in Q1FY24 came from overall energy segment - Power transmission & distribution business serves over 30 countries - Key projects in the sector include 225MW combined cycle power plant in Bangladesh, 230 MW Solar photo voltaic plant in Tamil Nadu for NTPC
Tata Projects Ltd.	1979	Manufacturing unit to manufacture transmission line towers and structures.	- Power - Water - Oil & gas - Transportation	- Commissioned over 13,000 kilo meters (km) of transmission lines across multiple voltage levels

		Has a total of three project/manufacturing locations in India	- Space & nuclear - Metals & minerals	- Successfully commissioned the Gorakhpur Railway Electrification - Energisation of 225KV greenfield Bougouni substation project
Sterlite Power Transmission Ltd	2010	Has four manufacturing facilities	- Power. Along with EPC projects, they are manufacturers of power cables, conductors and optical ground wires and supply to over 70 countries	- Projects of 15,000 circuit km (ckm) and ~28,322 mega-volt ampere (mva) in Indian & Brazil - Total asset portfolio in capex terms worth Rs 417.5 billion or USD 5.1 billion for projects commissioned, under construction and transferred to IndiGrid
Doosan Power Systems India Pvt Ltd	1997 as 'Inkor Engineering Pvt. Ltd.'	Boiler manufacturing facility at Chennai	- Power plant EPC - Boilers - Nuclear power - Renewables - Water - Services (Modernization & upgrades, air quality control systems, performance management etc.)	- Secured EPC contracts like Obra 'C' of capacity 2×660 MW and Jawaharpur of capacity 2×660 MW
Power Mech Projects Ltd	1999	Manufacturing facility at Noida	- Industrial construction of power plants, flue gas desulphurization (FGD) installations, oil & gas, steel, minerals - Operations & maintenance in the power sector and non-power sectors such as refineries, steel plants, mineral processing etc. - Infrastructure construction including civil works in power sector, railways & metro, roads & highways, water distribution, waste water treatment plants etc. - Mine development & operations (MDO)	- Civil work of power plant at Maitree, Bangladesh of capacity 1,320 MW - Works for a 4,000 MW mega power project at Yadadri in Telangana

Source: Company websites, CRISIL MI&A

Operation & Maintenance (O&M) market opportunity in the power sector worth 10-12% of overall investments in the sector as of fiscal 2023

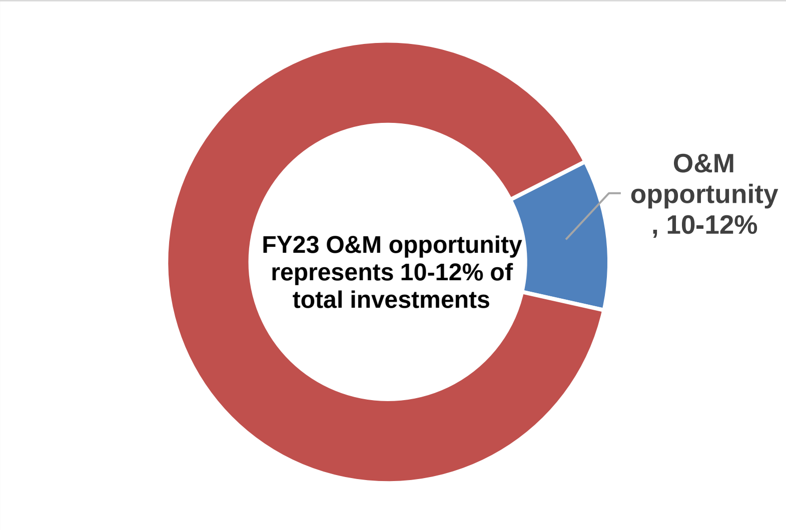
Operation & maintenance is a key part of any power plant. It is a sticky business and does not need huge capital as operations can be self-sustaining with good payment scheduling with clients. This is also due to the need of running the plants with proper availability to enhance power generation and also revenue generation for long term contracts. In the case of quick turnaround works of maintenance, repair, rehab, replacements, capital overhauls etc. the importance of quick turnaround time makes the customers to provide the needed payment mechanism.

The major thrust had been from the private sector where in the adoptability of optimising costs for O&M with outsourcing as a model was introduced on a large scale first by the private sector in the last 15 to 20 years. This practice is more in vogue in Europe, and America & it took considerable time in our country being a practice in the last 15 years. In the Government sector this outsourcing initiative is not that widely adopted, however here also new initiatives have been taken where for the additional capacity increases Government sector also is now resorting to outsourcing model as the long-term O&M contracts to reduce costs a possible approach of best practices adopted by the private sector generators. This obviously is bringing in benefits to the developers for reduced generation costs with outsourcing as a model of cost economics. This methodology is also being adopted into many other sectors like process plants, steel plants, minerals, refineries, petrochemicals etc.

Power Mech Projects Limited, Thermax Ltd, Energo Engineering Projects Ltd are some of the key O&M service providers in the power sector in India. Power Mech Projects Limited is undertaking O&M jobs for 68,375 MW while operating about 42 such plants across India as of FY23. The present installed base of utility segment as of March 2023 is over 2,37,000 MW in coal and gas-based plants in the domestic sector in India out of total installed base of over 4,17,000 MW. Power Mech Projects Limited is one of the largest operations and maintenance ("**O&M**") service providers in the conventional power sector in India.

In FY23, the power sector in the country clocked total investments of ~Rs 2.8-3.2 trillion. CRISIL MI&A estimates O&M market opportunity represents 10-12% of these investments, driven by rising adoption of outsourced O&M services by the Government sector.

O&M market opportunity in FY23 (as a % of overall investments in the power sector)



Source: CRISIL MI&A

Overview of investments in flue gas desulphurization (FGD) in Indian power sector

Investments in the power sector will be supported by flue gas desulphurization (FGD) installations for generation

Investments in the power sector will be supported by flue gas desulphurization (FGD) installations for generation. Coal-based power generation produces sulphur dioxide (SO2), a toxic air pollutant that alters the environmental composition and causes serious health hazards. Burning of fossil fuels, particularly coal, is a major source of SO2 emissions, with average emissions estimated at 8 gm per kWh or unit of power generated by a coal-based power plant as per a report published by the Centre for Science and Environment (CSE India). As such, SO2 emissions for the estimated 1,020-1,040 billion units (BU) of coal-based power generated in India in fiscal 2022 are estimated at 8.1-8.3 million tonnes during the fiscal, up from 7.2-7.4 million tonnes for ~910 BU of coal-based power generated in fiscal 2017.

In December 2015, the Ministry of Environment, Forest and Climate Change (MoEF&CC) introduced revised environmental standards for coal-based power plants under the Environment (Protection) Act, 1986.

Standards of SO2 emission issued in December 2015

9	Unit size (MW)	Installed before December 31, 2003	Installed between 2004 and 2016	Installed January 1, 2017 onwards
SO2	<500	600	600	600

	>=500	200	200	100

Source: CEA, CRISIL MI&A

Subsequently, a detailed phasing plan for flue-gas desulphurisation (FGD) installation for coal-based plants was devised by CEA with a deadline of December 2024, which was later revised to December 2022, keeping in mind the urgency of curbing the environmental impact of SO2 emissions.

Installation of an FGD unit for a 500 MW power plant typically requires 2-3 years, excluding the preceding 0.5-1 year required for a feasibility study. The FGD installation process involves the following stages:

- Tendering - Feasibility study, notice inviting tender (NIT), bidding, letter of award (LoA), basic and detailed engineering and design
- Ordering - Procurement of materials and equipment for construction, procurement of reagent
- Construction - Civil foundation, civil works, electrical works, control and instrumentation (C&I) works, equipment erection, slurry piping installation
- Commissioning - Trial operation of individual equipment, combined trial run, performance guarantee testing, start operation and synchronisation, handover

Revised target deadlines and non-compliance penalties proposed for FGD installation

9	Location	Non-retiring units		Retiring units	
		Deadline	Penalty (Rs/unit)	Deadline	Penalty (Rs/unit)
A	Within 10 km radius of NCR or cities having million-plus population	December 31, 2022	0.10-0.20	December 31, 2022	0.2
B	Within 10 km radius of critically polluted areas or non-attainment	December 31, 2023	0.07-0.15	December 31, 2025	
C	Other than category A & B	December 31, 2024	0.05-0.10	December 31, 2025	

Source: MOEF&CC, CRISIL MI&A

FGD installations of 145-150 GW expected over the next five years out of ~200 GW pipeline; only 9.3 GW of the FGD pipeline commissioned as of August 2023

FGD execution has progressed at a slow pace due to the challenges mentioned above, as well as uncertainty around translation of FGD capex into revenue through cost pass-through. As of August 2023, ~199 GW coal-based capacity was considered for FGD installation by the CEA, out of which, only ~2.6 GW (~1.3%) across two units of CLP India's Mahatma Gandhi TPS in Haryana and six units of NTPC's Dadri TPP in Uttar Pradesh and one unit of NTPC's Unchahar plant in Uttar Pradesh had been newly commissioned. Other private and state units aggregating to 6.1 GW have already installed FGD before the MoEF&CC notification.

~51% of the considered capacity is under construction with varying degrees of on-ground progress, whereas the remaining ~49% capacity is at different stages of planning. As such, a significant period is likely to be required for commissioning of the capacity considered for FGD installation.

Key FGD commissioning projects

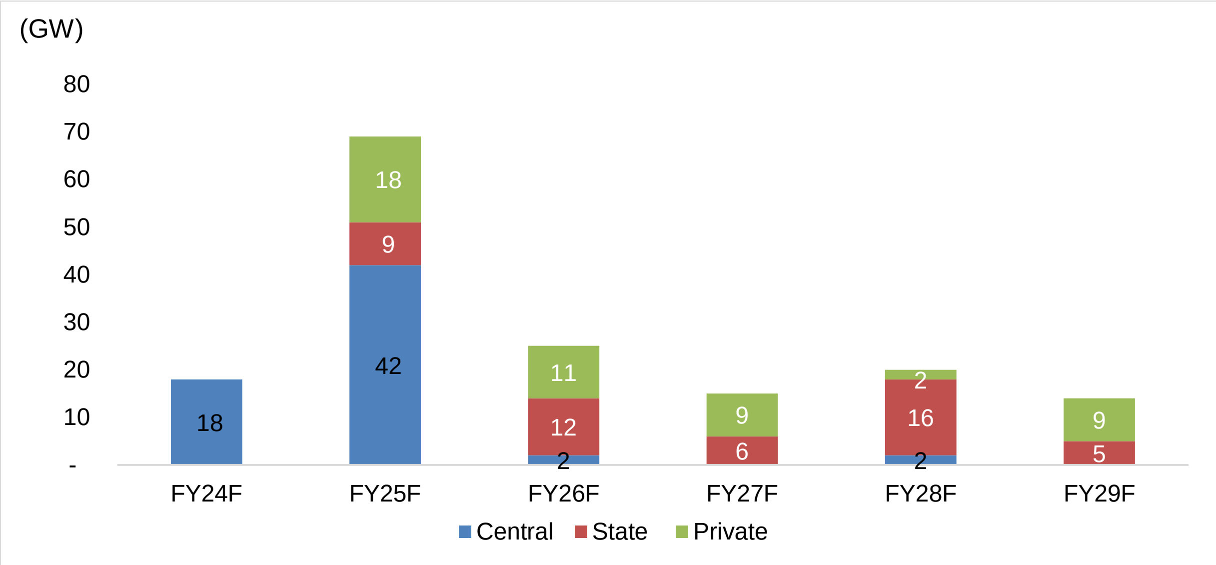
Project/s	Entity executing project	Project details
FGD systems for four power plants of NTPC	BHEL	Bharat Heavy Electricals Limited (BHEL) has bagged four orders for emission control equipment from NTPC Ltd. Valued at about Rs.2,900 Crore,

		these orders involve supply and installation of Flue Gas Desulphurization (FGD) systems for control of SOx emissions at NTPC's 3x660 MW North Karanpura, 2x500 MW Mauda Stage-I, 3x660 MW Barh Stage-I and 2x660 MW Barh Stage-II power projects.
FGD system at Vindhyachal Super Thermal Power Station [Stage I and II]	L&T	L&T received engineering, procurement and construction (EPC) order to set up flue-gas desulphurisation (FGD) system at Vindhyachal Super Thermal Power Station at stage-I & II (6x210 mega watt (MW) & 2x500 MW
FGD systems for three units of 660 MW capacity each in Uttar Pradesh	Thermax Limited	Thermax Limited bagged an order of Rs 8.3 billion from an Indian power private sector company to set up flue gas desulphurisation (FGD) systems for their three units of 660 MW capacity each in the state of Uttar Pradesh.
500 MW FGD retrofit work in Vindhyachal for NTPC	500 MW	Power Mech was involved in the execution of 500 MW FGD retrofit work at 1x500 MW Vindhyachal Project of NTPC for General Electric (GE)

Source: CRISIL MI&A

FGD commissioning is likely to pick up more pace next fiscal (2025), with progress for the current fiscal (2024) at 660 MW. The commissioning will largely be driven equally by state and private players followed by central sector. The private sector is expected to account for 25-30% of the 145-150 GW capacity likely to be commissioned over the next five years.

FGD capacity to be commissioned over next five years (fiscals 2024-29)



Note: F stands for forecasted
Source: CRISIL MI&A

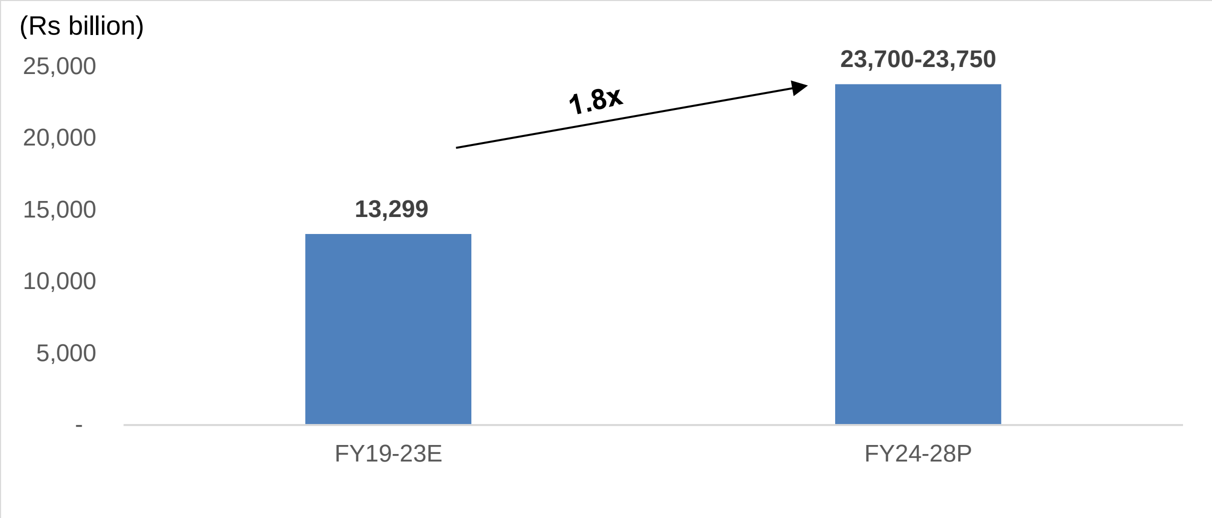
3.3 Overview of roads & highways sector

Road projects to drive the overall construction investments sector

Investments in roads and highway construction sector are expected to increase by ~80% (an increase of Rs 10,400-10,450 billion) to Rs 23,700-23,750 billion between fiscals 2024-28 from Rs 13,299 billion between fiscals 2019-23.

Government's focus on infrastructure investments through the NIP and Bharatmala Pariyojana are expected to continue to drive growth in the roads sector. As part of the NIP plan, the total investment planned are ~ Rs 20,330 billion forming 18% of NIP plan with largest allocation for road connectivity. The allocation in the Union Budget for 22-23 has gone up to Rs 1,991 billion and this has been further increased to Rs ~2,700 billion in the current fiscal year.

Roads & highways segment construction investments



Note: E stands for estimated, P stands for projected

Source: CRISIL MI&A

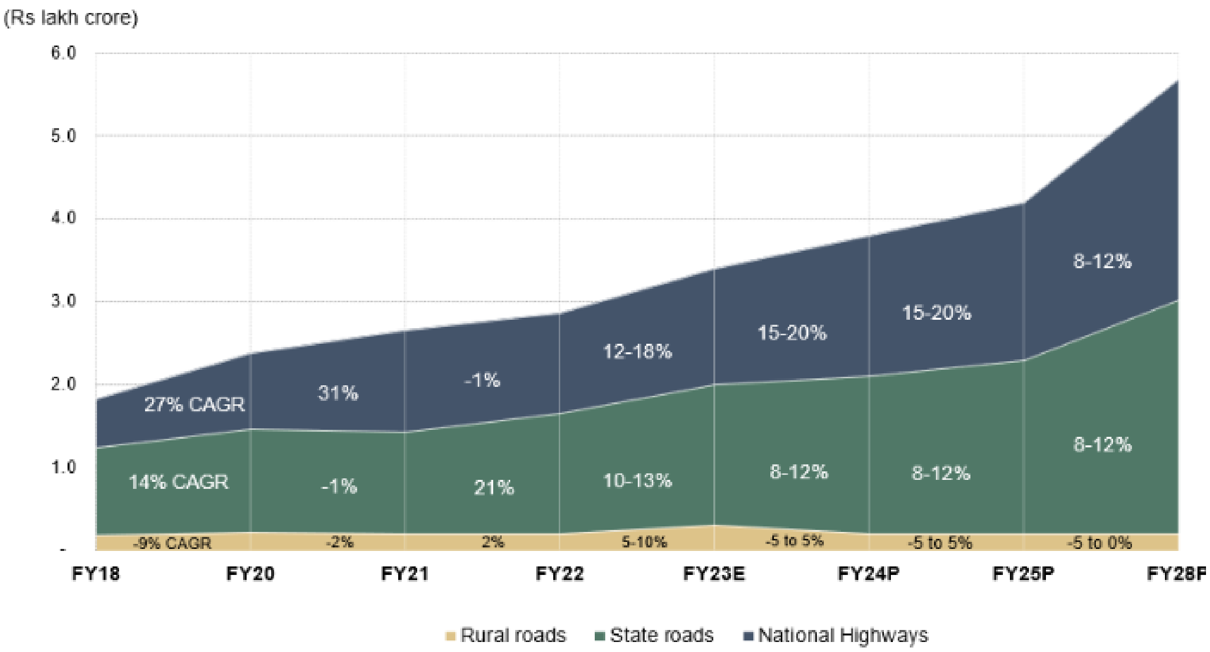
Roads & highways sector expected to deliver strong growth in fiscal 2024 due to a strong government thrust

Overall road sector capex, comprising of National Highways (NH), State Highways & rural roads is estimated to have grown at a CAGR of ~14% between fiscals 2019 & 2023.

The NH segment contributes around 40-45% of the overall capex. While the execution remained flattish in fiscal 2023 vis-à-vis fiscal 2022, capex grew by 12-18% due to a rise in construction of high value projects and high commodity prices. In fiscal 2024, we expect the national highway capex to grow by 15-20% driven primarily by increased execution.

On the low base of fiscal 2021, the state spends grew by 21% in fiscal 2022 and are estimated to have grown further by 10-13% in fiscal 2023 largely in line with the growth in budgetary outlay. In fiscal 2024, state spends are expected to go up further by 8-12% as their percentage achievement of budgetary allocations are expected to be largely in line with historical average.

Momentum to continue, supported by Bharatmala and NIP pipeline



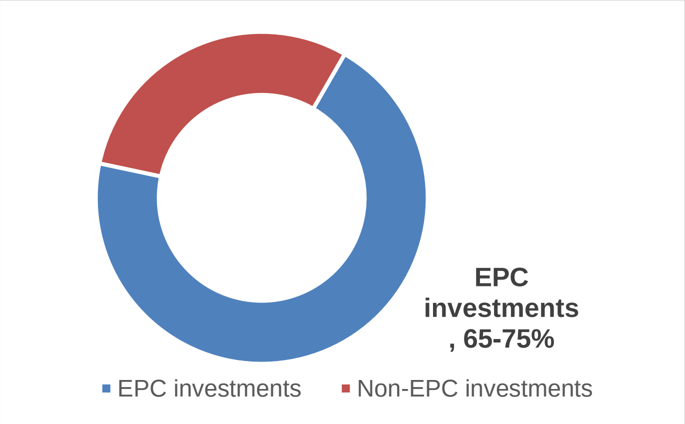
Note: Capex excludes land acquisition costs

Source: CRISIL MI&A

EPC projects make up 65-75% of investments roads & highways construction

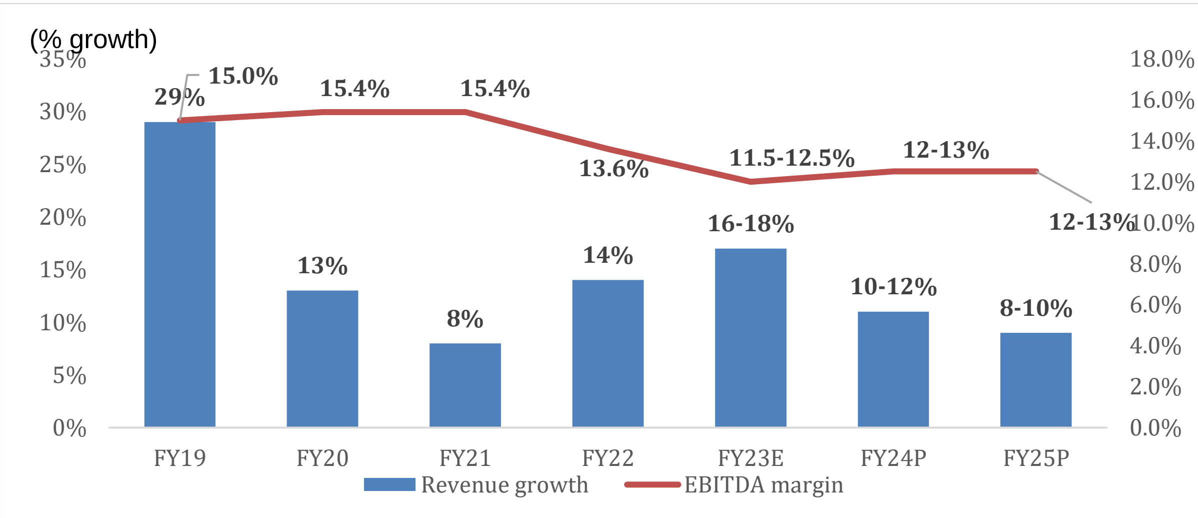
All national roads & highway projects come under the National Highway Authority of India (NHAI). NHAI awards projects under three routes primarily namely EPC, hybrid annuity model (HAM) and build-operate-transfer (BOT). Ministry and NHAI, post multiple suggestions from various stakeholders have amended the HAM Model Concession Agreement to protect developers' returns and ease their liquidity. As a result, number of projects under the HAM model are expected to increase in the coming years. However, EPC mode still remains the most popular mode of awarding projects and capex via EPC projects in the sector is in the range of *65-75*% as per CRISIL MI&A estimates. *Investment range for state and rural roads via EPC route is also in the similar range (65-75%)*

EPC investments in the roads & highways construction sector



Source: CRISIL MI&A

Revenue growth and EBITDA margin of road sector EPC players



Note: Standalone financials of 130 road EPC players considered
Source: CRISIL MI&A

Select projects in the roads & highways sector

Project	Promoter company
Road Upgradation (Samakhiyali-Santalpur) Project	IRB Infrastructure Developers Ltd
Bridge (Bheja-Bakaur) Project	NHAI

Delhi-Mumbai Expressway Project [Delhi-Vadodara section, Package-13]	NHAI
Kharagpur-Moregram Highway (Bowaichandi-Guskara-Katwa) Project [Pkg-III, IV and V]	NHAI

Source: CRISIL MI&A

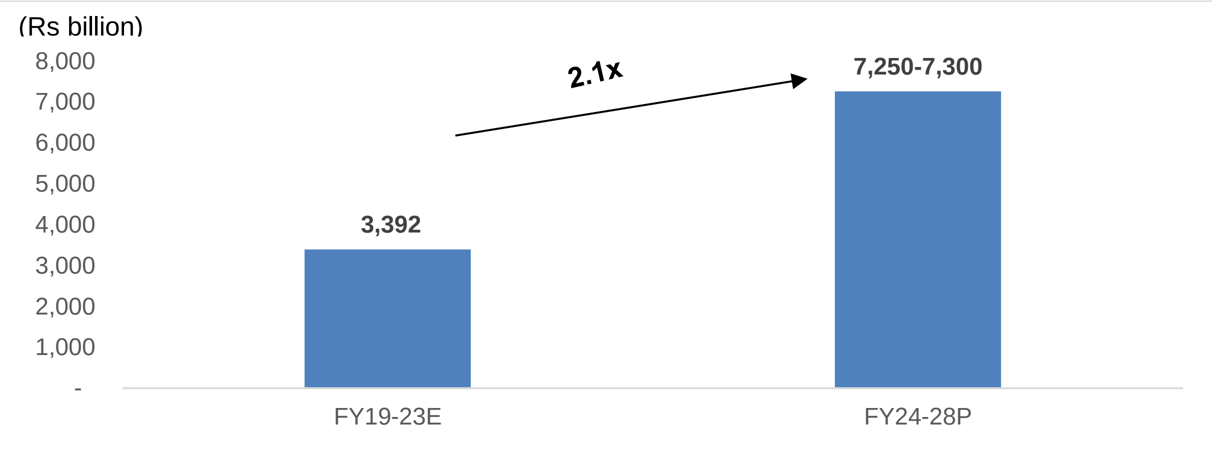
3.4 Overview of urban Infrastructure sector

Urban infrastructure includes construction-intensive mass rapid transit system (MRTS), bus rapid transit system (BRTS), water supply and sanitation (WSS) projects, smart cities, and related infrastructure development

Urban infrastructure investments to continue rising in the medium term led by rising urbanisation

Investments in urban infrastructure construction sector are expected to more than double (an increase of Rs 3,850-3,900 billion) to Rs 7,250-7,300 billion between fiscals 2024-28 from Rs 3,392 billion between fiscals 2019-23. CRISIL MI&A expects investment in India's urban infrastructure to be driven by government schemes such as AMRUT, Swachh Bharat, Clean Ganga and Jal Jeevan mission. Water supply and sanitation (WSS) projects and metro construction in major Indian cities are expected to boost urban infrastructure investment in the next five years. Commencement of work on 105 smart cities announced so far will also be a key monitorable.

Urban infrastructure segment construction investments



Note: E stands for estimated, P stands for projected

Source: CRISIL MI&A

Water supply and sanitation (WSS) expected to contribute more than half of investments under urban infra

The central government's push on WSS announced in the budget with allocations rising 37% on year in fiscal 2024 viz revised estimates of fiscal 2023, while state budgets for WSS for FY24BE are up 42% over FY23RE for states bode well for the WSS sector in the short and medium term. WSS projects are expected to account for 73-78% of total urban infrastructure investments over the next five years, driven primarily by state governments and through centrally sponsored programmes such as Jal Jeevan mission, AMRUT, Swachh Bharat mission (SBM) and the National Mission for Clean Ganga (NMCG).

On October 2, 2014, Prime Minister Narendra Modi launched SBM to focus on sanitation and accelerate efforts to achieve universal sanitation coverage. It comprises two sub-missions – Gramin (for the rural areas) and Urban – aimed at achieving a clean India by 2019. The measures undertaken by the mission include construction of household, community and public toilets, and conversion of insanitary latrines into pour-flush latrines; solid waste management; and public awareness. The overall capex for SBM (Rural and urban) for FY22 was Rs 51 billion with revised estimates for FY23 at Rs. 73 billion and budgeted numbers for FY23 at Rs. 122 billion.

In May 2015, the government replaced the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) with the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), to focus on basic infrastructure services such as water supply, sewerage, storm water drains, transport, and development of green spaces and parks.

Under AMRUT, the Centre is assisting states based on project cost and population of the cities and towns. The financial aid is released in three instalments in the 20:40:40 ratio, based on achievement of milestones indicated in the State Annual Action Plan.

The scheme also covers JNNURM projects sanctioned between 2005 and 2012 and those that have achieved 50% physical progress (102 projects) or have availed of 50% central government funding up to the initiation of project (296 projects).

The budgetary outlay for AMRUT in fiscal 2024 is Rs 80 billion while revised estimates for fiscal 2023 is Rs. 73 billion and spends in FY22 were Rs. 72.8 billion.

Additionally, water treatment plants sector has 1,522 opportunities worth USD 113.1 billion (~Rs. 9,093 billion as per conversion rate of 1 USD= Rs 80.4 for FY23) as per NIP pipeline.

Select key WSS projects

Project	Promoter company
Establishment of Solid Waste Management Centres, Within Mizoram 19 Urban Towns	State Government/Union territories
Sewage collection, treatment, and disposal system (Uttarakhand)	State Government/Union territories
Water Supply Project for Strengthening and Rehabilitation Of Water Supply System of Bhim Constituency of District Rajsamand of Chambal River And Retrofitting of Chambal Bhilwara Project	State Government/Union territories
Rajasthan Rural Water Supply and Fluorosis Mitigation Project, Phase II	State Government/Union territories

Source: CRISIL MI&A

Metro construction: Second-largest urban infra investment contributor

CRISIL MI&A estimates that construction spends on metro projects in India is expected to increase 1.3 times to ~Rs 1,250-1,350 billion over the next five years from ~Rs 1,000 billion between fiscals 2019-23, making it the second-largest contributor to urban infrastructure investments. Bulk of the metro projects are under construction and have achieved financial closure with the lockdown and migration of labour the only impediments in FY21 driving investments lower and a deferral of investments led to revival in fiscal 2022, while the momentum continued in 2023. Medium term growth in the sector would be led by the development of number of projects announced and under implementation by various state governments. A new metro rail policy was announced in the 2018 Union Budget, which targeted developing private interest in the segment. To increase the viability of metro projects and make them available across cities with lesser populations, the Government has announced Metro-Neo and Metro-Lite which are cheaper to construct and operate and are suited for cities with lower population densities.

870 km of current metro rail will expand further by 1,040 km in the coming future. CRISIL MI&A believes majority of the total investment for the MRTS between fiscals 2022 and 2026 are expected to be in these key

projects: Delhi Metro Rail Project phases III and -IV; Mumbai Metro projects lines 2A, 2B, 3; Chennai Metro phase-II; Nagpur Metro; and Pune Metro projects

Progress in key metro projects

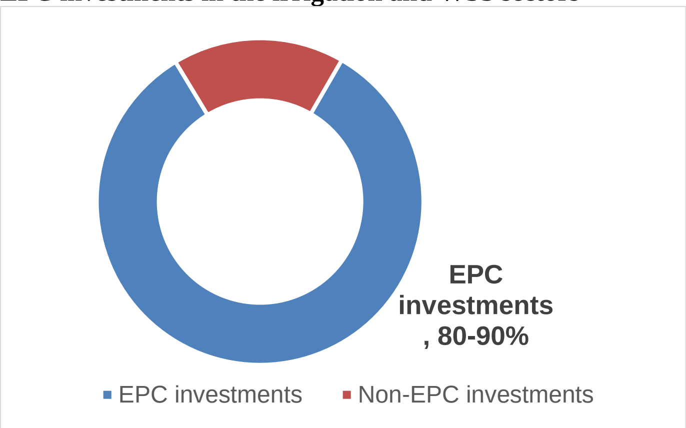
Project	Status
Mumbai	Work for three lines in advanced stages, five more lines under implementation, total 14 lines approved
Pune	First two phases on track, third phase to be awarded on public private partnership (PPP) basis
Delhi	Phase three almost complete, phase four-three out of six corridors approval received
Chennai	Phase one extension line to begin soon, phase two in planning stage
Hyderabad	Phase one complete, phase two in proposal stage
Bengaluru	Phase one complete, phase two under construction

Source: CRISIL MI&A

EPC projects make up 80-90% of investments in irrigation and WSS projects

CRISIL MI&A has considered water supply for agriculture and cities, and water sanitation, wastewater, water treatment plant projects under irrigation sector for evaluating the investments coming via the EPC route. Purely for water supply projects, more than 95% of project investments happen via the EPC route. Considering wastewater treatment and water supply projects together, it is estimated that 80-90% of investments in the sector happen via the EPC route, while the rest happen via public private partnership (PPP).

EPC investments in the irrigation and WSS sectors



Source: CRISIL MI&A

3.5 Overview of railways sector

Construction spend in railways to record close to double growth in the next five years

Investments in railways construction sector are expected to increase by ~90% (an increase of Rs 3,580-3,630 billion) to Rs 7,550-7,600 billion between fiscals 2024-28 from Rs 3,991 billion between fiscals 2019-23. Below are the major drivers for construction spends in the railways sector

Dedicated freight corridor (DFC) execution to be a major opportunity for construction players: The DFC project is estimated to cost Rs 1,242 billion for the eastern (1,337 km) and western (1,504 km) sectors, which includes the cost of land acquisition (Rs 218.5 billion) and construction (Rs 1,021.6 billion). Target completion for both corridors has slipped to June 2024 due to the work stoppages however pace of work is gaining traction.

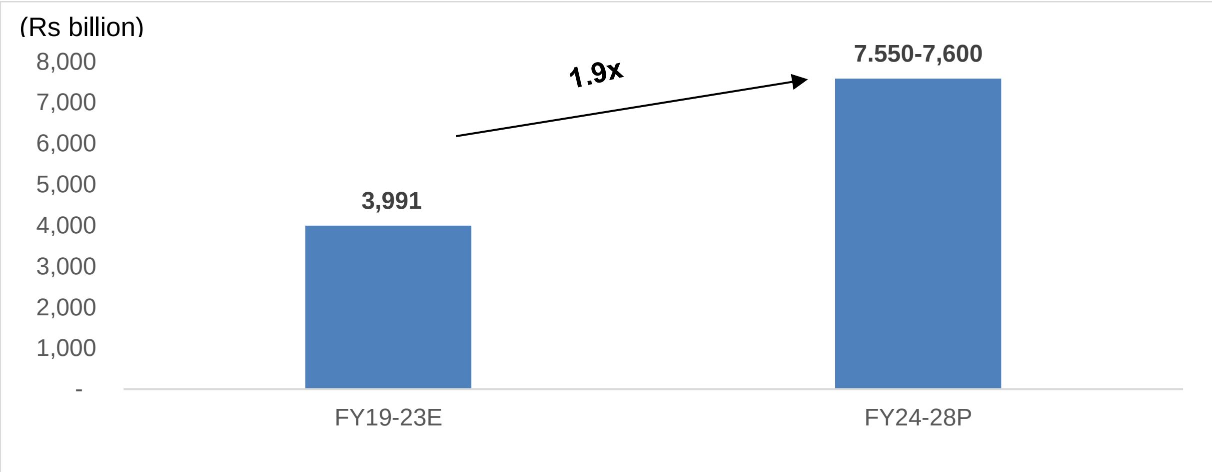
In terms of length commissioned, EDFC has ~40% length commissioned, while WDFC has ~52% length commissioned. Track lining is ~99% complete and overhead equipment (OHE) wiring is ~83% complete.

High speed rail (HSR) projects picking up pace: The Government has identified 8 corridors for constructing HSR projects of which the Mumbai Ahmedabad corridor is under construction while detailed project report (DPR) preparation of the remaining projects is under process. These include Chennai-Mysore, Mumbai-Hyderabad, Mumbai-Nagpur, Varanasi-Howrah, Delhi-Amritsar, Delhi-Ahmedabad and Delhi-Varanasi. Mumbai Ahmedabad HSR has a project cost of ~Rs 1,100 billion offering an EPC opportunity of Rs 500-600 billion.~85% of the land acquisition is complete, while 24% of the length (113 km) has been completed as of March 2023.

Railways envisages a station redevelopment opportunity of Rs 1,000 billion: The Indian railways has envisaged a station redevelopment opportunity of ~ Rs 1,000 billion with commercial development accounting for ~70% of the development. 400 stations have been identified by the railways and the first station, Habibganj, has completed construction. The station redevelopment scheme was expected to be implemented under the PPP program, however, with disbandment of the Indian railway station development corporation (IRSDC) with the stations reverting under the zonal railways, station redevelopment is being explored under the HAM (Hybrid annuity model) where the Railways contribute 40% with the private entity bringing in the balance. A lot of focus is being made on the station redevelopment programme with around 36 new projects worth Rs 130 billion being awarded and 14 under tendering stage.

NIP to further drive growth: As part of the NIP plan, the total investment planned ~ Rs 13,620 billion. Current fiscal capex allocation as per the budget is ~Rs 2,600 billion for capacity augmentation.

Railways segment construction investments



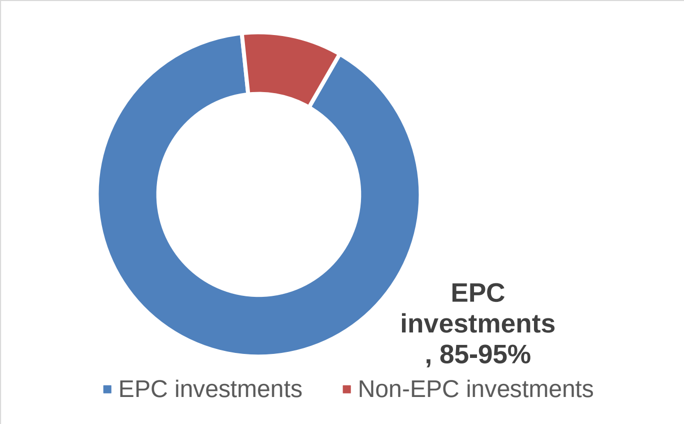
Note: E stands for estimated, P stands for projected

Source: CRISIL MI&A

EPC projects make up 85-95% of investments in railway projects

Barring a few PPP projects being given out for station redevelopment, and a handful of projects to run private trains in the country, most of the projects in Indian railways are assigned via EPC route. *85-95*% of the investments in the sector happen via EPC route as per CRISIL MI&A estimates.

EPC investments in the railways sector



Source: CRISIL MI&A

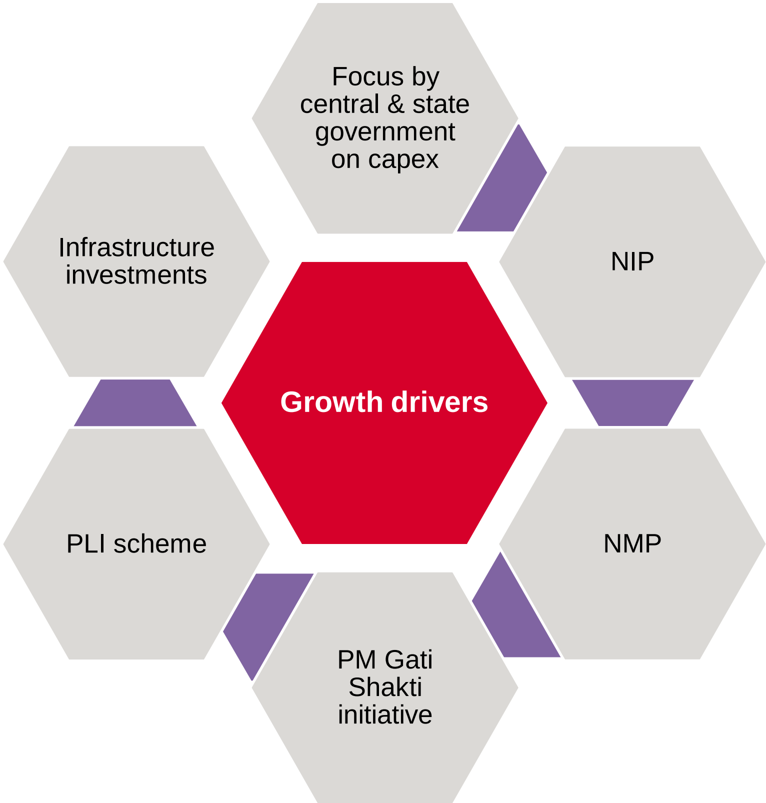
3.6 Overview of construction investments in other select sectors

Segment	Sector	Construction investments in Rs billion (FY19-23E)	Construction investments in Rs billion (FY24-28P)	Increase/ (decrease)	Outlook
Infrastructure	Irrigation 	3,527	5,600-5,650	~2,100-2,150	High number of incomplete projects along with new large-scale projects in the pipeline in states such as Andhra Pradesh, Telangana will provide impetus to growth. NIP currently has 553 opportunities in the pipeline for the sector worth USD 195.9 billion (~Rs 15,750 billion as per conversion rate of 1 USD= Rs 80.4 for FY23)
Industrial	Oil & gas 	2,064	~2,650-2,700	~600-650	Refinery expansion plans by Reliance Industries Ltd, Nayara Energy, IOCL as well as investments by upstream oil & gas and downstream natural gas players expected to drive capex
	Metals 	396	~450-500	~50-100	Capital expenditure expected to rise led by brownfield capacity expansions to meet increasing demand
	Cement 	173	189	~15-20	Increased government spending on Pradhan Mantri Awas Yojana (PMAY) will provide impetus to the housing segment, which has been subdued over the past few years. Further, the grant of infrastructure status to affordable housing will facilitate easier access to low-cost finance. Investments also expected to increase considerably in other infra segments such as roads, railway, irrigation, and urban infrastructure helping to boost cement demand.

Note: E stands for estimated and P stands for projected in the above table
Source: CRISIL MI&A

3.7 Key growth drivers for the construction sector

A combination of economic and demographic factors is expected to drive investments in the construction sector. CRISIL MI&A Research believes the NIP launched by the government would also support these drivers.



Growth driver	Description and reasoning
National Infrastructure Pipeline (NIP)	NIP outlined by the Government of India entails an investment of Rs 111 trillion over fiscals 2020-25. NIP is expected to drive infrastructure investments as nearly Rs 75 trillion worth of projects are currently under construction. Engineering, procurement and construction (EPC) dominates mode of implementation of projects as ~72% of the outlined spends come under this mode. Even though capital spending of Rs 111 trillion might not be completed by 2025, CRISIL MI&A expects 70-75% achievement of these outlined spends, which is expected to give a huge boost to the infrastructure of the country
National Monetisation Pipeline (NMP)	Union Minister for Finance and Corporate Affairs, Smt Nirmala Sitharaman, launched the 'National Monetisation Pipeline (NMP Volumes 1 & 2)'. NITI Aayog has developed the pipeline, in consultation with infrastructure line ministries, based on the mandate for 'Asset Monetisation' under Union Budget 2021-22. NMP estimates aggregate monetisation potential of Rs 6 trillion through core assets of the Central Government, over a four-year period, from FY2 to FY25. Asset monetisation, based on the philosophy of Creation through Monetisation, is aimed at tapping private sector investment for new infrastructure creation. This is expected to help create employment opportunities, thereby enabling high economic growth and seamlessly integrating the rural and semi-urban areas for overall public welfare
PM Gati Shakti	PM Gati Shakti is essentially a digital platform to bring 16 Ministries including Railways and Roadways together for integrated planning and coordinated implementation of infrastructure connectivity projects. The multi-modal connectivity

	will provide integrated and seamless connectivity for movement of people, goods and services from one mode of transport to another. It will facilitate the last mile connectivity of infrastructure and also reduce travel time for people. PM Gati Shakti will incorporate the infrastructure schemes of various Ministries and State Governments like Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN etc. Economic Zones like textile clusters, pharmaceutical clusters, defence corridors, electronic parks, industrial corridors, fishing clusters, agri zones will be covered to improve connectivity & make Indian businesses more competitive
Production linked incentive (PLI) scheme to provide boost to industrial investments	PLI scheme is expected to provide the necessary boost to the industrial sector. The scheme is a time bound incentive scheme by the Government of India which rewards companies in the range on 5-15% of their annual revenues based on the companies meeting pre-decided targets for incremental production and/or exports and capex over a base year. Industrial investments are expected to increase by 25-27% during fiscals 2024-28 compared to fiscals 2019-23. The rise in investments is projected due to inclusion of PLI scheme in the capex investments of industrial sector.
Increase in central & state government capital expenditure	Based on various state budget documents, capital expenditure of 20 states was up ~20% in FY23 over FY22 revised numbers. Gross fixed capital formation (GFCF) can be considered as a proxy for the construction sector. The on-year rise in GFCF is attributable capex by the central government which recorded a 9% on-year rise in Q4FY23. Capital expenditure by central government showed an increase of 16-18% in FY23 for roads sector. Similarly, budgeted capital outlay for railways sector was 50% higher in FY24 compared to previous fiscal. These increasing trends in capex by central & state governments is expected to drive investments in the overall construction sector
Infrastructure investments expected to drive the sector	Growth in construction sector to be propelled by the infrastructure segment over the medium to long term as the building construction and industrial sector are expected to record sedate growth rates.

3.8 Key projects announced by major players

Below is the list of key projects which have been announced my major players in the construction sector. Below list is not exhaustive and does not contain all the projects announced by the below players.

Hindustan Construction Company Ltd, L&T Infrastructure Development Projects Limited, NCC Ltd, Power Mech Projects Ltd, Bharat Heavy Electricals Ltd (BHEL), Shriram EPC Ltd are some of the major players operating in the construction sector.

Player name	Key ongoing and announced projects
Hindustan Construction Company Ltd	- Ramban Banihal Road Project, Jammu & Kashmir - Coastal Road Project, Mumbai - NH-34 - Bahrampore – Farakka Highway, West Bengal
L&T Infrastructure Development Projects Limited	- Kudgi Transmission Limited power transmission project - Pimpalgaon-Nashik-Gonde (Maharashtra) - Chennai-Tada (Tamil Nadu) - Rajkot-Jamnagar-Vadinar (Gujarat)
NCC Ltd	- NCC Urban Mayfair (Bengaluru) - NCC Urban Gardenia (Hyderabad) - NCC Urban Nakshatra (Chennai) - Rajiv Gandhi University of Health Sciences, Administrative Block, Medical, Dental, Pharmacy & Nursing Colleges, 750 bed hi-tech and 250 bed Super Specialty Hospitals and allied buildings in Ramanagara Town, Karnataka - Design and construction of Metro Rail Viaduct at Navi Mumbai, Maharashtra
Bharat Heavy Electricals Ltd (BHEL)	- BHEL bags order for country's largest capacity (2,880 MW) hydro project (Dibang Multipurpose Project in Arunachal Pradesh) - Maitree Super Thermal Power Plant in Bangladesh - Vande Bharat Sleeper Trains
Shriram EPC Ltd	- Steel plant projects for Durgapur Steel Plant, Rourkela Steel Plant, Bokaro Steel Plant etc (client Steel Authority of India)

	- Civil, structural and underground piping works for fluid catalytic cracking units for Integrated Refinery Expansion Project, Kochi - Vande Bharat Sleeper Trains
Power Mech Projects Ltd	- MDO project from Central Coal Fields Ltd (CCL). The project has total coal extraction capacity of 105 million tonne (MT) with an annual capacity of 5 MT - MDO project from Steel Authority of India (SAIL) for infrastructure development, removal of overburden and extraction of coking coal, crushing, transportation, setting up of coal washery of 3.5 MTPA capacity - Civil work of power plant at Maitree, Bangladesh of capacity 1,320 MW - Works for a 4,000 MW mega power project at Yadadri in Telangana - Projects worth ~Rs 302 billion (may get revised on submission of detailed project reports) for rural drinking water system in about 3,018 villages in Uttar Pradesh - Four laning of NH-365A from Kodad (design km 0.00/existing km 185.0 of NH-65) to Khammam (design km 31.8/existing km 29.4) (design length = 31.800 Km) in the state of Telangana under Bharatmala Pariyojana on hybrid annuity mode for NHAI - Construction of depot cum workshop at Challaghatta in Reach-2 extension of Bangalore Metro Rail Project, Phase-2 - Order from Raichur Power Corporation Limited for Operation and Maintenance of 2x800 MW Coal based Yeramarus Thermal Power Station (YTPS) at Chikkasugur, Raichur District, Karnataka

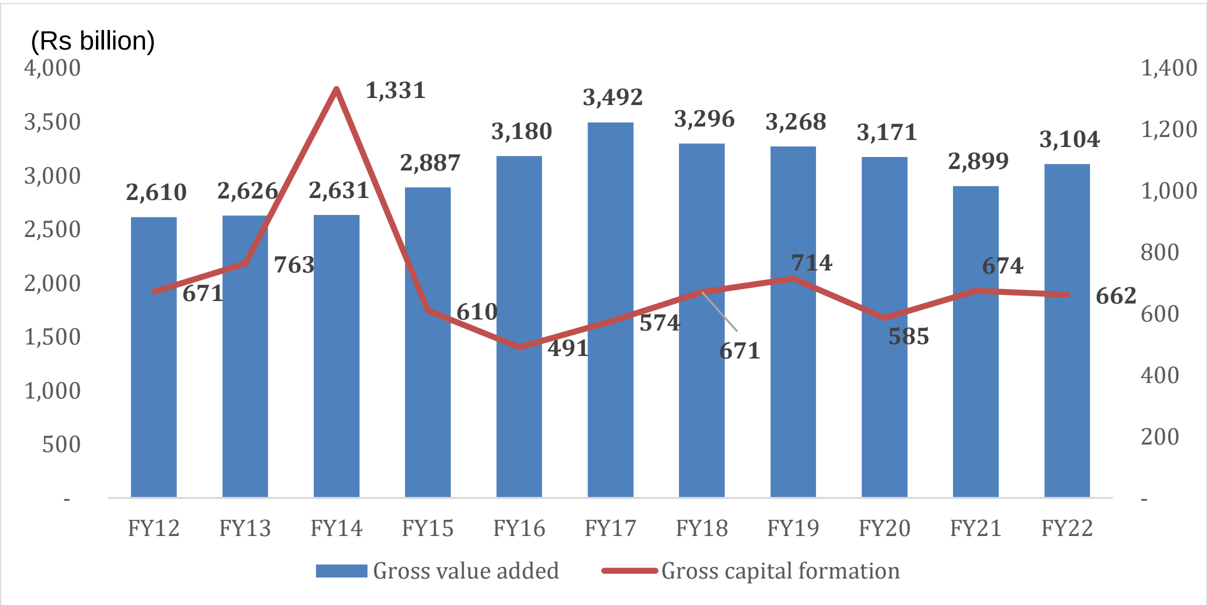
Source: CRISIL MI&A

4. Overview of mining industry and mine developer and operator (MDO) services in India

4.1 Overview of mining industry in India

The mining industry in India is one of the core industries in the economy and contributed to more than 2.2% of the total GVA at constant prices for fiscal 2022 and a similar ~2.2% for fiscal 2023 (provisional estimates released on May 31, 2023). It provides basic raw materials to many important industries. India is the second largest producer of crude steel in the world and has large reserves of bauxite, iron ore, manganese, chromium, baryte, rare earth and mineral salts making the sector very important. GVA of the mining & quarrying industry in India has grown at a CAGR of ~1.7% over fiscals 2012-2022 at constant prices.

Gross value added and gross capital formation by India mining & quarrying industry at constant fiscal 2012 prices



Note: E stands for estimated and P stands for projected in the above table

Source: CRISIL MI&A, National Accounts Statistics 2023

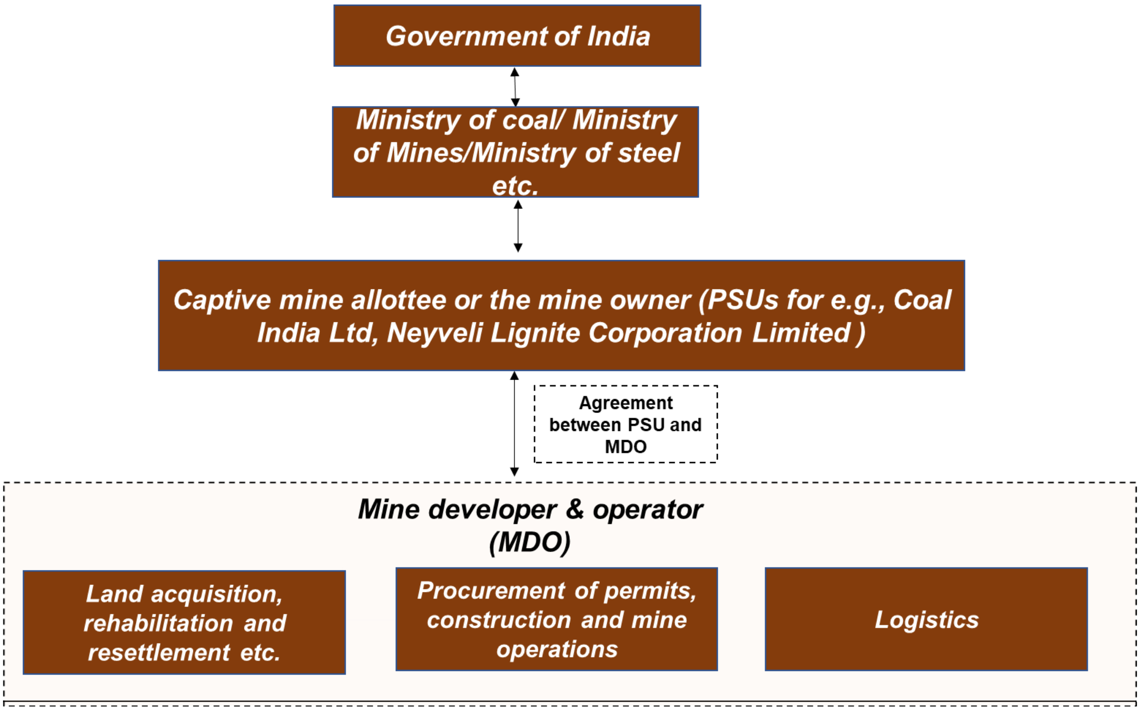
4.2 Overview of mine developer and operator (MDO) services in India

Mine Developers and Operators (MDOs) are mining specialists who operate on behalf of the mine owner against a fixed charge on a long-term basis. It is usually a model of operation adopted for coal mining in our country. The MDO, appointed under a Mining Agreement (MA) signed between the private entity and public sector undertaking (PSU), broadly undertakes pre-commencement activities including land acquisition, rehabilitation and resettlement, procurement of applicable permits, construction activities, setting-up of the mining plant infrastructure, setting-up of storage facilities, development of transportation and handling facilities, etc. for the mine. During the operation period of the project the MDO undertakes excavation operations and transportation to delivery points, for a mining charge on achieving a certain level of production of coal as specified in the agreement. Usually, the contract period of such MAs is envisaged to last up to the life of the mine.

This model is like public private partnership (PPP), where private companies having resources and technology, develop mineral reserves on behalf of PSUs for a specific period of time. On June 06, 2016, the Ministry of Coal had released the Common Guidelines for Mine Developer and Operator projects (the MDO Guidelines) which clarify that the Draft Model Contract Agreement (MCA) as was released on August 05, 2015, was for the purpose of framing a standard contractual model for development and operation of the mines to be adopted by State Governments and local authorities.

Power Utilities such as National Thermal Power Corporation (NTPC), Gujarat State Electricity Corporation Limited (GSECL), Rajasthan Urja Vikas Nigam Limited (RUVNL), Damodar Valley Corporation (DVC), West Bengal Power Development Corporation Limited (WBPDCL), Punjab State Power Corporation Limited (PSPCL) etc. and state mining corporations such as Government of Andhra Pradesh Company, Mineral Development Corporation Limited (APMDC), Gujarat Mineral Development Corporation Limited (GMDC), etc. have been awarded more than 100 million tonnes per annum (MTPA) of production capacity under the MDO route. The concept of MDO has gained popularity in recent times. Coal India Limited and Singareni Collieries Company Limited and private sector mining company Vedanta Limited are also developing their Coal (Mineral) assets through MDO route. Coal India has identified multiple opencast mines with a target capacity of 169 MTPA and three underground ones of 6 MTPA to be developed through MDO route.

MDO model of mining



Source: CRISIL MI&A

4.3 Overview of demand and supply of domestic coking coal

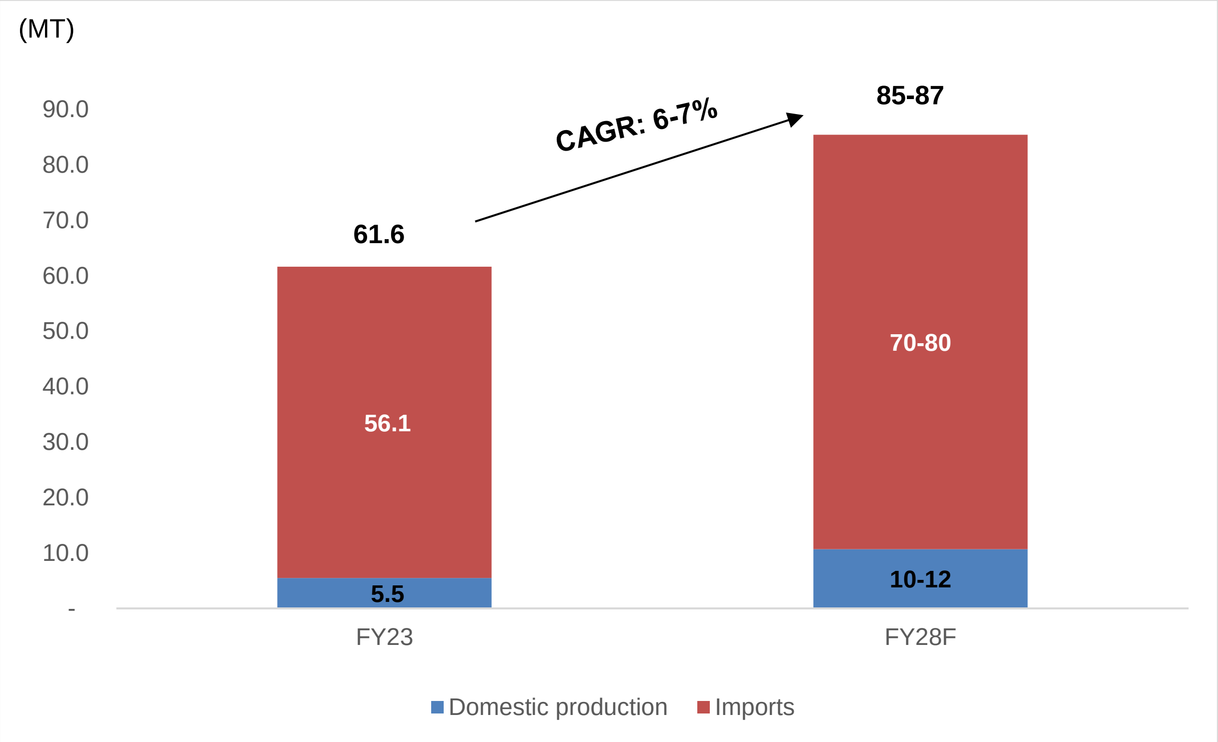
Imports to continue to account for over 90% of supply for coking coal

Coking coal consumption accounts for ~7% of total coal consumption (62 million tonne (MT) in FY22 and FY23, respectively). It is majorly consumed by steel players for production. However, coking coal production has been historically low owing to inferior quality of resources and difficulties in mining operations in India. Due to this, steel players have had to majorly rely on imported coal, which accounts for 90-92% of total consumption.

Coking coal consumption remained stable and flat in fiscal year 2023 compared to fiscal 2022, even though steel production rose by ~4%. It could be implied that crude steel production through other processes (direct reduce iron process or DRI) is on rise. To add, sponge iron production and steel scrap imports are also on rise.

Percentage of imports in overall consumption is expected to come down over the long-term as new coking coal capacity is being added and the significant cost advantages of sourcing coking coal locally. Domestic production of coal is expected to grow at a CAGR of 14-16% between fiscals 2023 and 2028, compared to overall consumption, which is expected to grow at a CAGR of 6-7% during the same period.

Coking coal consumption in million tonnes (MT)

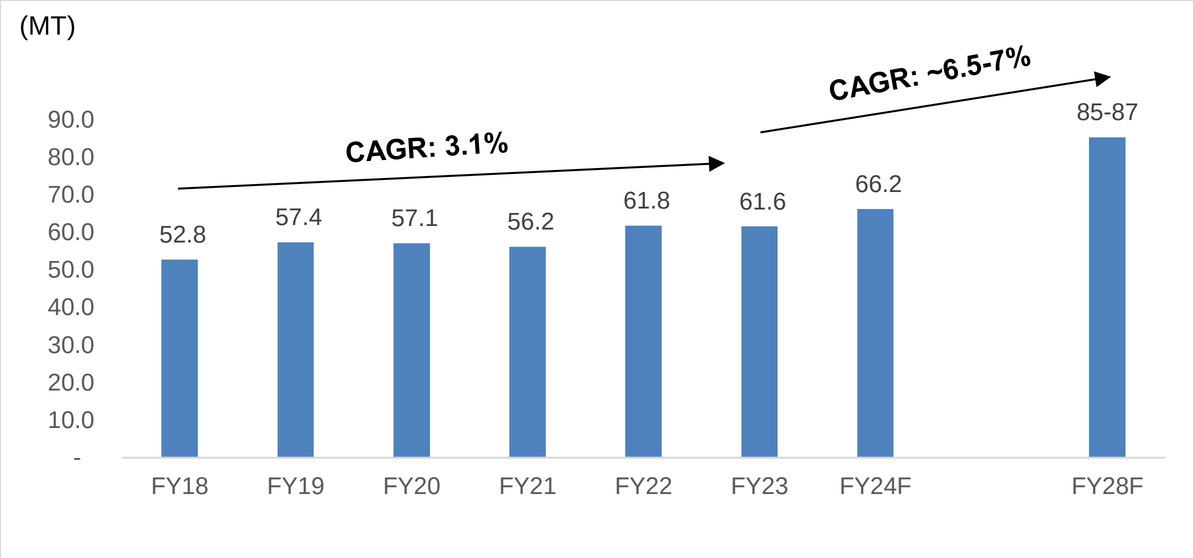


Note: Total might not add up due to rounding of decimal points
Source: Ministry of Coal, CRISIL MI&A

Coking coal consumption expected to increase at a CAGR of 6.5-7% between fiscals 2023 and 2028

Coking coal consumption increased at a CAGR of 3.1% between fiscals 2018 and 2023 from ~53MT to ~62MT. The consumption is expected to improve to 85-87MT by fiscal 2028, growing at a CAGR of 6.5-7% supported by increase in steel production. On the other hand, steel players are also increasingly focusing on controlling operational costs through implementation of newer technologies such as pulverised coal injection (PCI), coke moisture control and stamp charging which might affect the growth of coking coal demand in the country to a small extent.

Coking Coal consumption in million tonnes

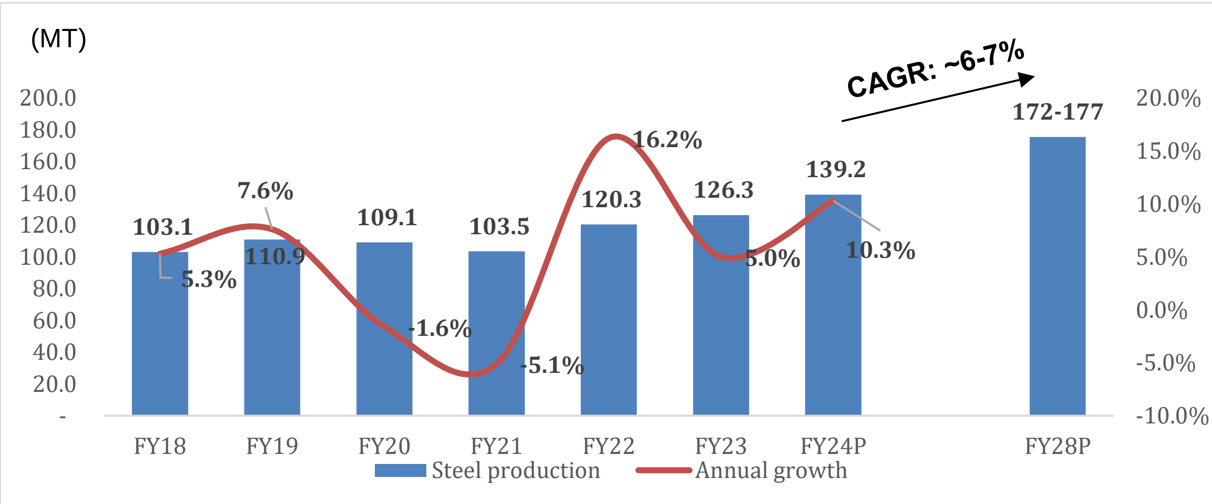


Source: CRISIL MI&A

Steel production to remain robust in the long run contributing to coking coal demand

Crude steel production is expected to increase at a CAGR of 6-7% to 172-177 MT by fiscal 2028, from ~126 MT in fiscal 2023. This will be on account of robust demand growth from sectors such as building and construction, infrastructure and automobile.

Steel production in million tonnes



Source: CRISIL MI&A

Growth in steel production expected to aid coking coal demand

Growth in steel production is expected to aid coking coal consumption, which will likely reach ~85-87 MT by fiscal 2028. Demand growth from sectors such as building and construction, infrastructure and automobile is likely to contribute to the growth in the steel production.

- Building and construction: Building and construction accounts for 35-40% of total steel demand. The sector is expected to see growth of 5-7% in fiscal 2023, led by rural housing, affordable housing and commercialisation of Tier 3/4 cities. The sector will also get a boost from Pradhan Mantri Awas Yojana (PMAY), under which the government has targeted 11.36 million urban and 29.5 million rural houses by 2024.

- Infrastructure: The infrastructure sector, along with railways, accounts for 25-30% of total steel demand in India. The sector expected to see a growth of 11-13% in fiscal 2024, led by the government's ambitious Rs 100-lakh-crore National Infrastructure Pipeline (NIP). Investment in railways is also expected to witness robust growth, driven by the government's plans of rail network augmentation, freight line de-congestion, station modernisation and redevelopment, and metro and high-speed rail projects.

- Automobile: The automobile sector accounts for 8-10% of domestic steel demand. Growth over the next five years is expected to be driven by moderate macroeconomic growth, rising disposable income and a marginal increase in vehicle ownership cost.

OUR BUSINESS

Some of the information contained in this section, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 15 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations on a Consolidated Basis" on pages 38 and 86, respectively, for a discussion and analysis of factors that may affect our business, financial condition, results of operations or cash flows. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular "Fiscal" are to the 12 months ended March 31 of that year. All financial information included herein is given on a consolidated basis unless stated otherwise. For further information, please read "Presentation of Financial and Other Data" on page 12.

Industry and market data used in this section are derived from the CRISIL Report, which was exclusively prepared for the purpose of this Issue. Our Company commissioned and paid for the CRISIL Report pursuant to the engagement letter dated August 30, 2023. Unless otherwise indicated, all operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year, refers to such information for the relevant year. CRISIL is not related in any manner to our Company, any of the Directors or the Promoters. For more details, see "Presentation of Financial and Other Data" and "Industry and Market Data" on pages 12 and 14, respectively.

Overview

Our Company is one of the leading industrial services, infrastructure and construction companies in India, with a global presence, providing a range of integrated services across the power, non-power and infrastructure sectors (*Source: CRISIL Report*). Our Company is one of the largest operations and maintenance ("**O&M**") service providers in the conventional power sector in India (*Source: CRISIL Report*). Our Company has made a significant niche in power sector, covering segments such as erection, testing and commissioning ("**ETC**") of boilers, turbines and generators ("**BTG"**) and balance of plant ("**BOP**") works, operation and maintenance ("**O&M**"), repairs, overhauling, renovation and modernization of power plants and related civil works. Our Company played a major role in the installation of high performance super critical thermal units including installation of India's first ultra mega power plants.

Our ETC business has been an integral part of our operations since inception of our Company. Our ETC business included works related to coal and gas-based power plant which was further expanded by our entry into other sectors such as oil and gas, steel, material handling and retrofit packages of fitting FGD systems as part of emission control. Our Company has an installed reference base of 68,646 MW in domestic market, 6,792 MW in overseas market, 546 Kms of cross-country pipelines, 2.8 million MT of erection and 0.24 million MT of fabrication works, as of August 31, 2023.

Our Company has captured the O&M business in India particularly in the independent power producer sector and later in the State sector reaching an O&M service capacity of 68,375 MW as on date of this Preliminary Placement Document. O&M has been playing a very important role in the growth of our Company for sustained business potential and has contributed 25.81% to our revenue from operations for Fiscal 2023. The additions in supercritical units over last 15 years has helped our Company in forward integration of O&M practices needed to operate and maintain supercritical based power plants.

Our service offerings are backward integrated with our manufacturing facility in Noida, Uttar Pradesh. The facility can undertake major works related to manufacture, supply of rebuilding of spares, major repairs of steam turbines, rotor balancing and reverse engineered parts manufacturing for various rotating parts of power plant both in thermal and hydro sector. Further we have undertaken job works for parts needed for railway electrification at our Noida facility.

Over the years, our Company, has been updating and adopting the business strategy in catching up with the market dynamics and continuously changing business environment. As per the CRISIL Report, the paradigm shift of policy to reduce greenhouse gas emissions, paved the way for large scale investments in renewables throughout the World. India having established its huge thermal capacity to meet the growing energy needs using the abundant coal availability had to shift its priority to renewable power generation and alter its policies after 2015 (*Source: CRISIL Report*). As a result, renewable sources excluding hydro power which accounted for less than 15% of electricity generation capacity prior to Fiscal 2015 now account for over 30% as of Fiscal 2023 (*Source: CRISIL Report*). The alteration in the investment priority was a major change for our Company's business and its growth and this was both a challenge and an opportunity. Our Company in anticipation of this tilt in the power sector investments, had reconciled to the changing scenario and had realigned its business approach to diversify by finding new business opportunities. In the last ten years, our Company has started diversifying in line with its strategy to maintain a balance mix between power and non-power sector. Our Company has entered sectors having synergistic offering services including industrial plants, railways, metros, roads and water projects.

We believe our significant experience and execution capabilities have enabled us to develop firm relationships with various private sector clients as well as public sector undertakings. We have established long-term relationships with various companies and power utilities. Our Company, having its major operations in India, extended its operations globally and has established presence as a service provider in countries mostly in Asia and Africa. Our Company has established itself in the Middle East and African market for power and energy related projects both in the construction of power plants and post construction and maintenance works. Our Company has established an installed base of 6,792 MW mostly in gas and oil based thermal units for the export market of Middle East, Bangladesh and Africa. In order for us to expand and take advantage of market opportunities we have also entered into joint ventures and consortium with companies having domain expertise in order for us to meet qualification criteria for venturing into new areas of business. This plan has assisted our Company in quicker penetration into the export market in Middle East and Africa with the help of the local partnership which also assisted in forging new initiatives and facilitating in competing with established local players present.

In the last two years, our Company has forayed into mining development and operations ("**MDO**") as part of forward integration for sustained and long-term growth. The MDO business is driven by the combined existing expertise from our business verticals.

Our revenue from operations for the Fiscals 2021, 2022 and 2023, and the three months ended June 30, 2023 and June 30, 2022, was ₹18,840.85 million, ₹27,104.94 million, ₹ 36,011.90 million, ₹ 8,651.31 million and ₹ 7,466.13 million, respectively, growing at a CAGR of 38.30% between Fiscal 2021 to Fiscal 2023. Our profit after tax for Fiscals 2021, 2022 and 2023 was ₹ (486.04) million, ₹1,384.90 million and ₹2,073.11 million while our profit after tax for the three months ended June 30, 2023 and June 30, 2022 amounted to ₹509.64 million and ₹394.33 million, respectively. Our aggregate Order Book as of August 9, 2023 was ₹ 533,200 million (including MDO contracts of ₹ 92,940 million and ₹ 304,380 million execution considered up to June 30, 2023).

Strengths

Comprehensive service provider in power and infrastructure sector with an established track record

Our Company is one of the leading industrial services, infrastructure and construction companies in India, with a global presence, providing a range of integrated services across the power, non-power and infrastructure sectors. (*Source: CRISIL Report*) Our Company is one of the largest operations and maintenance ("**O&M**") service providers in the conventional power sector in India (*Source: CRISIL Report*).

We provide ETC of BTG and BOP works for power plants, for various sizes and scales with unit capacities ranging from 150 MW to 800 MW. We provide integrated industrial construction services to gas-based power projects, heat recovery steam generators, waste heat recovery boilers, CFBC boilers, steam turbine generators, steam generators including auxiliaries, electrostatic precipitator, hydro turbines and BOP packages, including structural steelworks, ash handling, coal handling, fuel oil systems, selective catalytic reduction and flue gas desulfurization and high-pressure piping works. We provide a comprehensive range of services in our O&M services business, including annual maintenance contracts, other repairs, renovation and modernisation, residual life assessment, scheduled shutdowns, retro-fits, as well as overhauling, maintenance and upgradation services for power plant. We provide comprehensive and integrated O&M services in mechanical, electrical and control and instruments including control room / desk operations of power projects. We are equipped with modern equipment and testing instruments for identifying and rectifying defects in rotating and non-rotating parts of the plants.

Our Company has a successful track record of executing over 68,646 MW of ETC of coal-based power plants. We have established a track record of successfully executing ETC-BTG and BOP contracts for large power projects including for 800 MW unit capacity super-critical power projects. We had been engaged on ETC-BTG projects for the first two ultra-mega power projects in India. Since our inception until the date of this Preliminary Placement Document, we have constructed 28 super critical boilers and 34 sub critical boilers, 20 super critical steam turbine generators and 75 sub-critical steam turbine generators. Further, we have undertaken over 200 contracts for overhauling of turbines with unit capacity of 500 MW and above since incorporation.

We have diversified over the years and undertaken projects covering a range of industries including cross-country pipelines, erection of steel plants and petrochemical packages, piping packages, tankages and undertaking major contracts of industrial plants, railways, metros, roads, water projects and material handling.

Our business has diversified into civil works including within power and railways over the past few years. In our civil works business related to power, we provide civil and construction jobs for the main plant and BOP requirements including excavation, piling, concreting, architectural and building works. We have completed erection works of more than 2.83 million metric tons and 0.24 million metric tons of structural and fabrications works, respectively and casted nine TG decks in various power projects with unit size up to 800 MW, as of August 31, 2023.We also undertake a range of non-power civil works which currently include executing eight projects in railway and metro civil works including formation of embankments and permanent way linking, signalling, telecommunications, overhead electrification, construction of minor and major bridges, staff quarters, station buildings, platforms, pre-engineering buildings along with construction of railway maintenance work shops.

Over the past two years, we have forayed into mining, development and operations by way of consortiums. We have been awarded two MDO projects having a contract value of ₹ 92,940 million and ₹ 304,380 million, respectively. One of the MDO project is for the development and operationalization of Kotre Basantpur Pachmo project in Jharkhand for a duration of 25 years. The other MDO project is for the development and operationalization of the Tasra opencast project at Jharia coalfields in the Jharkhand for a duration of 28 years. We have formed special purpose vehicles for the execution of these MDO projects.

Our Company has built a large asset base of more than 300 cranes ranging from 10 tonne to 300 tonne in capacity and heavy construction equipment items which enable us to efficiently execute our projects. We believe that our comprehensive service offerings and established track record as an integrated power, non-power and infrastructure services provider provide us with a significant competitive advantage.

Strong Order Book

In our industry, an order book is considered one of the key indicators of future performance as it represents a portion of anticipated future revenue. By diversifying our operations across different sectors as well as geographically, we have been able to undertake a broader range of projects and consequently, optimize our business volume and profit margins.

Our aggregate Order Book as of August 9, 2023 was ₹ 533,200 million (including MDO contracts of ₹ 92,940 million and ₹ 304,380 million execution considered up to June 30, 2023) which includes the Order Book for our erection works, O&M, civil and other works and electricals. The following table sets forth certain information relating to our Order Book as of August 9, 2023:

Particulars	Estimated Order Book (₹ in million) *	Percentage of Estimated Total Order Book (%)
Erection Works	68,456	50.38
O&M	4,657	3.43
Civil and other works	60,050	44.19
Electricals	2,717	2.00

**Excluding MDO contracts*

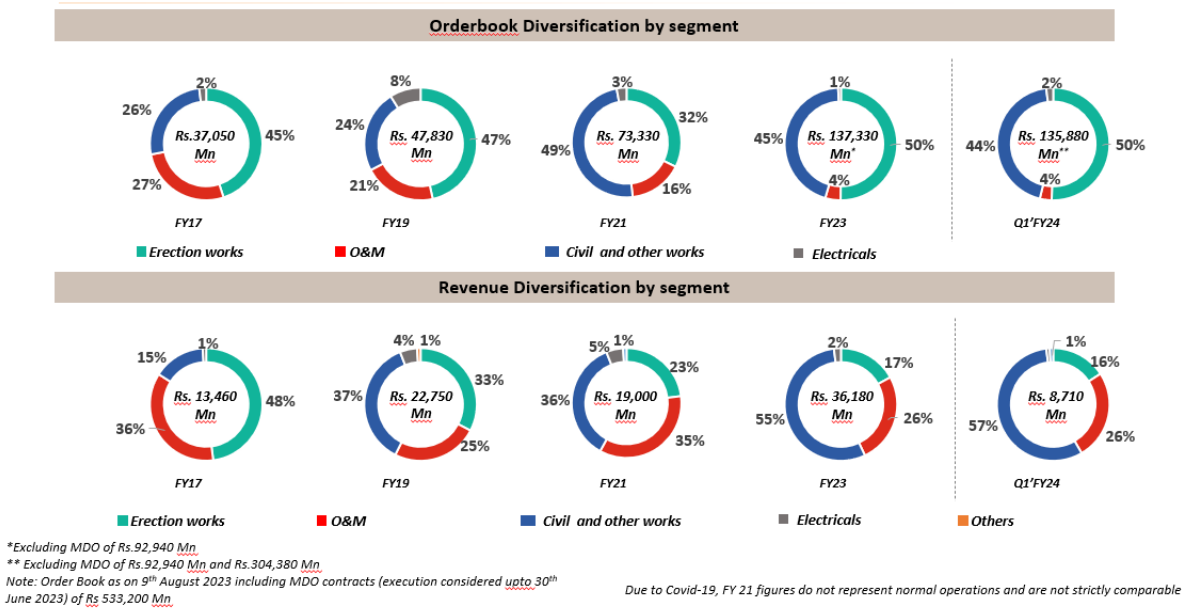
The following table sets forth certain information relating to our Order Book as of August 9, 2023 divided into projects executed within India and outside India:

Particulars	Estimated Order Book (₹ in million) *	Percentage of Estimated Total Order Book (%)
Domestic	133,337	98.15
International	251	1.85

**Excluding MDO contracts*

In addition to the above, our Company has received two orders for mining, development and operations ("**MDO**") projects having a contract value of ₹ 92,940 million and ₹ 304,380 million, respectively.

Set out below are details of our Order Book by segment and our revenue by segment since Fiscal 2017:



Our Order Book has increased from ₹ 37,050 million in Fiscal 2017 to ₹ 533,200 million as of August 9, 2023 with a stable rate of execution.

Pan-India presence with international operations with strategic partnerships

Our Company has established its presence pan-India and certain countries in Asia and Africa. The geographical expansion carried out by our Company over the years in India and abroad through joint ventures and partnerships has helped us in pursuing opportunities available across continents and has created new business units for better execution. As of August 31, 2023, our Company has operations across 21 states in India.

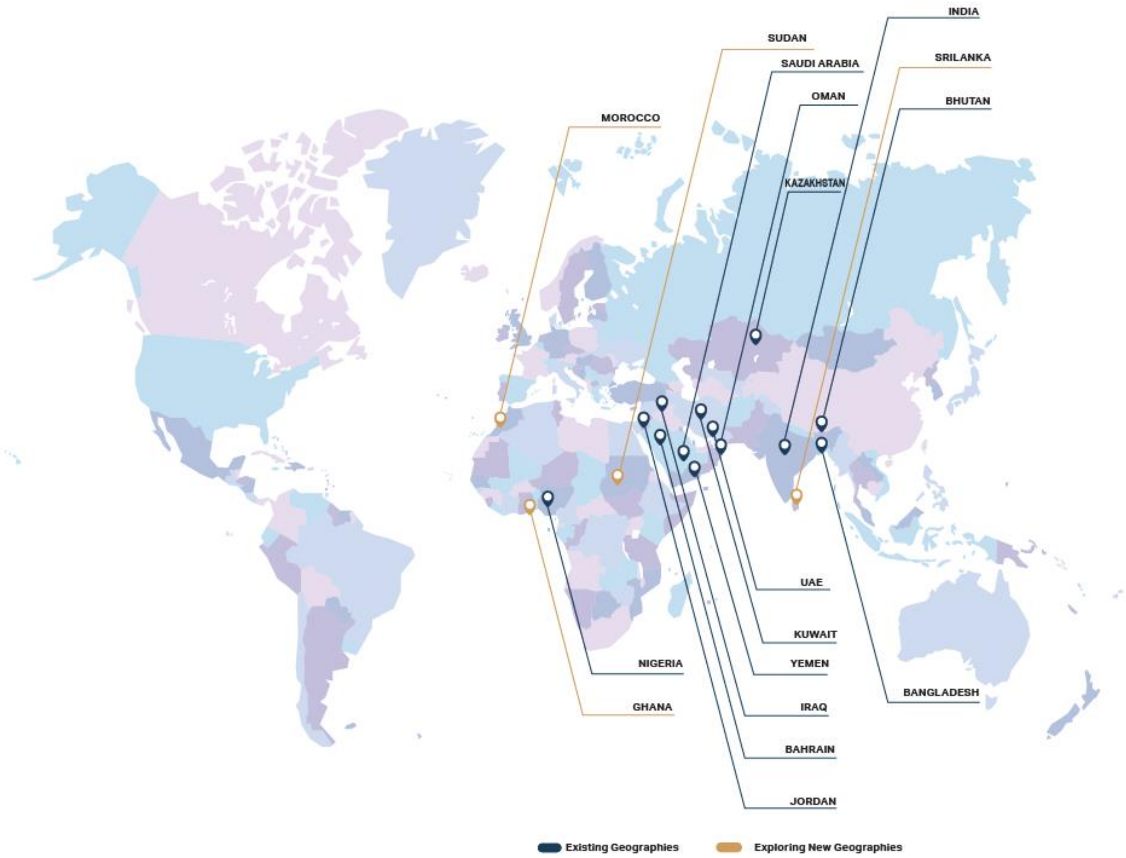
In line with our strategy of establishing a global footprint, we had entered the overseas market in the year 2009. We established our first overseas branch in Dubai, U.A.E, in the year 2013. We have established our global presence through branches, subsidiaries and joint ventures in various countries including through our projects being carried out in Saudi Arabia, Kuwait, Oman, Bahrain, UAE and further expanded our business into Bangladesh and West Africa with undertaking of power plant installation works in Nigeria. We have commissioned power plants adding up to a capacity of over 6,792 MW in North Africa, Middle East and Bangladesh. We have completed 26 gas turbines aggregating to 4,256 MW and 13 steam turbines aggregating to 1,592 MW in GCC area of Middle East Asia. We are undertaking 1.18 million inch mts of piping at Dangote Refinery, Nigeria.

The undertaking and its successful completion in various Countries across the Gulf region helped our Company in winning O&M contracts in the power, diesel, oil & gas and petrochemical sectors in GCC countries and Africa with reputed clients. Our Company is expecting an increased flow of O&M order inflow from these regions.

For gaining entry into different sectors and geographies, we took the route of joint venture partnership with reputed organizations and inculcated their experience, expertise and exposure and added the techno-commercial qualification for independent bidding which led to our entry into different sectors.

Some of our key joint ventures include our partnership with RVNL to target projects in the field of mineral processing work and material handling, railways and roads and our joint venture with RITES Limited targets projects of railway locomotive depots and metro depots. Our Company has recently formed joint ventures for the MDO projects awarded to it.

The following map demonstrates the various geographies wherein we are presently undertaking projects:



Long term relationships with clients

We have developed long term relationships with various Indian and international power utilities, governmental organizations and other power sector intermediaries. These clients include public sector undertakings and private sector clients. We have established strong relationships with large EPC companies that operate in the power sector as well as other infrastructure and allied sectors. Some of our key clients include are CESC Limited, Jindal Steel and Power Limited, RVNL, RITES, Siemens, Toshiba JSW Power System Private Limited, Vedanta Limited and Dangote Petroleum Refinery and Petrochemicals FZE.

We believe that our long-term relationships with various public sector and private sector clients in India and internationally enable us to better understand our clients' requirements and better evaluate the scope of work and risks involved in a project we bid for, as well as address changing demands in our target markets.

Professional management team and skilled workforce

We have developed a large skilled employee base with significant experience in ETC-BTG and BOP projects, civil works and O&M projects. As of August 31, 2023, we had 11,316 full time employees, including a large number of qualified engineers in all the segments. In addition, we employ a large number of specialized contract labour depending on the requirements of our various projects.

Our experienced management team has been responsible for the growth of our operations over the years. Our senior management through a project management committee provides effective and direct supervision for project implementation at our various project sites. We believe that our experienced and dynamic senior management team has been a key to our success and will enable us to capitalize on future growth opportunities.

For further information on our key managerial personnel who have contributed to our growth, see "*Board of Directors and Senior Management*" on page 158.

Robust Financials and credit ratings

Our revenue from operations for the Fiscals 2021, 2022 and 2023, and the three months ended June 30, 2023 and June 30, 2022, on a consolidated basis, was ₹18,840.85 million, ₹27,104.94 million, ₹ 36,011.90 million, ₹ 8,651.31 million and ₹ 7,466.13 million, respectively, growing at a CAGR of 38.30% between Fiscals 2021 to Fiscals 2023. Our EBITDA amounted to ₹ 581.74 million, ₹ 3,033.14 million and ₹ 4,205.52 million in Fiscals 2021, 2022 and 2023, respectively and ₹ 1,047.82 million and ₹ 855.36 million in the three months ended June 30, 2023, on a consolidated basis.Our profit after tax for Fiscals 2021, 2022 and 2023 was ₹(486.04) million, ₹1,384.90 million and ₹2,073.11 million, while our profit after tax for the three months ended June 30, 2023 and amounted to ₹509.64 million and ₹394.33 million, respectively.

We have received CARE A; Stable for our long term bank facilities and CARE A; stable CARE A1 for our short-term bank facilities, from CARE Ratings on a consolidated basis.

Strategies

Backward and forward integration of business

Our Company's growth model revolves around backward and forward integration of our business. This was initiated in the power sector where we backward integrated into undertaking civil and structural works synergising the established business of ETC works and this was followed up in the forward integration of undertaking long term operation of power plants in addition to the routine maintenance works. Our combined O&M approach on long term basis is a follow up to the plant construction from the stage of civil work and undertaking ETC works. Our Company has focused on ensuring that the construction phase execution is better complemented with integration of undertaking civil and structural for the ETC works of main plant. Our Company is further focused on diversifying into undertaking material handling civil, structural and erection works both in the power sector and in other sectors of mineral handling and coal handling at mine side and plant side.

Our Company is recently expanding into the MDO market of coking coal production as a follow up strategy of diversifying in the areas of civil, structural fabrication and erection, equipment installation followed by O&M work.

As a part of overall mining and development works at Tasra opencast project, we may need to incur a total project cost of ₹17,176.40 million. Out of the total project cost of the mining and development works, the estimated cost for our Company to carry out the activity of installation and operation of washery and coal handling plant is ₹ 6,900.00 million which we intend to fund through a combination of term loan amounting to ₹ 4,500 million and the remaining amount of ₹ 2,400.00 million from the Net Proceeds from this Issue. Further, other than the installation and operation of washery and coal handling plant, the other mining and development work at Tasra Opencast project will cost ₹10,276.40 million which will be undertaken by our subsidiary company Kalyaneswari Tasra Mining Private Limited. The other part of mining and development work at Tasra Opencast project is intended to be financed through equity investment in our subsidiary Kalyaneswari Tasra Mining Private Limited and operating cash flows of the project generated over the period of the contract. The other mining and development work includes but is not limited to expenses proposed to be incurred for civil and infrastructure, electrical and utilities, rehabilitation and resettlement, mine development, miscellaneous fixed assets and contingencies.

We will continue to use our expertise in various segments of industry to undertake need based diversification for business growth coupled with matching tie ups needed with established players for any pre-qualification requirements needs for new business areas. We believe that this approach has helped our Company in sustaining growth and getting a higher share of the market.

Expansion of our operation and maintenance (O&M) business

Our Company is one of the largest operations and maintenance ("**O&M**") service providers in the conventional power sector in India. (*Source: CRISIL Report*). Since the inception of our Company, we provide a range of O&M services in the segment of thermal, gas and hydro power projects in the domestic market. In the non-power sector, our Company has provided O&M services to refineries, aluminium industries, mineral processing and steel plants, amongst others.

We aim to continue to expand our O&M business across other sectors. We believe that our presence in various non-power sector with projects such as our recent water project, mining development projects, cross country gas pipeline project will open up opportunities for future O&M annual contracts in relation to these projects once complete. For instance, the contract structure for our infrastructure project for executing a rural drinking water system in villages in India, where our Company has a presence, also includes long term O&M services.

Enhancing project execution capabilities

Our Company intends to enhance the capacity utilisation of plants, people and processes, enhancing O&M synergy business and adding new products and packages. Our Company intends to strengthen its manufacturing business. As of August 31, 2023, we had 11,316 full time employees, including a large number of qualified engineers in all the segments. In addition, we employ a large number of specialized contract labour depending on the requirements of our various projects.

We believe that induction of experts having domain expertise in various segments of work is a key action being continuously followed for providing required organisation build up, experience profile and adequacy of the same so that the job needs are fully understood and the challenges of executing projects for its diverse nature, across a widely spread geographies are met. Our Company has ventured in undertaking various EPC jobs which needs the enhancement of project engineering management functions and for achieving this we hire specialised agencies along with strengthening the in-house engineering management, procurement management functions to provide support for execution. We believe that increasing our digital presence and taking initiatives in this direction in the future will have an impact on our future capabilities to procure new projects. We aim to continue improving our project execution capabilities in the future.

Continue expanding our geographical footprint within and beyond India through strategic tie-ups

As on the date of this Preliminary Placement Document, our Company has presence pan-India as well as across six Countries spread across Asia and Africa.

While we already have a presence in many states in India, we intend to further expand our operations domestically across India as part of our growth business model. We believe by further expanding our geographical coverage and expanding into new areas within India, we will be able to take on more projects and further consolidate our position as a leading service provider in infrastructure and construction sector.

In addition to our pan-India presence our Company has projects being carried out in Saudi Arabia, Kuwait, Oman, Bahrein, UAE and further expanded our business into Bangladesh and West Africa with undertaking of power plant installation works in Nigeria. We plan to continue our strategy of diversify across industry segments and increase orders from global players to capture better profit margins afforded by these projects as compared to domestic projects.

Our Business operations

1. Industrial Construction (Domestic and Overseas):

Our industrial construction segment includes ETC of projects in power, nuclear, refinery, petro-chemicals, oil & gas, steel, minerals. We provide specialised services in power plants with BTG & BOP works with unit capacities of 150 MW to 800 MW including steam generators, HRSGs, gas turbines, various auxiliaries of power and industrial projects and critical piping.

In the non-power sector, our Company undertakes projects covering a range of industries including cross-country pipelines, erection of steel plants and petrochemical packages, piping packages and tankages.

Overseas Business: Our overseas industrial construction business includes executing projects and services in overseas countries for erection, testing and commissioning of oil-fired boilers, heat recovery steam generators, auxiliary boilers, balance of plant, steam turbine generators and auxiliaries, gas turbine generators and auxiliaries, combined cycle power piping, structural steel, cooling water system including cooling tower, electrostatic precipitators and ducts, rotatory equipment, desalination plants, reverse osmosis de mineralized process ("**RODM**") and effluent treatment plant ("**ETP**") works.

Highlights: We successfully undertaken capacity addition works of over 68,646 MW for BTG and BOP for coal based power plants. We completed erection works of more than 2.83 million metric tons. We completed structural and fabrication works of more than 0.24 million metric tons. We have laid down cross country pipelines of over 546 km for four projects.

2. **Industrial Services (Domestic and Overseas):**

Our Company is one of the largest operations and maintenance ("**O&M**") service providers in the conventional power sector in India (*Source: CRISIL Report*). We provide comprehensive and integrated O&M services in mechanical, electrical and C&I under one roof. Overhauling and maintenance of boiler, turbine and auxiliaries, R&M of BTG, GTG, CHP and BOP; repair, modification and rehabilitation of boiler; revival and life extension; trouble shooting, upgrade and retrofits, rebuilds and plant relocation.

We have expanded our O&M services footprint to refinery, petrochemical, steel, drinking water, mineral and material handling services.

Overseas Business: We have presence in Saudi Arabia, Oman, Kuwait, Bangladesh, Nepal, Bhutan and Nigeria for various O&M works for power plants, refineries and desalination plants.

Highlights: We are presently undertaking 49 O&M /annual maintenance contracts services in the power sector with a combined installed capacity of 68,375 MW.

3. **Infrastructure Construction:**

Our infrastructure construction services of power plant civil works including foundations, decks, chimney, cooling towers, green buildings, coal handling plants for power and other industrial plants.

We also engage in railway and metro civil works including formation of embankments and permanent way linking, signalling, telecommunications, overhead electrification, construction of minor and major bridges, staff quarters, station buildings, platforms, pre-engineering buildings along with construction of railway maintenance work shops.

Undertaking comprehensive construction of water treatment plants and sewage treatment plants ("**STP**") including their networking system, tube wells, pump houses, overhead tanks and supplying of water through distribution networks for functional household tap connections. Trouble shooting of chronic problems by providing value added technical solutions for removing arsenic, fluorine, salinity of water and making the water potable. Post commissioning, O&M of water treatment plants.

EPC works of road projects, industrial and technology parks, canal works and mineral processing and material handling.

Highlights: We carried out 2.29 million m^3 concreting works so far. We are presently, implementing road projects of about 147 kms. We have executed major works on doubling of railway tracks and signalling works. We are also executing contracts for about 3,018 villages in Uttar Pradesh to implement various phases of '*Jal Jeevan Mission*' water project.

4. **Mining:**

Our mining work involves construction and development of washery, coal handling plant ("**CHP**"), railway siding, rapid loading system and other infrastructure including diversion of internal roads and power lines.

Our mining services also include carrying out R&R activities including asset survey, evaluation, and any other activity incidental to mining process.

Highlights: Over the past two years, we have forayed into mining, development and operations by way of consortiums. We have been awarded two MDO projects having a contract value of ₹ 92,940 million and ₹ 304,380 million, respectively. One of the MDO project is for the development and operationalization of Kotre Basantpur Pachmo project in Jharkhand for a duration of 25 years. The other MDO project is for the development and operationalization of the Tasra opencast project at Jharia coalfields in the Jharkhand for a duration of 28 years. We have formed special purpose vehicles for the execution of these MDO projects.

5. **Manufacturing & Heavy Fabrication:**

Manufacturing and heavy fabrication provides for a backward integration for the service business of our Company consisting of manufacture of spares, components for power and industry segments.

We also undertake major works related to manufacture, supply of rebuilding of spares, major repairs of steam turbines, rotor balancing and reverse engineered parts manufacturing for various rotating parts of power plant both in thermal and hydro sector.

Highlights: We have a manufacturing facility at Noida for the power and non-power sector. We undertake job works for parts needed for railway electrification.

Contract Management

Contract Management is essential to our overall project management function for ensuring that all the new opportunities are properly tracked in various areas for the purpose of bidding and to get the contracts and post award contractual issues get the needed attention leading to its resolution. Our Company has established a team of experienced people including engineers and administrators having domain expertise who help with tender review and understanding the risks, in budgeting, estimating and cost evaluation of the works and assisting with site selection where the works have to be done. Post award and during execution, the enforcing of the contract terms and all the variations involved are also addressed by this team so that the claim part of work is done to ensure that the interests of our Company is well protected in covering all variations.

Risk Management

For the business to sustain in project execution identifying and managing risks in different business segment becomes imperative in order to sustain project execution over a range of services from civil, structural, installation, commissioning and post commissioning activity including O&M across customers and geography, customer spread and also geographical spread. This needs identifying individual risk mitigation areas for each project.

A robust review mechanism is established right from the tendering stage to identify the project and contract risks involved in the ability to meet the customer in terms of meeting the understanding of the contract needs, ability to meet schedules, quality and safety benchmarks. This also covers up operational risks involved in soil conditions, site conditions, local conditions, labour availability, site access, commodity input costs understanding of the payment terms and impact of project delays and the reliability of project cash flows etc. Cost escalations of customer defaults are properly hedged during the award stage or the same will also become part of contractual variations during execution. Our Company also established a strong organization base to cover proper manning and positioning of domain experts. Cost to complete workings are continuously updated to control project costs. Risk management also has to identify the customer centric risks in terms of firm investments, ability to tie up the technology, the supply chain tie ups of key equipment engineering inputs, local conditions, various statutory clearances and the overall commitment of the customer in ensuring timely execution of the project.

Employees and Contract Labour

As of August 31, 2023, we had 11,316 full time employees, including a large number of qualified engineers in all the segments. In addition, we employ a large number of specialized contract labour depending on the requirements of our various projects.

The following table provides information about our full-time employees, as on August 31, 2023:

Department	Number of employees
Site operations department	7,424
Site management	2,437
Stores & Purchase Department	315
Facility engineering department	268
Health, safety and environment department	242
Project Management Department	172
Human Resources Department	152
Finance & Accounts Department	117
Others	189
Total	**11,316**

Our personnel policies are aimed towards recruiting the talent that we need, facilitating the integration of our employees into our Company and encouraging the development of skills in order to support our performance and the growth of our operations.

Information Technology

Our resources, personnel, equipment and finances are efficiently and optimally utilized through the use of sophisticated management information systems and tools. We use various engineering software packages for design and engineering applications related to our projects. We use sophisticated software for project management, document management, database and payroll. We have successfully implemented SAP ERP system at our project sites which enables us to maintain effective system controls and real time monitoring of projects. These management information system reports provide updates on progress of ongoing projects for the seamless flow of data and enable us to achieve optimal planning and utilization of resources.

Competition

We operate in competitive markets. The principal factors affecting competition include customer relationships; technical excellence or differentiation; price; service delivery including the availability of qualified personnel and skilled manpower, ability to deliver processes as required including local content and presence; service quality; health, safety and environmental standards and practices; financial strength; breadth of technology and technical sophistication and risk management awareness and processes. The level of competition varies depending on the sector or business vertical, as well as the size, nature and complexity of the project and the geographical region in which the project is to be implemented.

We compete against both international and domestic companies operating in our industry. Some of our international competitors have greater financial and other resources and better access to capital than we do, which may enable them to compete more effectively for large scale project awards. However, depending on various factors, including our prior experience on such projects and the extent of our presence in the relevant geographical region, we are able to leverage our local experience, established contacts with local clients, and familiarity with local working conditions to provide more cost-effective services than our competitors or offer a better value proposition. Since a large part of our operations are based in India, we benefit from lower overheads to our operations as compared to our international competitors.

Health, Safety and Environment

We are committed to following stringent health, safety and environmental policies and practices in the execution of our projects and have received several awards and certifications for our operations and projects from our clients. We have received quality certifications including, ISO 9001:2015 for quality management systems, ISO 45001:2018 for occupational health and safety management system and ISO 14001:2015 for environmental management system, each for execution of projects including erection, testing, commissioning and overhauling, renovation of steam generator and its auxiliaries, boilers and its auxiliaries, gas turbine, hydro turbine, piping, electrical equipment and control system, balance of plant, coal handling plant, fuel oil system, civil, fabrication and erection of structural steel works.

Corporate Social Responsibility

Power Mech Foundation ("**Foundation**"), a charity trust was started in the year 2010 by the Chairman and Managing Director of our Company, Sajja Kishore Babu. The Foundation being a CSR arm of our Company, focuses on salient and important needs of the society in large and the deserving-poor in particular.

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

Insurance

Our operations are subject to hazards inherent in providing construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosion including hazards that may cause injury and loss of life, severe damage to and destruction of property, equipment and environmental damage. We may be subject to claims resulting from defects arising from procurement and/or construction services provided by us within the warranty periods extended by us, which range from 12 to 24 months from the date of commissioning.

We have undertaken standard fire and special perils policy for certain properties of our Company. Risks of loss or damage to project works and materials are usually insured by our clients. We are typically required to provide financial and performance guarantees guaranteeing our performance and/or financial obligations in relation to a project. The amount of guarantee facilities available to us depends upon our financial condition and availability of adequate security for the banks and financial institutions that provide us with such facilities.

Notwithstanding our insurance coverage, accidents at our project sites could nevertheless have a material adverse effect on our business, financial condition and results of operations to the extent such occurrences disrupt normal operations of our business or to the extent our insurance policies do not cover our economic loss resulting from such damage. For further information, see the section titled "*Risk Factors*" on page 38.

Intellectual Property

We create and own certain valuable intellectual property assets. We own the trademark in the "Power Mech" logo along with the symbol in class 37 and the trademark for our logo with symbol and caption "Growth Unlimited".

Property

We are headquartered in Hyderabad and have in addition established four regional offices across India in Noida, Nagpur, Mumbai and Kolkata. We have established international branch offices to facilitate our projects, including in United Arab Emirate, Oman and Bangladesh. We either own or lease various commercial premises in connection with our corporate, administrative or project-related functions. We typically lease various premises across India to facilitate our work at various project sites. These leases usually expire upon the completion of the relevant project.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The Board of Directors of our Company is entrusted with the implementation of the activities of our Company in an effective and efficient manner and is bestowed with the ultimate responsibility of the management of our Company. The composition of our Board is governed by the provisions of the Companies Act, 2013, the Articles of Association of our Company and the SEBI Listing Regulations. In alignment with the SEBI Listing Regulations, all the statutory and the significant and material information is placed before the Board in order to enable it to take and implement strategic decisions for the utmost benefit of the organization as well as the stakeholders.

As on the date of this Preliminary Placement Document, our Company has six Directors on its Board, comprising one Executive Director, five Non-Executive Directors which further includes three Independent Directors. Our Company has two women Directors.

The following table sets forth details regarding the Board at the date of this Preliminary Placement Document:

Name, Address, Occupation, Nationality, Date of Birth, Term and DIN	Age (years)	Other directorships
Sajja Kishore Babu **Date of Birth:** July 1, 1963 **Designation**: Chairman and Managing Director **Address**: Plot No. 839 T1, Jubilee Hills, Road No. 44/A, Backside Pedamma Temple, Shaikpet, Hyderabad 500 033, Telangana, India **Occupation**: Business **Current Term**: 5 years with effect from April 1, 2021 **Period of Directorship:** Since July 22, 1999 **DIN**: 00971313	60	**Indian Companies** Power Mech Industri Private Limited Bombay Avenue Developers Private Limited Power Mech Environmental Protection Private Limited **Foreign Companies** MAS Power Mech Arabia GTA Power Mech FZE GTA Power Mech Nigeria Limited
Sajja Lakshmi **Date of Birth:** November 20, 1964 **Designation**: Non-Executive Director **Address**: Plot No. 839 T1, Jubilee Hills, Road No. 44/A, Backside Pedamma Temple, Shaikpet, Hyderabad 500 033, Telangana, India **Occupation**: Business **Current Term**: Liable to retire by rotation **Period of Directorship:** Since July 22, 1999 **DIN**: 00068991	58	**Indian Companies** Power Mech Industri Private Limited Bombay Avenue Developers Private Limited **Foreign Companies** Nil
M. Rajiv Kumar **Date of Birth:** November 20, 1953 **Designation**: Non-Executive Director	69	**Indian Companies** Nil **Foreign Companies**

Name, Address, Occupation, Nationality, Date of Birth, Term and DIN	Age (years)	Other directorships
Address: 7B, Block 10 Silver Spring, 5JBS Halden Avenue, Kolkata, 700 105, West Bengal, India **Occupation**: Business **Current Term**: Liable to retire by rotation **Period of Directorship:** Since November 14, 2015 **DIN**: 07336483		Nil
Jayarama Prasad Chalasani **Date of Birth:** December 25, 1957 **Designation**: Independent Director **Address**: G-1101, One North Tower, Magarpatta, Hadapsar, Pune 411 028, Maharashtra, India **Occupation**: Service **Current Term**: Five years with effect from July 26, 2023 **Period of Directorship:** Since July 26, 2023 **DIN**: 00308931	65	**Indian Companies** Nil **Foreign Companies** Nil
Vivek Paranjpe **Date of Birth:** September 8, 1952 **Designation**: Independent Director **Address**: 1701, 17th Floor, Tower – 2 (Aqua), Planet Godrej, 30 Keshavrao Khadye Marg, Saatrasta, Mumbai 400 011, Maharashtra, India **Occupation**: Professional **Current Term**: Five year with effect from August 31, 2021 **Period of Directorship:** Since August 31, 2016 **DIN**: 03378566	71	**Indian Companies** Nil **Foreign Companies** Nil
Lasya Yerramneni **Date of Birth:** March 26, 1981 **Designation**: Independent Director **Address**: Plot No.40, Aditya Fort View Villas, Puppalaguda Road, near Prathibha High School, Manikonda, K V Rangaredd-500 089, India **Occupation**: IT professional **Current Term:** Five years with effect from June 27, 2021 **Period of Directorship:** Since June 27, 2020 **DIN**: 03150397	42	**Indian Companies** Nil **Foreign Companies** Nil

Brief profiles of our Directors

Sajja Kishore Babu is the founding Chairman and Managing Director of our Company. He holds a bachelor's degree in engineering from Nagarjuna University. He is a first-generation entrepreneur, responsible for our Company's growth and business development, since incorporation. He has several years of experience in the power sector, included construction and O&M.

Sajja Lakshmi is a non-executive Director of our Company. She holds a bachelor's degree in science from Andhra University. She has been associated with our Company since inception.

M. Rajiv Kumar is the Non-Executive Director of our Company.

Jayarama Prasad Chalasani is an Independent Director of our Company.

Vivek Paranjpe is an Independent Director of our Company.

Lasya Yerramneni is an Independent Director of our Company. She holds a post graduate degree in management from Indian School of Business and master of science in engineering from The University of Texas at Austin. She has more than 19 years of experience in IT while being associated with Digicom Technologies Inc., IBM and Penn Information Technologies Private Limited.

Relationship between Directors

Sr. No	Name of Directors	Family Relation	Designation
1.	Sajja Kishore Babu	Spouse of Sajja Lakshmi	Chairman and Managing Director
2.	Sajja Lakshmi	Spouse of Sajja Kishore Babu	Non-Executive Director

Borrowing powers of our Board

In accordance with the Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on June 30, 2023, provided that the total amount of money/monies so borrowed by our Board shall not at any time exceed the limit of ₹ 40,000 million.

Interest of our Directors and Promoters

All our Directors and Promoters may be deemed to be interested to the extent of the remuneration, fees and compensation payable to them for attending meetings of our Board or committees thereof, commission as well as to the extent of reimbursement of expenses payable to them.

All of our Directors may also be regarded as interested in any Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, their relatives or the companies, firms and trust, in which they are interested as directors, members, partners, and trustees.

Except as provided in the section entitled "*Related Party Transactions*" on page 84, we have not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document in which any of our Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details relating to contracts, agreements or arrangements entered into by our Company during the last three Fiscals, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements and for other interest of Directors in respect to the related party transactions, during the last three Fiscals, see section entitled "*Related Party Transactions*" on page 84.

Other than Sajja Kishore Babu and Sajja Lakshmi, who are the Promoters of our Company, none of our Directors have any interest in the promotion of our Company.

None of the Directors and Promoters of our Company have any financial or other material interest in this Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Our Directors have not taken any loans from our Company.

Shareholding of Directors and Promoters

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as set out below, none of our Directors and Promoters hold any Equity Shares in our Company as on the date of this Preliminary Placement Document.

Sl. No.	Name	Designation	Number of Equity Shares	Percentage of issued and paid-up capital (%)
1.	Sajja Kishore Babu	Chairman and Managing Director	3,864,942	25.93
2.	Sajja Lakshmi	Non-Executive Director	1,928,626	12.94
3.	Vignatha Sajja	-	1,103,054	7.40
4.	Sajja Rohit	-	903,413	6.06

Terms of Appointment of our Executive Director

As recommended by the Nomination and Remuneration Committee and approved by our Board vide the resolution dated February 12, 2021 in relation to the increase in the remuneration of our Executive Director.

Sajja Kishore Babu

Sajja Kishore Babu is the founding Chairman and Managing Director of our Company. The Shareholders have approved his remuneration pursuant to Shareholder's resolution dated September 30, 2021. The details of remuneration governing his appointment are as stated below:

Particulars	Remuneration (In ₹)
Remuneration	₹1.80 million to ₹ 2.50 million per month (subject to annual increment)
Benefits	As per Company's policy
Commission	Commission shall be payable depending upon the availability of net profits and that the said commission may be paid to him on monthly/quarterly/half yearly/yearly basis provided however that the overall managerial remuneration including commission shall not exceed 5% of the net profits under Section 198 of the Companies Act, 2013

Remuneration of the Executive Director

Set out below are the details of the remuneration paid to our Executive Directors for the three months period ended June 30, 2023 and in Fiscal 2023, Fiscal 2022 and Fiscal 2021:

(in ₹ million)

Name of Director	Three months period ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Sajja Kishore Babu	37.92	117.08	53.22	Nil

Remuneration of the Non-Executive Directors

The remuneration paid to the Non-Executive Directors, including Independent Directors, by way of sitting fees is ₹ 0.10 million per meeting for the Board Meeting as authorized vide board resolution dated August 9, 2023. The following table sets forth the sitting fees paid by our Company to Non-Executive Directors, including Independent Directors, for the three months period ended June 30, 2023 and in Fiscal 2023, Fiscal 2022, and Fiscal 2021:

(in ₹ million)

Name	Three months period ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Lakshmi Sajja	Nil	Nil	Nil	Nil
Vivek Paranjpe	0.05	0.18	0.23	0.23
M. Rajiv Kumar*	1.14	4.56	4.56	2.28
Lasya Yerramneni	0.08	0.28	0.23	0.18
Jayarama Prasad Chalasani	Nil	Nil	Nil	Nil

M Rajiv Kumar, Non-executive Director was paid remuneration by way of consultancy fees

None of our Directors have received any commission or perquisites in last three Financial Years and during the three months period ended June 30, 2023.

Key Managerial Personnel

In addition to our Chairman and Managing Director, whose details are set out in "*Brief profiles of our Directors*" on page 160, the brief profiles of our Key Managerial Personnel are given below:

Jami Satish is the Chief Financial Officer of our Company. He has been associated with our Company since October 20, 2014. He holds a bachelor of commerce (honors) degree from the Berhampur University and is an associate member of the Institute of Chartered Accountants of India since July, 2002. He has been previously associated with Indu Projects Limited, Emaar MGF Land Limited and Kerzner International Limited. The remuneration paid to him in Fiscal 2023 was ₹ 4.97 million.

Mohith Kumar Khandelwal is the Company Secretary and Compliance Officer of our Company. He has been the Company Secretary and Compliance Officer of our Company since September 15, 2020. He has previously worked with Fenoplast Limited. The remuneration paid to him in Fiscal 2023 was ₹ 1.20 million.

Relationship of Key Managerial Personnel

Except as disclosed in *"Relationship between Directors"* on page 160, none of our Key Managerial Personnel are related to each other.

Shareholding of Key Managerial Personnel

Except as disclosed below and in *"Shareholding of Directors*" on page 161 as of the date of this Preliminary Placement Document, none of our Key Managerial Personnel hold any Equity Shares in our Company.

Sr. No.	Name	Number of Equity Shares held	Percentage of the issued and paid-up Equity Share capital (in %)
1.	Jami Satish	Nil	Nil
2.	Mohith Kumar Khandelwal	Nil	Nil

Interest of our Key Managerial Personnel

None of the Key Managerial Personnel or Senior Management have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment.

Except as disclosed in "*Terms of Appointment of our Executive Director*" on page 161, our Company does not have any bonus or profit-sharing plan with its Directors or Key Managerial Personnel.

Senior Management

In addition to the Key Managerial Personnel whose details are mentioned in "*Key Managerial Personnel*" on page 162, set our below are the brief profiles of the Senior Management of our Company:

Sajja Rohit is the president – business development and operations, of our Company. He holds a bachelor of engineering in mechanical branch from VIT University, Vellore, Tamil Nadu and master of science engineering management from University of Southern California. The remuneration paid to him in Fiscal 2023 was ₹ 3.63 million.

Chandrashekar Chilka is the executive director - management, of our Company. He holds a bachelor of engineering degree in mechanical branch from Nagpur University. He has previously been associated with Adani Infra (India) Limited, Maharashtra State Power Generation Co. Limited, Wardha Power Company Limited, TPSC (India) Private Limited and NCC Limited. The remuneration paid to him in Fiscal 2023 was ₹ 1.04 million.

K Ajay Kumar is the executive director, overhauling and maintenance, of our Company. He holds a bachelor of engineering degree in mechanical branch from Madras University and has more than 23 years of experience in the overhauling and maintenance development. The remuneration paid to him in Fiscal 2023 was ₹ 3.38 million.

G. Srinivasulu is the executive director, human resources and administration of our Company. The remuneration paid to him in Fiscal 2023 was ₹ 1.47 million.

K.B. Anantha Reddy is the senior vice president – electrical T&D of our Company. He holds a masters of business administration in project management from Bharathiar University, Coimbatore and a diploma in electrical engineering from Department of Technical Education, Government of Karnataka. The remuneration paid to him in Fiscal 2023 was ₹ 2.01 million.

Umesh Mehta is the chief techno commercial officer of our Company. The remuneration paid to him in Fiscal 2023 was ₹ 3.71 million.

S. Kodandaramaiah is the director, business development of our Company. He holds a bachelor of engineering in mechanical branch from The Bangalore University, Vellore, Tamil Nadu and master of engineering in mechanical branch from The Birla Institute of Technology and Science, Pilani, Rajasthan. He has been previously associated with Bharat Heavy Electricals Limited, GE Power Services (I) Limited and Sunil Hitech Engineers Limited. The remuneration paid to him in Fiscal 2023 was ₹ 1.20 million.

Vijaya Bhaskara Rao Munagala is the vice-president, business development and contract management of our Company. He holds a diploma in mechanical engineering from Government Polytechnic, Vijayawada, State Board of Technical Education and Training, Hyderabad, Andhra Pradesh. The remuneration paid to him in Fiscal 2023 was ₹ 1.77 million.

Nannuri Srinivasa Rao is the managing director and chief executive officer of Africa operations of our Company. He holds more than 25 years of experience in the power industry. He has previously been associated with Spectrum Power Generation Limited, Essar Power Limited, GVK Industries Limited. The remuneration paid to him in Fiscal 2023 was ₹ 5.56 million.

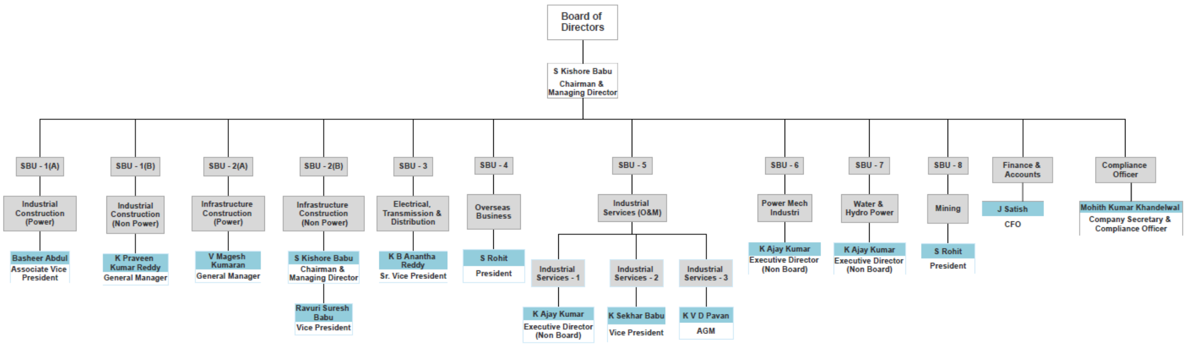
Vijay Kumar Reddy Botta is the associate vice president – site management of our Company. He holds a diploma in civil engineering SVKP Polytechnic, State Board of Technical Education and Training, Hyderabad, Andhra Pradesh and bachelor of technology in civil engineering degree from Jawaharlal Nehru Technological University, Hyderabad, Andhra Pradesh and holds more than 27 years of experience in a wide range of projects. He has previously been associated with GVPR Engineering Limited and Ramky Infrastructure Limited. The remuneration paid to him in Fiscal 2023 was ₹ 0.87 million.

Shareholding of Senior Management

Except as disclosed below, as of the date of this Preliminary Placement Document, none of our Senior Management hold any Equity Shares in our Company:

Sr. No.	Name	Number of Equity Shares held	Percentage of the issued and paid-up Equity Share capital (in %)
1.	Sajja Rohit	903,413	6.06
2.	K Ajay Kumar	11,590	0.07

Management organization chart of our Company



Corporate governance

The Board of Directors presently consists of six Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors has three Independent Directors and two women Directors including one woman independent director. Our Company is in compliance with the corporate governance requirements including the constitution of Board and committees thereof, as prescribed under the Companies Act and SEBI Listing Regulations.

Committees of the Board of Directors

The Board of Directors have constituted committees, which function in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations. The following table sets forth the members of the aforesaid committees as of the date of this Preliminary Placement Document:

Committee	Members
Audit Committee	Jayarama Prasad Chalasani (Chairman), M. Rajiv Kumar, and Lasya Yerramneni
Nomination and Remuneration Committee	Vivek Paranjpe (Chairman), Jayarama Prasad Chalasani and Lasya Yerramneni
Stakeholders' Relationship Committee	M. Rajiv Kumar (Chairman), Lakshmi Sajja and Lasya Yerramneni
Risk Management Committee	Jayarama Prasad Chalasani (Chairman), M. Rajiv Kumar and Sajja Kishore Babu
Corporate Social Responsibility Committee	Sajja Kishore Babu (Chairman), Lakshmi Sajja and Lasya Yerramneni

Other confirmations

Except as disclosed in this Preliminary Placement Document, and except to the extent of shareholding in our Company, our Directors, Promoters, Key Managerial Personnel or Senior Management do not have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Our Promoters, Directors and Key Managerial Personnel do not intend to subscribe to the Issue and will not participate in the Issue.

Neither our Company, nor any of our Directors or Promoters have been categorized as a Wilful Defaulter or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the Reserve Bank of India. Further, none of our Company, Directors or Promoters have been categorised as a fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.

Neither our Company, nor our Directors or Promoters have been debarred from accessing capital markets under any offence under any order or direction made by SEBI.

None of our Directors or Promoters have been declared as a Fugitive Economic Offender.

As on the date of this Preliminary Placement Document, there are no outstanding stock option plan or scheme of the Company.

No change in control in our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

Chapter IV of the SEBI Insider Trading Regulations applies to our Company and its employees and requires our Company to implement codes of fair disclosure and conduct for the prevention of insider trading. In compliance with the SEBI Insider Trading Regulations, our Company has in place a comprehensive Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The aforementioned Code is posted on the website of our Company at the link: https://powermechprojects.com/investor-relations/.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Financial Years, immediately preceding the year of circulation of this Preliminary Placement Document, please see the section entitled "*Related Party Transactions*" on page 84.

ORGANISATIONAL STRUCTURE

Corporate history

Our Company was originally incorporated as a private limited company under the erstwhile Companies Act, 1956, under the name “Power Mech-Projects Private Limited”, pursuant to a certificate of incorporation dated July 22, 1999 granted by the Registrar of Companies, Andhra Pradesh at Hyderabad. Our Company was converted into a public limited company on September 28, 2007 pursuant to which the name was changed to “Power Mech-Projects Limited” and a fresh certificate of incorporation dated October 16, 2007, was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. Further, our name was again changed from “Power Mech-Projects Limited” to “Power Mech Projects Limited” on September 15, 2010 and a fresh certificate of incorporation dated November 1, 2010 was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad.

Changes in Registered Office

Our Registered Office changed from 204, Nagilla Towers 1-11-112, Begumpet, Hyderabad, Telangana (erstwhile Andhra Pradesh) to 403, Vamsi Rishi Residency, 6-3-865/B, Green Lands, Begumpet, Hyderabad, Telangana (erstwhile Andhra Pradesh), for administrative convenience. Thereafter, the registered office of our Company was shifted to Plot No. 77, Jubilee Enclave Road, Opposite to Hitex, Madhapur, Hyderabad 500 081, Telangana, India with effect from May 22, 2011, for administrative convenience.

Our Subsidiaries

As on date of this Preliminary Placement Document, our Company has 11 Subsidiaries, namely:

1. Hydro Magus Private Limited;
2. Power Mech Industri Private Limited;
3. Power Mech BSCPL Consortium Private Limited;
4. Power Mech SSA Structures Private Limited;
5. Aashm Avenues Private Limited;
6. KBP Mining Private Limited;
7. Energy Advisory and Consulting Services Private Limited;
8. Power Mech Projects LLC (Muscat);
9. Power Mech Projects (BR) FZE (Nigeria);
10. Power Mech Environmental Protection Private Limited; and
11. Kalyaneswari Tasra Mining Private Limited.

Our Associates

As on the date of this Preliminary Placement Document, our Company has one Associate, namely, Mas Power Mech Arabia.

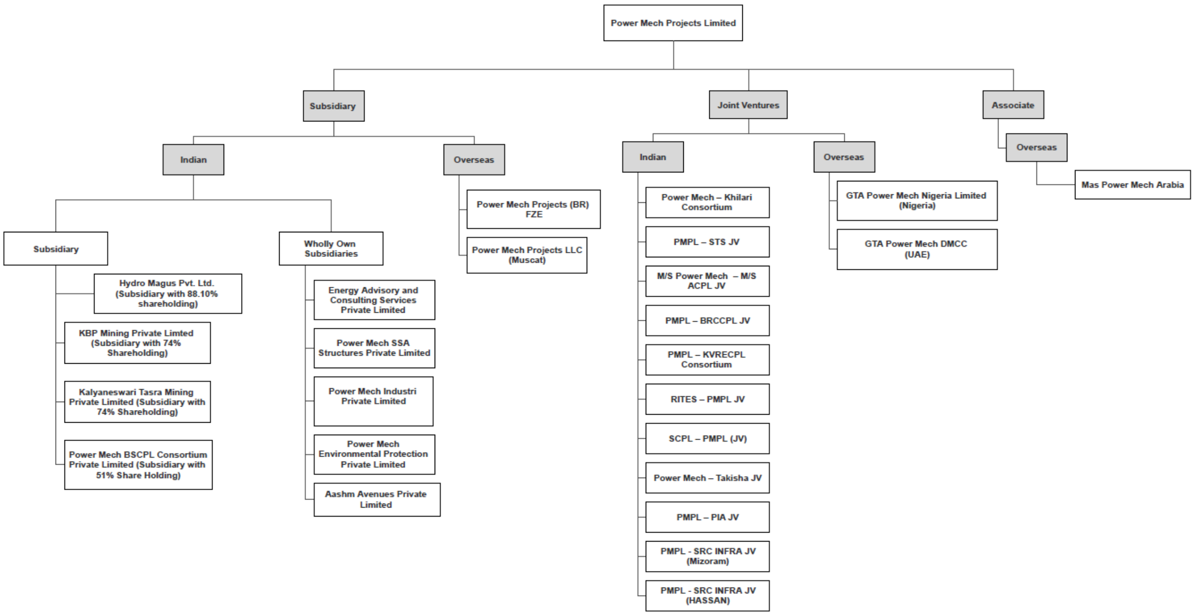
Our Joint Ventures

As on the date of this Preliminary Placement Document, our Company has 13 joint ventures, namely:

1. Power Mech – Khilari Consortium;
2. PMPL – STS JV;
3. Power Mech – ACPL JV;
4. PMPL – SRC INFRA JV (Mizoram);
5. PMPL – SRC INFRA JV (HASSAN)
6. PMPL – BRCCPL INFRA JV;
7. PMPL - KVRECPL Consortium;
8. RITES - PMPL JV;
9. SCPL - PMPL JV;
10. Power Mech - Takisha JV;
11. PMPL – PIA JV;
12. GTA Power Mech Nigeria Limited; and
13. GTA Power Mech DMCC (UAE).

Organisation Structure of our Company

The organisational structure of our Company, as on this Preliminary Placement Document, is as follows:



SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company as on June 30, 2023 is set forth below:

Table I - Statement showing shareholding pattern of our Promoters and Promoter Group:

Category	Category of Shareholder	No of Shareholders	No of fully paid-up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B +C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	12	9,557,734	0	0	9,557,734	64.12	9,557,734	0	9,557,734	64.12	0	64.12	195,593	2.05	0	0.00	9,557,734
(B)	Public	21,779	5,348,623	0	0	5,348,623	35.88	5348623	0	5,348,623	35.88	0	35.88	0	0.00	NA	NA	5,339,311
(C)	Non Promoter																	

	-Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	NA	0	0.00	NA	NA	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total:	21,791	14,906,357	0	0	14,906,357	100.00	14,906,357	0	14,906,357	100.00	0	100.00	195,593	1.31	0	0.00	14,897,045

Table II - Statement showing shareholding pattern of the Public shareholder:

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B +C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Indian																	
(a)	Individuals/Hindu undivided Family	11	9,362,141	0	0	9,362,141	62.81	9,362,141	0	9362,141	62.81	0	62.81	0	0.00	0	0.00	9,362,141
	SIREESHA GOGINENI	1	3360	0	0	3360	0.02	3360	0	3360	0.02	0	0.02	0	0.00	0	0.00	3360
	LAKSHMI SAJJA	1	1928626	0	0	1928626	12.94	1928626	0	1928626	12.94	0	12.94	0	0.00	0	0.00	1928626

	SIVARAMAKRISHNA PRASAD SAJJA	1	2,000	0	0	2000	0.01	2000	0	2,000	0.01	0	0.01	0	0.00	0	0.00	2,000
	BABU GOGINENI	1	25,958	0	0	25,958	0.17	25,958	0	25,958	0.17	0	0.17	0	0.00	0	0.00	25,958
	SAJJA KISHORE BABU	1	3,864,942	0	0	3,864,942	25.93	3,864,942	0	3,864,942	25.93	0	25.93	0	0.00	0	0.00	3,864,942
	SAJJA ROHIT	1	903,413	0	0	903,413	6.06	903,413	0	903,413	6.06	0	6.06	0	0.00	0	0.00	903,413
	AISHWARYA KURRA	1	1,527,513	0	0	1,527,513	10.25	1,527,513	0	1,527,513	10.25	0	10.25	0	0.00	0	0.00	1,527,513
	SUBHASHINI KANTETI	1	2,520	0	0	2,520	0.02	2,520	0	2,520	0.02	0	0.02	0	0.00	0	0.00	2,520
	UMA DEVI KOYI	1	500	0	0	500	0.00	500	0	500	0.00	0	0.00	0	0.00	0	0.00	500
	VIGNATHA SAJJA	1	1,103,054	0	0	11,03054	7.40	1,103,054	0	1,103,054	7.40	0	7.40	0	0.00	0	0.00	1,103,054
	SAI MALLESWARA RAO SAJJA	1	255	0	0	255	0.00	255	0	255	0.00	0	0.00	0	0.00	0	0.00	255
	SAJJA KISHORE BABU (HUF)	-	-	-	-	-	-	-	-	-	0.00	-	0.00	-	-	-	-	-
	SEKHAR GOGINENI	-	-	-	-	-	-	-	-	-	0.00	-	0.00	-	-	-	-	-
(b)	Central Government/State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Financial Institutions/Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other	1	195,593	0	0	195,593	1.31	195,593	0	195,593	1.31	0	1.31	195593	100.00	0	0.00	195,593
	POWER MECH INFRA LIMITED	1	195,593	0	0	195,593	1.31	195,593	0	195,593	1.31	0	1.31	195593	100.00	0	0.00	195,593
	Sub-Total (A)(1)	**12**	**9,557,734**	**0**	**0**	**9,557,734**	**64.12**	**9,557,734**	**0**	**9,557,734**	**64.12**	**0**	**64.12**	**195,593**	**2.05**	**0**	**0.00**	**9,557,734**
(2)	Foreign																	
(a)	Individuals (Non-Resident Individuals/Foreign Individuals	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**12**	**9,557,734**	**0**	**0**	**9,557,734**	**64.12**	**9,557,734**	**0**	**9,557,734**	**64.12**	**0**	**64.12**	**195,593**	**2.05**	**0**	**0.00**	**9,557,734**

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.
** - Disclosure of shareholder holding more than 1% of total number of shares*

Note:
(1) The above format needs to disclose name of all holders holding more than 1% of total number of shares
(2) With respect to the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

Table III - Statement showing shareholding pattern of the Non – Promoters – Non-Public Shareholder:

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Subcategory (i)	Subcategory (ii)	Subcategory (iii)
	(I)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)			
(1)	Institutions (Domestic)																				
(a)	Mutual Funds	2	1,783,277	0	0	1,783,277	11.96	1,783,277	0	1,783,277	11.96	0	11.96	0	0.00	NA	NA	1,783,277	0	0	0

	HDFC SMALL CAP FUND	1	1,247,109	0	0	1,247,109	8.37	1,247,109	0	1,247,109	8.37	0	8.37	0	0.00	NA	NA	1,247,109	0	0	0
	HSBC INFRASTRUCTURE FUND	1	536,168	0	0	536,168	3.60	536,168	0	536,168	3.60	0	3.60	0	0.00	NA	NA	536,168	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(c)	Alternate Investment Funds	5	225,586	0	0	225,586	1.51	225,586	0	225,586	1.51	0	1.51	0	0.00	NA	NA	225,586	0	0	0
(d)	Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(f)	Provident Funds/Pension Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(g)	Asset Reconstruction Companies	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(h)	Soveregin Wealth Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(i)	NBFC Registered with RBI	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(j)	Other Financial Insutitions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(k)	Any Other																				
	Sub Total (B)(1)	**7**	**2,008,863**	**0**	**0**	**2,008,863**	**13.48**	**2,008,863**	**0**	**2,008,863**	**13.48**	**0**	**13.48**	**0**	**0.00**	**NA**	**NA**	**2,008,863**	**0**	**0**	**0**
(2)	Institutions (Foreign)																				
(a)	Foreign Direct Investment	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(b)	Foreign Venture Capital	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(c)	Sovereign Wealth Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(d)	Foreign Portfolio	84	516,487	0	0	516,487	3.46	516,487	0	516,487	3.46	0	3.46	0	0.00	NA	NA	516,487	0	0	0

	Investors Category I																				
(e)	Foreign Portfolio Investors Category II	6	16,330	0	0	16,330	0.11	16,330	0	16,330	0.11	0	0.11	0	0.00	NA	NA	16,330	0	0	0
(f)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(g)	Any Other																				
	Sub Total (B)(2)	**90**	**532,817**	**0**	**0**	**532,817**	**3.57**	**532,817**	**0**	**532,817**	**3.57**	**0**	**3.57**	**0**	**0.00**	**NA**	**NA**	**532,817**	**0**	**0**	**0**
(3)	Central Government/State Government(s)/ President of India																				
(a)	Central Government / President of India	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(b)	State Government / Governor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
	Sub Total (B)(3)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**NA**	**NA**	**0**	**0**	**0**	**0**
(4)	Non-Institutions																				
(a)	Associate companies / Subsidiaries	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0

(b)	Directors and their relatives (excluding independent directors and nominee directors)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(c)	Key Managerial Personnel	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(f)	Investor Education and Protection Fund (IEPF)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(g)	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	20070	1,754272	0	0	1,754,272	11.77	1,754,272	0	1,754,272	11.77	0	11.77	0	0.00	NA	NA	174,4960	0	0	0
(h)	Resident Individuals holding nominal share capital in	16	480,062	0	0	480,062	3.22	480,062	0	480,062	3.22	0	3.22	0	0.00	NA	NA	480,062	0	0	0

	excess of Rs. 2 lakhs																				
(i)	Non Resident Indians (NRIs)	680	122,594	0	0	122,594	0.82	122,594	0	122,594	0.82	0	0.82	0	0.00	NA	NA	122,594	0	0	0
(j)	Foreign Nationals	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(k)	Foreign Companies)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	0	0	0
(l)	Bodies Corporate	200	323,393	0	0	323,393	2.17	323,393	0	323,393	2.17	0	2.17	0	0.00	NA	NA	323,393	0	0	0
(m)	Any Other																				
	CLEARING MEMBERS	5	2,656	0	0	2,656	0.02	2,656	0	2,656	0.02	0	0.02	0	0.00	NA	NA	2,656	0	0	0
	H U F	711	123,966	0	0	123,966	0.83	123,966	0	123,966	0.83	0	0.83	0	0.00	NA	NA	123,966	0	0	0
	Sub Total (B)(4)	**21,682**	**2,806,943**	**0**	**0**	**2,806,943**	**18.83**	**2,806,943**	**0**	**2,806,943**	**18.83**	**0**	**18.83**	**0**	**0.00**			**2,797,631**			
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)+(B)(4)	**21,779**	**5,348,623**	**0**	**0**	**5,348,623**	**35.88**	**5,348,623**	**0**	**5,348,623**	**35.88**	**0**	**35.88**	**0**	**0.00**			**5,339,311**	**0**	**0**	**0**

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Custodian/DR Holder	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(2)	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total Non-Promoter- Non Public Shareholding (C) =	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**NA**	**NA**	**0**

	(C)(1)+(C)(2)																	

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Custodian/ DR Holder	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(2)	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total Non-Promoter-Non Public Sharehold	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**NA**	**NA**	**0**

	ing (C) = (C)(1)+(C) (2)																		

Note

1. *The above format needs to disclose name of all holders holding more than 1% of total number of shares*
2. *With respect to the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.*

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in this Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the Lead Manager. *Prospective Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard.*

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and its respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See the sections "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" beginning on pages 198 and 206, respectively.

Our Company, the Lead Manager and its respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

This Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations, Section 42 and Section 62 of the Companies Act and other applicable provisions, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, through the mechanism of a QIP wherein, a listed company may issue eligible securities to Eligible QIBs provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the Shareholders of our Company have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of this Issue including the date of passing the Board resolution, the kind of securities being offered and the price at which they are offered, amount which our Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of Issue, the contribution made by the Promoters either as part of this Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which this Issue or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the QIP, are required to be listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its Shareholders for convening the meeting to seek approval of the Shareholders for the above-mentioned special resolution. This is not applicable to such Companies who propose to undertake qualified institutional placement for complying with the minimum public shareholding requirements specified in the Securities Contracts (Regulation) Rules, 1957;

- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; our Company shall have completed allotments with respect to any earlier offer or invitation made by our Company or shall have withdrawn or abandoned such invitation or offer made by our Company, except as permitted under the Companies Act;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document), our Company shall prepare and record a list of Eligible QIBs to whom this Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited.

- In accordance with the SEBI ICDR Regulations, securities will be issued, and allotment shall be made only in dematerialized form to the allottees; and

- the Promoters and Directors of our Company are not Fugitive Economic Offenders.

- the Promoters and Directors of our Company are not declared as Wilful Defaulters; and

- the Promoters and Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institutions or consortium, in terms of the RBI master circular dated July 1, 2016.

At least 10% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of our Company's Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated August 25, 2023, and our Shareholders through a special resolution on September 28, 2023, have authorised our Board to decide the quantum of discount of not more than 5% of the Floor Price at the time of determination of the Issue Price.

The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176 (4) of the SEBI ICDR Regulations.

The Relevant Date mentioned above in case of allotment of Equity Shares, refers to the date of the meeting in which the Board or the committee of directors duly authorised by the Board of our Company decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the Equity Shares of our Company of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the Relevant Date.

The securities must be allotted within 365 days from the date of the Shareholders' resolution approving the QIP, either in one or more tranches and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs. For details of Allotment, see *"Pricing and Allocation – Designated Date and Allotment of Equity Shares"* on page 192.

The Equity Shares issued pursuant to this Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchange and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to this Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹2,500 million; and
- five, where the issue size is greater than ₹2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of this Issue. For details of what constitutes "same group" or "common control", see "*Bid Process – Application Form*" on page 189.

Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to this Issue on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the Registrar of Companies within the stipulated period as required under the Companies Act and the PAS Rules.

This Issue has been authorised and approved by our Board on August 25, 2023 and our Shareholders on September 28, 2023.

Allotments made to VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning this Issue.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S .state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined, and in reliance on, Regulations S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under *"Selling Restrictions"* and *"Purchaser Representations and Transfer Restrictions"* on pages 198 and 206, respectively.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Issue Opening Date, our Company in consultation with the Lead Manager, shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act.

2. **The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by the Lead Manager, in consultation with our Company, at their sole discretion. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.**

3. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Issue Period to the Lead Manager.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to this Issue;

   - equity shares held by the Bidder in our Company prior to this Issue; and

   - it has agreed to certain other representations set forth in the Application Form and this Preliminary Placement Document. A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Preliminary Placement Document and in the Application Form.

   NOTE**:** *Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single*

Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

5. Bidders shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*Power Mech Projects Limited – QIP Escrow Account*" with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in this Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final trading approval from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Provided that upon receipt of the listing and trading approval from the Stock Exchanges, the Net Proceeds deposited in the Escrow Bank Account, shall be transferred to the monitoring proceeds account or any other account as may be mutually agreed between our Company and the Monitoring Agency. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in this Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an Indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "*Refunds*" on page 194.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer, and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and any other regulatory filing and consents to such disclosure, if any Equity Shares are allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

9. Upon receipt of the duly completed Application Form, whether signed or not, and the Bid Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company shall, in consultation with the Lead Manager determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to this Issue and Allocation. Upon such determination, the Lead Manager, on behalf of our Company, will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding, and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have

been given notice of such date after receipt of the Application Form. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the Lead Manager.**

10. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the Lead Manager, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approval in respect of the Equity Shares Allotted pursuant to this Issue.

13. After receipt of the listing approval of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approval from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to this Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in this Issue. Currently, QIBs, who are eligible to participate in this Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

a. alternative investment funds registered with SEBI;

b. Eligible FPIs;
c. insurance companies registered with Insurance Regulatory and Development Authority of India;

d. insurance funds set up and managed by army, navy or air force of the Union of India;

e. insurance funds set up and managed by the Department of Posts, India;

f. multilateral and bilateral development financial institutions;

g. Mutual Funds registered with SEBI;

h. pension funds with minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013;

i. provident funds with minimum corpus of ₹ 250 million;

j. public financial institutions, as defined under Section 2(72) of the Companies Act, 2013;

k. scheduled commercial banks;

l. state industrial development corporations;

m. the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;

n. venture capital funds registered with SEBI; and

o. systemically important non-banking financial companies

Allotments made to VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning this Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THIS ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Other eligible non-resident QIBs shall participate in this Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e., 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; orI) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in

Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in this Issue in certain jurisdictions, see "*Selling Restrictions*" on page 198.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to this Issue, either directly or indirectly, to any Eligible QIB being a Promoter, or any person related to, the Promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the Promoter:

(i) rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter group;
(ii) veto rights; or
(iii) a right to appoint any nominee director on the Board of our Company.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

Our Company, the Lead Manager and any of its respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in this Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Lead Manager who are Eligible QIBs may participate in this Issue in compliance with applicable laws.*

Bid Process

Application Form

Bidders shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Bidder will be deemed to have made all the following representations and warranties, acknowledgments and the representations, warranties and agreements made under "*Notice to Investors*", "*Representations By Investors*" and "*Selling Restrictions*" on pages 1, 4 and 198, respectively:

1. Each Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Bidder confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or members of the Promoter Group or persons related to the Promoters;

3. Each Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets;

5. Each Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. Each Bidder confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to this Issue, if any. Each Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

8. Each Bidder confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. The Bidder agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Bidder agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Lead Manager. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "Proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees that disclosure of such details as "proposed Allottees" in the Placement Document will not guarantee Allotment to them, as Allotment in this Issue shall continue to be at the sole discretion of our Company, in consultation with the Lead Manager; and

12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to this Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of this Issue. For the purposes of this representation:

QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary(ies) or holding company and any other Bidder; and

'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

1. The Bidders acknowledge that no Allocation shall be made to them if the price at which they have Bid for in this Issue is lower than the Issue Price.

2. Each Bidder confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

3. Each Eligible FPI, confirms that it will participate in this Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

4. A representation that such Bidder is outside the United States, is acquiring the Equity Shares in an "offshore transaction" under Regulation S and is not an affiliate of our Company or the Lead Manager or a person acting on behalf of such an affiliate.

BIDDERS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE LEAD MANAGER TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE LEAD MANAGER, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THIS ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in this Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the Lead Manager) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Lead Manager either through electronic form or through physical delivery at the following address:

Name	Address	Contact Person	Website and Email	Phone (Telephone)
IIFL Securities Limited	24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, Maharashtra, India	Yogesh Malpani / Bhavesh Mandoth	Website: www.iiflcap.com Email: project.sapphire@iiflcap.com	+91 22 4646 4728

The Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms shall be duly completed and Bidders Bidding in this Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "Power Mech Projects Limited - QIP Escrow Account" with the Escrow Agent, in terms of the Escrow Agreement. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "Power Mech Projects Limited - QIP Escrow Account" only for the purposes of (i) adjustment against Allotment of Equity Shares in this Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in this Issue.

Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in this Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in *"Issue Procedure– Refunds"* on page 194.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price (i.e. up to ₹ [●]) in accordance with the approval of the Shareholders accorded through a special resolution passed at the annual general meeting dated September 28, 2023, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price.

The Relevant Date referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open this Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the Placement Document with the Stock Exchanges.

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the Lead Manager.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with the Lead Manager has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE LEAD MANAGER AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the Lead Manager, in their sole and absolute discretion, shall decide the Successful Bidders. Our Company will dispatch a serially numbered CAN to all the Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the Lead Manager.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to this Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section entitled "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to this Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel this Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to this Issue, our Company shall apply to the Stock Exchanges for listing approval and post receipt of the listing approval from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with this Issue with the RoC within the prescribed timelines under the Companies Act. Provided that upon receipt of the listing and trading approval from BSE, the Net Proceeds deposited in the Escrow Bank Account, shall be transferred to the monitoring proceeds account or any other account as may be mutually agreed between our Company and the monitoring agency.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in this Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or this Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in this Issue or if this Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at such rate and in such manner as prescribed under the Companies Act, 2013. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel this Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approval from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approval or cancellation of this Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing approval of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with this Issue with the RoC, whichever is later. Provided that upon receipt of the listing and trading approval from BSE and NSE, the Net Proceeds deposited in the Escrow Bank Account, shall be transferred to the monitoring proceeds account or any other account as may be mutually agreed between our Company and the monitoring agency.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "- *Bid Process*" and "- *Refunds*" on pages 189 and 194, respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to this Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to this Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Lead Manager shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to this Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK-UP

Placement Agreement

The Lead Manager has entered into the Placement Agreement dated October 18, 2023 with our Company, pursuant to which the Lead Manager has agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription for the Equity Shares to be issued pursuant to this Issue on a reasonable efforts basis.

The Equity Shares will be placed with the QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.

Relationship with the Lead Manager

In connection with this Issue, the Lead Manager or its affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to this Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of this Issue and no specific disclosure will be made of such positions. Affiliates of the Lead Manager may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section entitled "*Off-Shore Derivative Instruments*" on page 10.

From time to time, the Lead Manager, and its affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiaries, our Associate, our Joint Ventures, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Lead Manager and its affiliates and associates.

Lock up

Our Company agrees that it shall not, without the prior written consent of the Lead Manager, from the date hereof and for a period of up to 60 days from the Closing Date, directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares; (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise.

Lock-up by Promoters

Our Company agrees that the Promoters will not, for a period of up to 60 days from the Closing Date, without the prior written consent of the Lead Manager, directly or indirectly: (a) sell, lend, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; or (c) announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, provided, however, that the foregoing restrictions shall not apply to (i) any sale, transfer or disposition of Equity Shares by the Promoters to the extent such sale, transfer or disposition is required under any direction of any statutory or regulatory authority; and (ii) any inter se transfer of Equity Shares between the Promoters.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations the Companies Act and Rule 14 of the PAS Rules. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under sections entitled "Notice to Investors" and "Representations by Investors" on pages 1 and 4, respectively.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. This Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under the section entitled "*Purchaser Representations and Transfer Restrictions*" on page 206.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be registered as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Preliminary Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Preliminary Placement Document, and any offers made under this Preliminary Placement Document, you represent to our Company and the Lead Manager that you will not provide this Preliminary Placement Document or communicate any offers made under this Preliminary Placement Document to, or make any applications or receive any offers for the Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or the Lead Manager) under this Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations

Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. All applications for investment should be received, and any allotments should be made, in each case from outside the Kingdom of Bahrain. This Preliminary Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The Issuer has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Preliminary Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency has not reviewed, nor has it approved, this Preliminary Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a "BVI Company"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Preliminary Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered document has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands.

People's Republic of China

This Preliminary Placement Document may not be circulated or distributed in the People's Republic of China (excluding, for the purposes of this paragraph, the Hong Kong and Macau Special Administrative Regions and Taiwan Province) and the Equity Shares may not be offered or sold directly or indirectly to any resident of the People's Republic of China, or offered or sold to any person for reoffering or re-sale directly or indirectly to any resident of the People's Republic of China except under applicable laws and regulations of the People's Republic of China.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to this Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Lead Manager and our Company that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in the Prospectus Regulation, each such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in this Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant Member State to qualified investors (as so defined) or in circumstances in which the prior consent of the Lead Manager have been obtained to each such proposed offer or resale. Our Company, its directors, the Lead Manager, their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Equity Shares may be offered or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Kuwait

This Preliminary Placement Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("**Kuwait Securities Laws**"). No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Preliminary Placement Document is subject to Malaysian laws. This Preliminary Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Preliminary Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or offered to the public in Mauritius or used in connection with any such offer. This Preliminary Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Preliminary Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Sultanate of Oman

This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**Oman CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of Equity Shares described in the Preliminary Placement Document will not take place inside Oman. The Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof. This Issue does not constitute a public offer of the Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "**CMAL**"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of Oman CMA. Additionally, this Preliminary Placement Document and the Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Preliminary Placement Document and the Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the CMAL) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document and the offering of the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar. Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Equity Shares and distribution of this Preliminary Placement Document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This Preliminary Placement Document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "**QFC**"), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires Equity Shares pursuant to the Issue should note that the offer of Equity Shares is an offer to "Sophisticated Investors" (as defined in Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the "**KSA Regulations**")) for the purposes of Article 9 of the KSA Regulations. Each Book Running Lead Manager has represented, warranted and agreed that the offer of the Equity Shares will only be directed at Sophisticated Investors. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

The offer of Equity Shares shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Equity Shares as a Sophisticated Investor may not offer or sell those Equity Shares to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (a) the Equity Shares are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Equity Shares in any one transaction is equal to or exceeds Saudi Arabian Riyal 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the "**SFA**")), (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person, or to any person arising from an offer referred to in

Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Manual or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or this Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Equity Shares or this Issue or us have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and this Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and this Issue has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Equity Shares.

The Equity Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the Equity Shares, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Equity Shares in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with this Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the UAE or any other authority in any of the free zones established and operating in the UAE. The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

Dubai International Financial Centre

The Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

1. an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial

Services Authority (the "**DFSA**"); and

2. made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA rulebook.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
(c) in any other circumstances falling within Section 86 of the FSMA provided that no such offer of the Equity Shares shall require the Issuer or any placement agent to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see sections entitled "*Representations By Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 4, 198 and 206, respectively.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on a recognized Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in this Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see section entitled *"Selling Restrictions"* on page 198.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase the Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of our Company or the Lead Manager and its respective affiliates shall have any responsibility in this regard.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in "offshore transactions" as defined in, and in reliance on, Regulation S, and such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S
- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and, in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.
- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It

is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or the Lead Manager for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.
- It agrees to indemnify and hold our Company and the Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold our Company or the Lead Manager liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.
- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by our Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that our Company and the Lead Manager and its respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify our Company and the Lead Manager. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by our Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes our Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the Lead Manager or any of its respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, by-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the Issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further, SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. However, every listed public sector company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, respectively, in the manner specified by SEBI. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. In accordance with the SCRR, our Company is required to achieve at least 25% public shareholding within three years from the date of listing of our Equity

Shares on the Stock Exchanges, in the manner as specified under the SCRR and other applicable laws. This Issue is being undertaken towards meeting such compliance. However, we will not achieve 25% public shareholding post Allotment in this Issue. Subsequently, our Promoters and Promoter Group may be required to dilute their shareholding (in accordance with the methods prescribed under applicable laws) to ensure that our Company achieves 25% public shareholding on or before the timelines as mentioned above. Further, we cannot assure you that our Company will be able to achieve minimum public shareholding within three years from the date of listing of our Equity Shares and failure to comply with the minimum public shareholding requirements may result in certain adverse consequences and may also result in penal action being taken against us and our Promoters.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on- market" are exchanged through the National Securities Clearing Corporation Limited. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT + through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders, audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, *inter alia*, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer.

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for Promoters, members of the Promoter group, designated person or director in case value of trade exceed monetary threshold of ₹10 lakh over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. Further, on July 17, 2020, SEBI amended the SEBI Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association and the Companies Act. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company is ₹ 260,000,000 divided into 26,000,000 Equity Shares of ₹ 10 each. For further information, see section entitled "*Capital Structure*" on page 79. Our issued, subscribed and paid-up share capital as of the date of this Preliminary Placement Document is ₹ 149,063,570 divided into 14,906,357 Equity Shares of ₹ 10 each. The Equity Shares are listed and traded on BSE and NSE.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a smaller dividend in the general meeting. In addition, as is permitted by the Articles of Association, the Board of the Directors may declare interim dividend as appear to it be justified by the profits of our Company.

Further, as per the Companies (Declaration and Payment of Dividend) Rules, 2014, in the absence of profits in any year, a company may declare dividend out of surplus, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding Financial Years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the Financial Year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15% of 'he company's paid up share capital as per the most recent audited financial statement of the company.

The Equity Shares issued pursuant to this Preliminary Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Capitalization of reserves and issue of bonus shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus ordinary shares, which are similar to stock dividend. These bonus ordinary shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to SEBI ICDR Regulations and the Companies Act, 2013.

Alteration of share capital

The Articles of Association authorize it to, from time to time, (a) consolidate and divide all or any of its share capital into shares of large amount than its existing shares; (b) sub-divide its share, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however that in the sub-division the proportion between the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and (c) cancel any shares, which at the date of the passing of the resolution in that behalf, have not be taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The resolutions whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub- division one or more of such shares shall have some preference or special advantage as regard dividend, capital, voting or otherwise over or as compared with others, subject to provisions of the Companies Act.

General meetings of shareholders

There are two types of general meetings of the shareholders: AGM and EGM.

Our Company must hold its AGM within six months after the expiry of each Fiscal Year provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Not less than twenty-one days' notice shall be given of every general meeting of our Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Where any such business consists of special business there shall be annexed to the notice a statement complying with provisions of Act. Notice of every meeting of our Company shall be given to every member of our Company, to the Auditors of our Company, and to any persons entitled to a share in consequence of the death or insolvency of a member in any manner hereinafter authorised for the giving of notices to such persons.

Register of shareholders and record dates

We are obliged to maintain a register of shareholders at our Registered and Corporate Office. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

Voting rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company. On a show of hands, every member holding equity shares and present in person shall have one vote and every person present either as a general proxy on behalf of a holder of equity shares, if he is not entitled to vote in his own right or as a duly authorised representative of a body corporate, shall have one vote. On poll conducted via e-voting or postal ballot, every member holding equity shares therein shall have voting rights in proportion to his share of the paid-up equity share capital.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and any related SEBI guidelines issued in connection therewith.

Winding-up

In compliance with our Articles of Association, Companies Act, the Insolvency and Bankruptcy Code, 2016, each as amended and to the extent applicable, if our Company is to be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid up or which ought to have been paid up on the shares held by them respectively.

STATEMENT OF POSSIBLE TAX BENEFITS

Date: October 18, 2023
To

The Board of Directors
Power Mech Projects Limited
Plot No. 77, Jubilee Enclave Road,
Opposite to Hitex,
Madhapur, Hyderabad – 500 081
Telangana, India

Re: Proposed Qualified Institutional Placement ("QIP") of equity shares of face value of ₹ 10 each of Power Mech Projects Limited (the "Company" and such placement, the "Issue", and such equity shares, the "Equity Shares")

Sub: Statement of possible tax benefits available to Power Mech Projects Limited and its Shareholders under the Indian tax laws, prepared in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")

1. We, M/s K S Rao & Co (the "**Firm**"), Chartered Accountants, the statutory auditors of the Company hereby confirm the enclosed statement in the Annexure ("**Statement**") prepared and issued by the Company, which provides the possible tax benefits under Income-tax Act, 1961 ('**Act**') presently in force in India viz. the Income-tax Act, 1961, the Income-tax Rules, 1962, ('**Rules**'), regulations, circulars and notifications issued thereon, as applicable to the assessment year 2024-25 relevant to the financial year 2023-24, available to the Company and its Shareholders. Several of these benefits are dependent on the Company and its Shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and its Shareholders to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its Shareholders face in the future, the Company and its Shareholders may or may not choose to fulfil.

2. The possible tax benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this Statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the Statement, have not been examined and covered by this Statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

3. We do not express any opinion or provide any assurance whether:
   - The Company and its Shareholders will continue to obtain these benefits in future;
   - The conditions prescribed for availing the benefits have been/would be met;
   - The revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing tax laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

5. We confirm that the information in this certificate is true, fair and accurate, and is in accordance with the requirements of the Companies Act, 2013 as amended ("**Companies Act**"), the SEBI ICDR Regulations and other applicable law, and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

6. This certificate is for information and for inclusion (in part or full) in the preliminary placement document, placement document or any other document in relation to the Issue (collectively, "**Issue Documents**") or any other Issue-related material, and may be relied upon by the Company, the BRLM and the legal advisor appointed by the Company in relation to the Issue. We hereby consent to the submission of this certificate as may be necessary to SEBI, the Registrar of Companies, Telangana at Hyderabad ("**RoC**"), to the National Stock Exchange of India Limited ("**NSE**") or the BSE Limited ("**BSE**") (collectively, "**Stock Exchanges**"), any other regulatory or statutory authority and/or for the records to be maintained by the BRLM and in accordance with applicable law.

7. We hereby consent to this certificate being disclosed by the BRLM, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory or statutory authority in connection with the contents of the Issue Documents, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation in connection with the contents of the Issue Documents.

8. We confirm that we will immediately communicate any changes in writing in the above information to the BRLM until the date when the Equity Shares proposed to be issued pursuant to the Issue commence trading on the relevant Stock Exchanges. In the absence of any such communication from us until the Equity Shares proposed to be issued pursuant to the Issue commence trading on the relevant Stock Exchanges, the BRLM and the legal advisors, can assume that there is no change to the above information.

For **K S Rao & Co**
Chartered Accountants,
Firm Regn No: 003109S

GopiKrishna Chowdary Manchinella
Partner
Membership No: 235528
Place: Vijayawada
UDIN: 23235528BGSAUN3581
Encl: Annexure detailing Possible Tax benefits

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO POWER MECH PROJECTS LIMITED AND ITS SHARE HOLDERS

1. Special Direct tax benefits available to the Company

The Statement of possible tax benefits enumerated below is as per the Income Tax Act 1961 as amended from time to time and as applicable for financial year 2023-24 relevant to assessment year 2024-25.

a) Lower corporate tax rate under section 115BAA of the Act

The Section 115BAA provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess). In case the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions/ exemptions:

(i) Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone),
(ii) Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation).
(iii) Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund),
(iv) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research),
(v) Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project),
(vi) Deduction under section 35CCD (Expenditure on skill development),
(vii) Deduction under any provisions of Chapter VIA other than the provisions of section 80JJAA (Deduction in respect of employment of new employees) and 80M (Deduction in respect of certain inter-corporate dividends),
(viii) No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above.
(ix) No set-off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above.

The provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable if the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act. Further, the Company will not be entitled to claim tax credit relating to MAT.

Note: The Company has opted the lower rate benefit for the financial year 2019-20 relevant to the assessment year 2020-21 as mentioned in the Section 115BAA for which declaration for the same has already been filed with the tax authority. As the company has exercised the option, as per the provisions of the said section, the Company can't subsequently withdraw for subsequent years.

b) Deductions from Gross Total Income

Since the Company has opted for Lower corporate tax under Section 115BAA of the Income Tax Act, 1961, following are the deductions the company can claim from Gross Taxable Income under chapter VIA of the Act.

(i) Section 80JJAA: Deduction in respect of employment of new employees

As per section 80JJAA of the IT Act, the Company is entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided, subject to the fulfilment of prescribed conditions therein.

The deduction under section 80JJAA is available even if the Company opts for concessional tax rate under section 115BAA of the Act.

(ii) Deduction under section 80M of the Act:

With respect to a shareholder which is a domestic company as defined in section 2(22A), and section 80M of the Act inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

2. Special Direct tax benefits available to the Shareholders of the Company.

a) As per Section 112A of the Act, long-term capital gains arising from transfer of equity shares, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to payment of securities transaction tax on acquisition and transfer of equity shares and on the transfer of unit of an equity-oriented fund or a unit of a business trust under Chapter VII of Finance(No.2) Act read with Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. However, no tax under the said section shall be levied where such capital gains does not exceed INR 1,00,000 in a financial year.

b) As per Section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15% plus applicable surcharge and cess subject to fulfillment of prescribed conditions under the Act.

c) In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile and fulfilment of other conditions to avail the treaty benefit.

LEGAL PROCEEDINGS

We are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of, among others, civil suits, criminal cases, writ petitions, arbitration proceedings, tax proceedings and regulatory and statutory actions. These legal proceedings may have been initiated by us or by other parties against us, and are pending at different levels of adjudication before various courts, tribunals, and appellate tribunals. We assess each such legal proceeding filed by or against us and monitor the legal position on an ongoing basis.

Except as disclosed below, there are no outstanding legal proceedings which have been considered material in accordance with:

(i) *our Company's 'Policy for Determination of Materiality of any Events or Information' framed in accordance with the SEBI Listing Regulations and adopted by our Board pursuant to its resolution dated July 15, 2023; and*

(ii) *in accordance with the materiality threshold formed solely for the purpose of the Issue, where the amount involved is ₹ 50.00 million (being 5% of the average of absolute value of consolidated profit after tax before other comprehensive income for the last 3 financial years, basis the last three audited consolidated financial statements of the Company, wherein the consolidated profit after tax being ₹ 1009.70 million) or above (the "**Materiality Threshold**").*

Further, as of the date of this Preliminary Placement Document, except as disclosed hereunder, our Company, Subsidiaries and Directors are not involved in:

(i) *any outstanding action (including show-cause notices) initiated by regulatory and statutory authorities (such as the SEBI, RBI or such similar authorities);*

(ii) *any outstanding civil litigation exceeding the Materiality Threshold;*

(iii) *any outstanding criminal litigation; and*

(iv) *any other litigation which may be considered material by our Company for the purposes of disclosure in this section of this Preliminary Placement Document, solely for the purpose of the Issue.*

Further, as of the date of this Preliminary Placement Document, except as disclosed hereunder, our Company and our Subsidiaries are not involved in any tax proceedings. In this regard, a consolidated disclosure of all claims related to direct and indirect taxes (including show cause notices wherein tax demands have been confirmed by the relevant tax authorities) involving our Company and our Subsidiaries, giving the number of cases and total amount, has been set out in this Preliminary Placement Document. Additionally, tax proceedings involving our Company and our Subsidiaries, where the amount involved is equal to or above the Materiality Threshold, have been disclosed separately in this Preliminary Placement Document.

Further, this section of the Preliminary Placement Document also discloses:

(i) *inquiries, inspections or investigations or penal action initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or Companies Act, 1956 in the last three years involving our Company and our Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years involving our Company and our Subsidiaries;*

(ii) *material frauds committed against our Company in the last three years, and if so, the action taken by our Company;*

(iii) *significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company or its future operations;*

(iv) *defaults by our Company (on a consolidated basis) including the amount involved therein, duration of default and present status, in repayment of: (a) statutory dues as at March 31, 2023; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon as at June 30, 2023;*

(v) *default in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder; and*

(vi) *litigation or legal actions (including regulatory actions), pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.*

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Subsidiaries, Promoters or Directors as the case may be, have not been considered as litigation until such time that the above-mentioned entities or individuals are not impleaded as a defendant in litigation proceedings before any judicial forum. All terms defined herein in a particular litigation disclosure pertain to that litigation only.

I. Litigation involving our Company

Criminal proceedings against our Company

Nil

Criminal proceedings by our Company

Nil

Actions and Proceedings initiated by statutory/regulatory authorities

Nil

Civil proceedings against our Company

1. SEPCO Electric Power Construction Corporation v. Power Mech Projects Limited

SEPCO Electric Power Construction Corporation ("**SEPCO**") instituted a special leave petition in the Supreme Court of India against an arbitration award dated October 17, 2017 ("**Arbitration Award**"), in relation to a dispute arising out of an agreement dated December 13, 2010 ("**December 2010 Agreement**") and a supplementary agreement dated October 13, 2012 (executed owing to the failure of the obligations set out in the December 2010 Agreement) ("**Supplementary Agreement**"), between our Company (respondent in the present special leave petition) and SEPCO (petitioners in the present special leave petition, challenging the arbitration award dated Arbitration Award).

Pursuant to the December 2010 Agreement, our Company was awarded a sub-contract for the comprehensive package of Boiler, TG and BOP Systems for the Unit-3 of Talwandi Sabo Power Project ("**Unit**") by SEPCO, the EPC contractor for M/s Talwandi Sabo Power Limited. As per the December 2010 Agreement, the sub-contract works had to be completed by our Company within a period of 18 months, i.e, by May, 2012. The contract being an erection contract, SEPCO was obligated to provide all materials and work fronts for the carrying out the erection work by our Company. Subsequently, the assigned contract could not be completed as there was an alleged delay in the supply of work fonts and material by SEPCO. Subsequently, the Supplementary Agreement was concluded between the parties, and it was agreed for completion of all the work by July 20, 2013, with a grace period till December 2013. The parties did not abide by the timelines mentioned in the Supplementary Agreement as well and the Unit could be commissioned only on January 25, 2015. Our Company, alleging the delay in the supply of work fonts and material by SEPCO, issued an arbitration notice dated January 25, 2016, lodging its claims against SEPCO. SEPCO contended that there was no delay attributable to them, but to our Company. The arbitration tribunal constituted for the present adjudication, dismissed the contentions of SEPCO and awarded the claim to our Company. By way of the Arbitration Award, the arbitration tribunal awarded an amount of ₹ 1,424.11 million in favour of our Company. SEPCO has instituted a special leave petition against the Arbitration Award, which is currently pending before the Supreme Court.

2. Largess Engineering v. Power Mech Projects Limited

Largess Engineering ("**Operational Creditor**") has filed a petition bearing number CP IB No.295/9/HDB/2022, under section 9 of the Insolvency and Bankruptcy Code, 2016 ("**IB Code**") read with rule 6 of the Insolvency and Bankruptcy (Applicable to Adjudicating Authority) Rules, 2016 at National Company Law Tribunal, Hyderabad Bench, against our Company to initiate direction for corporate resolution process of our Company. Our Company had engaged the Operational Creditor for the purpose of laying down the Mundra Kandla Pipeline Project, *vide* work order number 6000019779 dated May 1, 2019 and 6000022873 dated February 21, 2020. It has been submitted that basis the terms of the word order, the Corporate Debtor has paid ₹ 93.70 million on July 3, 2021 to the Operational Creditor post which the Operational Creditor was issued a reply on September 4, 2021, clarifying the payments by way of providing overall billing summary. Our Company filed a response to the petition, praying that according to clause 9 of the work order, if any disputes arose between the parties, the same needs to be referred for arbitration instead of referring to petition under the IB Code. The matter is currently pending.

Civil proceedings by our Company

1. Power Mech Projects Limited v. NTPC BHEL Power Projects Private Limited

This arbitration proceeding is in relation to the dispute arising out of the contract for execution of main plaint civil works packages for Feroze Gandhi Unchahar Thermal Power Plant, Unchahar ("**Unit**"). Originally, M/s NTPC BHEL Power Projects Private Limited ("**Respondent**") was awarded a contract for the Unit. Our Company being the lowest bidder for the open notice tender issued by the Respondent on May 23, 2014, was offered a letter of intent dated November 25, 2014 and subsequently a work order dated January 23, 2015 was issued in favour of our Company. Thereafter, the contract agreement dated November 18, 2015 was executed by and between the parties and the stipulated period for the completion of work was 28 months, to be reckoned from the date of letter of intent.

It was alleged by our Company that during the course of the execution of the contract work, numerous hindrances and obstruction were faced by us for faults not attributable to our Company. Our Company has alleged that amongst several factors relevant for the delay, are severe delay in issuing engineering inputs like ready for construction drawings. On account of these delays, the Respondent has issued time extensions and extended the contract duration to 69 months as compared to the original contract duration of 28 months. The work was finally completed and the Respondent issued a work completion certificate on August 28, 2019. Owing to this delay, our Company faced severe financial losses as a result of *inter alia* abnormal increase in minimum wages of labours, additional expenses for equipment hire, staff salary, expenses towards bank commission paid on bank guarantees due to delay in discharge of security deposit bank guarantee. To claim these expenditures, the arbitration clause was invoked by our Company on December 13, 2021. Pursuant to the silence of the Respondent to the invocation of arbitration, our Company approached Delhi High Court which *vide* order dated August 24, 2022, appointed sole arbitrator Justice Anil R. Dave for adjudication of the disputes. In the statement of claim filed by our Company, ₹ 367.70 million along with the interest and arbitration costs totalling to ₹ 540.00 million have been claimed. The claims have been denied and averted, and further counter-claims have been filed by the Respondent. Accordingly, the arbitration proceedings have been initiated before the sole arbitrator and the proceedings are still pending.

2. Power Mech Projects Limited v. NTPC BHEL Power Projects Private Limited

This arbitration proceeding is in relation to the dispute arising out of the contract for execution of Balance of Plant (BOP) work packages at Feroze Gandhi Unchahar Thermal Power Plant, Unchahar ("**Unit**"). Originally, NTPC BHEL Power Projects Private Limited ("**Respondent**") was awarded a contract for the Unit. Power Mech Projects Limited ("**Claimant**") being the lowest bidder for the open notice tender issued by the Responded on June 23, 2014, was offered a letter of intent dated November 30, 2014 and subsequently a work order dated January 23, 2015 was issued in favour of the Claimant. Thereafter, the contract agreement dated November 18, 2015 was executed by and between the parties and the stipulated period for the completion of work was 18 months, to be reckoned from the date of letter of intent.

It was alleged by the Claimant that during the course of the execution of the contract work, numerous hindrances and obstruction were faced by the Claimants for faults not attributable to them. Claimants have alleged the amongst several factors relevant for the delay are severe delay in issuing engineering inputs like ready for construction drawings, by the Respondent. On account of these delays, the Respondent has issued time extensions and extended the contract duration to 57 months as compared to the original contract duration of 18 months. It was alleged by the Claimant that the delay in events attributable to the Respondent, had resulted in severe consequences subjecting to Claimant to financial losses as a result of *inter alia* abnormal increase in minimum wages of labours, additional expenses for equipment hire, staff salary, expenses towards bank commission paid on bank guarantees due to delay in discharge of security deposit bank guarantee. To Claim these expenditures, arbitration was invoked by the Claimant on December 13, 2021. Pursuant to the silence of the respondent to the invocation of arbitration, the Claimant had approached Delhi High Court and, Delhi High Court vide order dated August 24, 2022, had appointed sole arbitrator Justice Anil R. Dave for adjudication of the disputes. In the statement of claim filed by the Claimant, ₹ 218.10 million along with the interest and arbitration costs totalling to ₹ 340.00 million have been claimed. The claims have been denied and averted by the respondent and a further counter-claims have been filed by the respondent. Accordingly, the arbitration proceedings have been initiated before the sole arbitrator and the announcement of award and proceedings are still pending.

3. Power Mech Projects Limited v. Amravathi Constructions

Our Company had awarded Amravathi Constructions ("**Respondent**") with works in relation to the government schools, KGBVS and Bhavitha Buildings in the Vijayanagaram District vide work order number 6000018342, dated December 27, 2018 and work agreement dated February 11, 2019. Basis the terms of the work order a mobilization advance amount of ₹ 50.95 million was also released on December 29, 2018 (the "**Mobilization Amount**"). Thereafter, the original contract awarded by the Government of Andhra Pradesh was cancelled and our Company subsequently cancelled their contract with the Respondent for said work. Further, the partners of the Respondent, Dr. Mullapudi Harishchandra Prasad and Kaza Gokul Krishna approached our Company on December 24, 2019, to convert the Mobilization Amount into an inter corporate loan amounting to ₹ 66.75 million for the period starting from December 29, 2019 till December 24, 2019 accordingly to the inter corporate loan agreement dated December 24, 2019. Our Company issued a notice dated August 26, 2020 to the Respondent for repayment of dues basis the inter corporate loan agreement and the Respondent vide their reply dated November 11, 2020 have admitted to the liability amount and requested time for repayment of said debt. The case filed has been filed before the court at RR District and is presently pending and at the initial stage of service of summons.

4. Power Mech Projects Limited v. Bharat Heavy Electricals Limited

Our Company (the "**Claimant**") has initiated arbitration proceedings against Bharat Heavy Electricals Limited (the "**Respondent**") before an arbitral tribunal ("**Arbitral Tribunal**") for a claim of an aggregate sum of ₹ 61.70 million, in relation to refund of non-contractual deduction of GST amount. An arbitral award was passed dismissing our claim. Our Company filed a petition under section 34 of the Arbitration and Conciliation Act, 1996 against the sole arbitrator's award dated August 6, 2018 vide O.M.P. (COMM) 333/2018 before the Hon'ble High Court of Dehi. During the proceedings held on April 1, 2022, the Hon'ble High Court of Delhi, directed the Respondent to submit Arbitration proceedings records for final hearing of the matter. The matter is due for the final hearing on December 6, 2023.

5. Power Mech Projects Limited v. Bharat Heavy Electricals Limited

Our Company (the "**Claimant**") has initiated arbitration proceedings against Bharat Heavy Electricals Limited (the "**Respondent**") before the learned arbitral tribunal comprising the sole arbitrator ("**Arbitral Tribunal**") for a claim of an aggregate sum of ₹ 110.00 million, with regards to disputes and differences arising out of the contract for awarded to the Claimant vide letter of intent no. PSER:SCT:KLN-C1905:18:LOI (CPES-ER/02511): 7065 dated September 17, 2018 and work order no. PSER:SCT:KLN-C1905:18:WO: (CPES-ER/02511): 7552 dated May 10, 2019 for "Execution of Comprehensive Package of 10A: Civil, Structural and architectural works (excluding pile, pilecap, pedestal and associated works) for the main plant area unit 1 and for 2x660 MW Maitree Rampal Project in Bangladesh. The dispute arose in relation to compensation for the price variation in procurement of cladding sheets having been treated as extra items and the work covered basis the specifications constitute and amounts to a variation as well as deviation from the work order and falls outside the work quoted for under the contract and hence, to be compensated additionally. The matter is due for final arguments on October 19, 2023 and is presently pending.

6. Power Mech Projects Limited v. Bharat Heavy Electricals Limited

Our Company (the "**Claimant**") has initiated arbitration proceedings against Bharat Heavy Electricals Limited (the "**Respondent**" bearing number AP/444/2023 and AP/449.2023 before an arbitral tribunal ("**Arbitral Tribunal**") for a claim of an aggregate sum of ₹ 430 million and ₹ 2,445.50 million, in relation to compensating for the abnormal increase of Minimum wages by virtue of the Extraordinary Gazzette Notification issued by GoI on January 17, 2017. Under AP/444/2023, the sole arbitrator appointed by the Respondent was not an independent one and not having inclination towards any party. The Claimant objected to such appointment and an application was moved for change of Arbitrator before the Commercial Courts, Rajarhat and stay has been granted by the court at the stage of pronouncing the arbitration award by the impugned Arbitrator. Presently, the arbitration clause has invoked and since as there has been no response from the Respondent, an application under section 11 of the Arbitration and Conciliation Act, 1996 has been filed before High Court at Calcutta for fresh appointment of arbitrator. The application was heard, and the Hon'ble High Court at Calcutta vide its order dated October 6, 2023 has listed the matter for pronouncing the final order on October 17, 2023.

7. Power Mech Projects Limited v. Doosan Power Systems India Private Limited

Our Company (the "**Claimant**") has initiated arbitration proceedings against Doosan Power Systems India Private Limited (the "**Respondent**") before the Hon'ble Arbitral Tribunal comprising of Justice Deepak Verma, Justice Deepak Misra and Justice V.K. Gupta at New Delhi ("**Arbitral Tribunal**") bearing arbitration case no. AC-2295 for a claim of an aggregate sum of ₹ 698.40 million and ₹ 1420.00 million, in relation to compensation for an abnormal increase of minimum wages by virtue of extraordinary gazzette notification issued by GoI on January 17, 2017 pertaining to the project for the work of ETC of Unit no. 1,2,3 boilers at 3X660MW Barh STPP Stage-1 was originally awarded to a Russian agency Techno Promo Export (TPE), whose contract was terminated by NTPC. A sub-contract agreement was entered between the Claimant and Respondent on May 12, 2016 and the Claimant renewed *inter alia* the bank guarantees for a total amount of ₹ 187.00 million. The recording of evidence of Claimant witnesses was carried out by hybrid mode on March 6, 2023, April 24, 2023, May 30, 2023, August 6, 2023, August 20, 2023. The recording of evidence of the Respondent witness to be initiated. The matter is presently pending.

8. Power Mech Projects Limited v. Prasad and Company (Project Works) Limited

Our Company ("**Applicant**") has filed a petition under section 9 of the Insolvency and Bankruptcy Code, 2016 ("**IB Code**") read with rule 6 of the insolvency and bankruptcy (applicable to adjudicating authority) rules, 2016 in the capacity of an operational creditor against Prasad and Company (Project Works) Limited ("**Respondent**") to initiate corporate insolvency resolution process against the Respondent at the National Company Law Tribunal at Hyderabad bearing number 438/9/2020, in relation to non-payment of outstanding dues (retention money, bills, FOUPH, punch points, royalty and applicable GST) for an amount of ₹ 65.70 million. The Applicant and Respondent had entered into a memorandum of understanding dated February 9, 2012 ("**MoU**") to jointly bid for LOI bearing number BHEL PSST SCT 1489 (PKG#1) dated March 3, 2012 for construction of civil and structure steel work for package #1 of 2X800 MW Yeramarus Power Station. As agreed, the Applicant was supposed to execute the project strictly in accordance with the terms and conditions of the contract documents on a back-to-back basis and according to clause 5 of the MoU that all applicable deductions and with-held amounts affected by BHEL from the R.A. Bill payments shall be passed on to the Applicant as and when received from BHEL. A notice dated September 10, 2020 was issued under the IB Code for which, the Respondent in their reply mentioned that the amount is only payable when received from the customer, Bharat Heavy Electricals Limited ("**BHEL**"), under the pretext of 'Pay-when paid'. During the course of the proceedings, BHEL has confirmed that they have recovered all the pending dues that are to be recovered from the Respondent towards all other projects and that the Respondent has no payables left with BHEL to operate under the notion of 'Pay when paid'. Further, recovery by BHEL is possible only when the amount is paid to the Respondent and BHEL have given a confirmation that they have recovered all due amount from the Respondent and since the Respondent has deemed to have received the amount, they are liable to pay the Applicant. The matter is presently pending.

Tax proceedings involving our Company

(in ₹ million)

Particulars	Number of cases	Amount Involved
Direct Tax	Nil*	Nil
Indirect Tax	12	60.87
Total	12	60.87

**Search operations were conducted by the Income-tax department under section 132 of the Income-tax Act in July 2022 and subsequently, our Company has received 4 notices under Section 142(1), 148 of the Income Tax Act, 1961 for the Assessment Year 2017-18, 2020-21 and 2021-22. As on the date of this Preliminary Placement Document, the Assessing Officer has initiated proceedings under section 148 of the Income-tax Act for re-assessment of income, as is relevant for each of the Assessment Year 2017-18, 2020-21 and 2021-22, under the applicable provisions of the Income-tax Act For details, please see, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Reservations, Qualifications, Emphasis of Matter, Adverse Remarks, Observations Included in the audited consolidated and standalone financial statements and unaudited consolidated and standalone financial results" on page 113.*

II. *Litigation involving our Subsidiaries*

Criminal proceedings against our Subsidiaries

Nil

Criminal proceedings by our Subsidiaries

Nil

Actions and proceedings initiated by statutory/regulatory authorities

Nil

Civil proceedings against our Subsidiaries

Nil

Civil proceedings by our Subsidiaries

Nil

Tax proceedings involving our Subsidiaries

(in ₹ million)

Particulars	Number of cases	Amount involved
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

III. *Litigation involving our Directors*

Criminal proceedings against our Directors

Nil

Criminal proceedings by our Directors

Nil

Actions and proceedings initiated by statutory/regulatory authorities

Nil

Civil proceedings against our Directors

Nil

Civil proceedings by our Directors

Nil

Tax proceedings involving our Directors

Particulars	Number of cases	Amount involved
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

IV. There are no litigation, inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against our Company and/or our Subsidiaries in the last three years preceding the year of this Preliminary Placement Document.

V. There are no prosecutions filed against, fines imposed on, or compounding of offences by our Company and/or our Subsidiaries under the Companies Act, 2013 or the Companies Act, 1956 in the last three years preceding the year of this Preliminary Placement Document.

VI. There are no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

VII. There are no defaults by our Company in respect of payment of statutory dues as on the date of this Preliminary Placement Document or the repayment of: (i) debentures (including interest thereon); (ii) deposits (including interest thereon); and (iii) loans (including interest thereon), as on the date of this Preliminary Placement Document.

VIII. There are no litigations or legal actions pending or taken against our Promoters by any Ministry or Department of the Government or any statutory authority in the last three years immediately preceding the year of circulation of this Preliminary Placement Document and there are no directions issued by such Ministry or Department of the Government or statutory authority upon conclusion of such litigation or legal action.

IX. There are no defaults in submitting the annual filings under the Companies Act, 2013 or Companies Act, 1956 or rules made thereunder.

X. Neither us, nor our Promoters or Directors are wilful defaulters or fraudulent borrowers as at the date of this Preliminary Placement Document.

XI. As at the date of this Preliminary Placement Document, none of the Directors of our Company are fugitive economic offenders.

XII. There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

XIII. Except as disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Reservations, Qualifications, Emphasis of Matter, Adverse Remarks, Observations Included in the audited consolidated and standalone financial statements and unaudited consolidated and standalone financial results" *on page 113*, ***there are no reservations or qualifications or adverse remarks of auditors of our Company in the last five financial years immediately preceding the year of this Preliminary Placement Document.***

OUR STATUTORY AUDITORS

Our Company's Statutory Auditors, M/s. K.S. Rao & Co., Chartered Accountants, are independent auditors with respect to our Company, as required by the Companies Act and in accordance with the guidelines issued by the ICAI. They were appointed as our Company's Statutory Auditors pursuant to a resolution adopted by our Shareholders at the annual general meeting held on September 25, 2019, for a period of five years, commencing from Fiscal 2020 to Fiscal 2025.

The Audited Consolidated Financial Statements of our Company as of Financial Year ending March 31, 2023, March 31, 2022 and March 31, 2021 and the Unaudited Consolidated Financial Results for the three months period ended June 30, 2023, included in this Preliminary Placement Document, have been audited and limited reviewed by M/s. K.S. Rao & Co., Chartered Accountants, as stated in their report included in section entitled "*Financial Statements*" beginning on page 229.

GENERAL INFORMATION

1. Our Company was originally incorporated as "Power Mech-Projects Private Limited" on July 22, 1999, as a private limited company under the erstwhile Companies Act, 1956. Our Company was converted into a public limited company pursuant to which the name was changed to "Power Mech-Projects Limited" and a fresh certificate of incorporation dated October 16, 2007, was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. Further, our name was again changed from "Power Mech-Projects Limited" to "Power Mech Projects Limited" and a fresh certificate of incorporation dated November 1, 2010, was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad.

2. Our Registered Office changed from 204, Nagilla Towers 1-11-112, Begumpet, Hyderabad, Telangana (erstwhile Andhra Pradesh) to 403, Vamsi Rishi Residency, 6-3-865/B, Green Lands, Begumpet, Hyderabad, Telangana (erstwhile Andhra Pradesh), for administrative convenience. Thereafter, the registered office of our Company was shifted to Plot No. 77, Jubilee Enclave Road, Opposite to Hitex, Madhapur, Hyderabad 500 081, Telangana, India with effect from May 22, 2011, for administrative convenience.

3. The Registered and corporate Office of our Company is situated at Plot No. 77, Jubilee Enclave Road, Opposite to Hitex, Madhapur, Hyderabad 500 081, Telangana, India.

4. The CIN of our Company is L74140TG1999PLC032156.

5. The Board of Directors has authorized this Issue in their meeting held on August 25, 2023, and it has been approved by our Shareholders through the AGM on September 28, 2023.

6. The Equity Shares are listed and permitted to trade on BSE and NSE since August 26, 2015.

7. The website of our Company is www.powermechprojects.com.

8. The authorized share capital of our Company is ₹ 260,000,000 divided into 26,000,000 Equity Shares of ₹ 10 each. For further information, see "*Capital Structure*" on page 79. Our issued, subscribed and paid-up share capital as of the date of this Preliminary Placement Document is ₹149,063,570 divided into 14,906,357 Equity Shares of ₹ 10 each. The Equity Shares are listed and traded on BSE and NSE.

9. Our Company has received in-principle approvals under Regulation 28 of the SEBI Listing Regulations to list the Equity Shares on BSE and NSE, each dated October 18, 2023. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to this Issue on Stock Exchanges after Allotment of the Equity Shares in this Issue.

10. For the main objects of our Company, please refer to Memorandum of Association. Copies of Memorandum and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on all working days, except Saturdays and public holidays during the Issue Period at the Registered Office.

11. Our Company has obtained necessary consents, approvals and authorizations, wherever applicable, in connection with this Issue.

12. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on this Issue. For further details, see "*Legal Proceedings*" on page 219.

13. Except as disclosed in this Preliminary Placement Document, there has been no material change in the financial or trading position of our Company since the date of the of the audited financial statements filed with the Stock Exchanges in accordance with the requirements of the SEBI Listing Regulations.

14. No change in control in our Company will occur consequent to this Issue.

15. The Floor Price for the Equity Shares under this Issue is ₹4,085.44 per Equity Share which has been calculated in accordance with Regulation 176 of the SEBI ICDR Regulations, as certified by our Statutory Auditors. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of

the SEBI ICDR Regulations in accordance with the approval of the Shareholders accorded through a special resolution passed at the annual general meeting dated September 28, 2023.

16. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to this Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations

17. Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

18. Mohith Kumar Khandelwal is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Mohith Kumar Khandelwal
Plot No.77, Jublee Enclave Road,
Opposite Hitex, Madhapur
Hyderabad 500 081
Telangana, India
Telephone: +91 40 3044 4418
E-mail: cs@powermech.net

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REVIEW REPORT ON CONSOLIDATED UNAUDITED FINANCIAL RESULTS OF POWER MECH PROJECTS LIMITED FOR THE QUARTER ENDED 30th JUNE, 2023 PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (AS AMENDED)

TO THE BOARD OF DIRECTORS OF
POWER MECH PROJECTS LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited financial results of **POWER MECH PROJECTS LIMITED** ("the Parent") and its Subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit/(loss) after tax and total comprehensive income/(loss) of its joint ventures and associate for the Quarter ended 30th June, 2023 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement which is the responsibility of the Parent Company's Management and approved by the Parents Company's Board of Directors in their meeting held on 9th August, 2023, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.

3. a) We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

   b) We also performed procedures in accordance with the circular issued by SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. Emphasis of Matter:

   Attention is invited to note no.3 of the financial results, wherein proceedings u/s 132 of Income-tax Act, 1961 has been carried out by the Income -Tax Department in the month of July, 2022 in various

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HYDERABAD, VIJAYAWADA, CHENNAI AND BANGALORE

locations of the parent company. Since the investigation and related proceedings are pending and pending filing of return of income in response to the notices issued by the department, there is uncertainty as regards impact, if any, of the outcome of the proceedings, which cannot be ascertained at this point of time.

Our opinion is not modified in respect of this matter.

5. Apart from the Parent company, the consolidated unaudited financial results includes the following subsidiaries, Joint ventures and associates.

Name of the entity	Relationship
Hydro Magus Private Limited	Subsidiary (Indian)
Power Mech Industri Private Limited	Wholly Owned Subsidiary (Indian)
Power Mech BSCPL Consortium Private Limited	Subsidiary (Indian)
Power Mech SSA Structures (P) Limited	Wholly Owned Subsidiary (Indian)
Aashm Avenues (P) Limited	Wholly Owned Subsidiary (Indian)
Power Mech Environmental Protection Private Limited	Wholly Owned Subsidiary (Indian)
Energy Advisory and Consulting Services Private Limited	Wholly Owned Subsidiary (Indian)
KBP Mining Private Limited	Subsidiary (Indian)
Power Mech Projects LLC	Subsidiary (Foreign)
Power Mech Projects (BR) FZE	Wholly Owned Subsidiary (Foreign)
PMPL – Khilari JV (AOP)	Joint Venture (India)
PMPL – STS JV (AOP)	Joint Venture (India)
PMPL – ACPL JV (AOP)	Joint Venture (India)
PMPL – SRC INFRA JV (Mizoram)	Joint Venture (India)
PMPL – SRC INFRA JV (Hasan)	Joint Venture (India)
PMPL – BRCC INFRA JV	Joint Venture (India)
PMPL-KVRECPL Consortium JV	Joint Venture (India)
Rites-PMPL JV	Joint Venture (India)
SCWPL-PMPL JV	Joint Venture (India)

K.S. RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

M/S Power Mech-M/S Taikisha JV	Joint Venture (India)
PMPL-PIA JV	Joint Venture (India)
GTA Power Mech Nigeria Limited	Joint Venture (Foreign)
GTA power Mech DMCC	Joint Venture (Foreign)
GTA Power Mech FZE	Subsidiary of JV (foreign)
Mas Power Mech Arabia	Associate (Foreign)

6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Other Matters

The consolidated unaudited financial results includes the financial results of 2 overseas subsidiary companies, 2 overseas Joint Ventures, 1 subsidiary of overseas JV and 1 foreign associate whose financial statements have not been reviewed by their auditors.

These unaudited results also includes financial results of 7 Indian subsidiary companies and 11 Indian Joint Ventures which have been reviewed by other auditors.

The financial results includes total income of Rs. 158.95 mn, total net profit after tax Rs. 25.29 mn and total comprehensive loss of Rs. 6.49 mn for the quarter ended 30.6.2023 of 2 overseas subsidiary companies which have not been reviewed by their auditors.

The consolidated financial results also includes groups share of net loss after tax and total comprehensive loss of Rs. 1.01 mn for the quarter ended 30.6.2023 as considered in consolidated financial results in respect of 2 overseas joint ventures and subsidiary of one of JV which have not been reviewed by their auditors.

These financial results also includes groups share of net profit after tax and total comprehensive profit of Rs. 3.13 mn for the quarter ended 30.6.2023 of 1 foreign associate which has not been reviewed by their auditors.

K.S RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

The financial results also includes total income of Rs. 77.46 mn, total net profit after tax and total comprehensive income of Rs. 2.18 mn for the quarter ended 30.6.2023 of 7 Indian subsidiary companies which have been reviewed by their auditors.

The financial results also includes groups share of net profit after tax and total comprehensive income of Rs. 1.61 mn for the quarter ended 30.6.2023 of 11 Indian Joint Ventures which have been reviewed by their auditors.

The interim financial information of Indian companies and JV have been reviewed by their auditors whose reports have been furnished to us by the Parent's companies management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these companies in the group, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

The interim financial information of the overseas companies in the group, which has not been reviewed by their auditors have been furnished to us by the Management of the Company, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these companies is based solely on such interim financial information certified by the Management of the Company. The Holding Company's Management has converted the financial statements of such companies located outside India from accounting policies generally accepted in their respective countries to accounting policies generally accepted in India. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of our reliance on the interim financial information results certified by the Management.

For K.S. Rao & Co
Chartered Accountants
(Firm's Registration No. 003109S)

K.S. RAO & CO. ★ VIJAYAWADA INDIA ★ CHARTERED ACCOUNTANTS

Gopikrishna Chowdary Manchinella
Partner
Membership No. 235528

Place: Camp: Hyderabad
Date: 09.08.2023
UDIN: **23235528BGSARY6648**

POWER MECH
Growth Unlimited

POWER MECH PROJECTS LIMITED
Registered & Corporate Office: Plot No.77, Jubilee Enclave, Madhapur, Hyderabad - 500 081, Telangana.
CIN: L74140TG1999PLC032156, Email - info@powermech.net, Website: www.powermechprojects.com

Statement of Unaudited Standalone and Consolidated financial results for the quarter ended June 30, 2023 (Rs. in Mns)

Sl. No.	Particulars	Standalone				Consolidated			
		Quarter ended			Year ended	Quarter ended			Year ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023	30.06.2023	31.03.2023	30.06.2022	31.03.2023
		Unaudited	Refer Note. 4	Unaudited	Audited	Unaudited	Refer Note. 4	Unaudited	Audited
I	**Income**								
	(a) Revenue from operations	8,454.87	11,579.77	7,283.62	35,320.86	8,651.31	11,741.04	7,466.13	36,011.88
	(b) Other income	37.55	72.32	16.77	130.51	55.42	91.02	20.29	170.06
	Total income	**8,492.42**	**11,652.09**	**7,300.39**	**35,451.37**	**8,706.73**	**11,832.06**	**7,486.42**	**36,181.94**
II	**Expenses**								
	(a) Cost of materials consumed	1,149.35	2,094.33	1,133.12	5,208.70	1,161.11	2,136.25	1,147.86	5,361.81
	(b) (Increase)/Decrease in inventories of finished goods, stock-in-trade and work-in-progress	(15.16)	(72.19)	(19.65)	(138.36)	(36.03)	(85.05)	(26.15)	(167.55)
	(c) Contract execution expenses	4,955.80	6,850.28	4,045.22	20,593.08	5,090.15	6,923.88	4,154.42	20,928.11
	(d) Employee benefits expense	1,266.47	1,296.37	1,230.32	5,268.50	1,317.65	1,336.97	1,269.51	5,428.29
	(e) Finance costs	201.44	232.02	197.13	876.00	203.67	235.28	203.39	895.44
	(f) Depreciation and amortisation expense	96.87	121.23	93.88	408.07	101.63	126.62	99.15	429.10
	(g) Other expenses	122.00	117.59	84.35	416.80	126.03	120.98	85.42	425.59
	Total expenses	**7,776.77**	**10,639.63**	**6,764.37**	**32,632.79**	**7,964.21**	**10,794.93**	**6,933.60**	**33,300.79**
III	**Profit before exceptional items and tax (I-II)**	715.65	1,012.46	536.02	2,818.58	742.52	1,037.13	552.82	2,881.15
IV	Share of Profit/(Loss) from Joint Venture/Associate	-	-	-	-	3.73	(39.57)	(22.52)	(81.34)
V	**Profit before exceptional items and tax (III+IV)**	715.65	1,012.46	536.02	2,818.58	746.25	997.56	530.30	2,799.81
VI	Exceptional items	-	-	-	-	-	-	-	-
VII	**Profit before tax (V-VI)**	715.65	1,012.46	536.02	2,818.58	746.25	997.56	530.30	2,799.81
VIII	Tax expense								
	(a) Current tax	198.42	249.16	136.60	731.40	200.55	250.18	136.77	733.24
	(b) Short Provision of Current tax	45.00	-	-	-	45.00	-	-	-
	(c) Deferred tax charge/(credit)	(6.25)	2.58	(0.49)	(5.78)	(8.94)	1.57	(0.80)	(6.66)
	Total tax expense	**237.17**	**251.74**	**136.11**	**725.62**	**236.61**	**251.75**	**135.97**	**726.58**
IX	**Profit for the period after tax (VII-VIII)**	**478.48**	**760.72**	**399.91**	**2,092.96**	**509.64**	**745.81**	**394.33**	**2,073.23**
X	**Other comprehensive income**								
	Items that will not be reclassified to profit or loss								
	(a) Remeasurements of the defined employee benefit plans	1.93	(1.69)	3.07	7.70	1.93	(1.13)	3.07	8.27
	(b) Changes in fair value of equity instruments	0.07	-	0.03	0.05	0.07	-	0.03	0.05
	Items that will be reclassified to profit or loss								
	(a) Exchange fluctuations on revaluation of foreign operations	-	-	-	-	(31.78)	(17.04)	12.10	(6.19)
	Total Other comprehensive income	**2.00**	**(1.69)**	**3.10**	**7.75**	**(29.78)**	**(18.17)**	**15.20**	**2.13**
XI	**Total comprehensive income (IX+X)**	**480.48**	**759.03**	**403.01**	**2,100.71**	**479.86**	**727.64**	**409.53**	**2,075.36**
	Profit for the period before other comprehensive income					**509.64**	**745.81**	**394.33**	**2,073.23**
	Attributable to								
	Equity share holders of the parent					509.87	752.04	394.90	2,091.18
	Non-controlling interest					(0.23)	(6.23)	(0.57)	(17.95)
	Total comprehensive income for the period					**479.86**	**727.64**	**409.53**	**2,075.36**
	Attributable to								
	Equity share holders of the parent					480.09	734.17	409.52	2,092.83
	Non-controlling interest					(0.23)	(6.53)	0.01	(17.47)
XII	Paid-up equity share capital (Face value Rs.10/- each)	149.06	149.06	147.11	149.06	149.06	149.06	147.11	149.06
XIII	Reserves (excluding revaluation reserves) as per Balance Sheet				12,115.51				12,605.70
XIV	Earnings per share (of Rs.10/- each) (for the period - not annualised)								
	- Basic and Diluted	32.10	51.03	27.18	141.38	34.20	50.45	26.84	141.26

Notes:

1 These financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on August 9th, 2023. These results are as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The statutory Audiors have carried out limited review of these results for the quarter ended June 30, 2023 and have issued an unmodified report on these results.

2 The Company predominently operates only in construction and maintenance activities and there are no reportable segments under Indian Accounting Standard (Ind AS) -108.

3 The Income-Tax Department ("the Department") has conducted Search under Section 132 of the Income-Tax Act,1961 in various business premises of the Company in the month of July, 2022. During the course of proceedings, the Company has extended all support and co-operation and provided all documents available at the time of search to the department. The company is also in the process of providing necessary information as called by the department. At present, the company has received notices u/s 148 of the Act against which the company has to file return of Income. While the uncertainty exists regarding the outcome of the proceedings by the department, management is of the view that this will not have any material impact on the Company's financial position, financial results and operations of the Company.

4 The figures for the quarter ended March 31, 2023 are balancing figures between the audited figures for the full financial year ended March 31, 2023 and the published year to date figures upto third quarter ended December 31, 2022.

5 Figures for the previous periods have been regrouped and reclassified wherever necessary to conform to current period classification.

By order of the Board

S. Kishore Babu
Chairman and Managing Director

Place : Hyderabad
Date :09-08-2023

Power Mech Projects Limited Hyderabad

INDEPENDENT AUDITORS' REPORT

To The Members of
POWER MECH PROJECTS LIMITED

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of **POWER MECH PROJECTS LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Joint ventures and associates comprising of the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and other financial information of overseas subsidiaries, Joint Ventures and Associates which have not been audited, the accompanying Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of affairs of the Group and its JV and associate as at March 31, 2023 and its Profit, total comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter:

Attention is invited to the following:

a) Note No. 54, of the financial statements, relating to the search carried out by the Income Tax Department in July, 2022 at various locations of the Parent Company. Since the investigation and related proceedings are pending, there is uncertainty as regards the impact, if any, of the outcome of the proceedings. Due to this, no provision for liability has been recognized in the financial statements of the Parent Company.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements. We have determined the matters described below to be the key audit matters to be communicated in our report.

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	Our audit procedures in relation to the recoverability of trade receivables included • Understood and tested the holding company's credit control procedures 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.	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.

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.

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Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information, which is not available to us as on the date of this report. In the absence of the said other information, we are unable to comment upon whether the other information is materially misstated or not.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its JV and associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of directors of the companies included in the Group and of its JV and associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its JV and associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Board of directors of the companies included in the Group and its JV and associate are responsible for assessing the ability of the Group and its JV and associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the respective companies are responsible for overseeing the financial reporting process of the Group and of its JV and associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- 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) The accompanying financial statements includes the financial results of 2 overseas subsidiaries, 2 overseas Joint Ventures and 1 subsidiary of one of JV whose financial statements have not been audited by their auditors.

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These statements also include financial results of 7 Indian subsidiary companies and 11 Indian Joint Ventures which have been audited by other auditors.

Also, these Consolidated financial statements include the financials results of 1 foreign associate whose financial statements have not been audited by their auditors.

b) (i) The Consolidated financial statements include total assets of Rs. 59.69 crore as at 31st March, 2023 and total revenues of Rs.65.30 crore, total profit after tax of Rs. 5.81 crore, total comprehensive income of Rs. 5.19 crore for the year ended 31st March, 2023 of 2 overseas subsidiaries which have not been audited by their auditors.

(ii) The consolidated financial statements also include groups share of net loss of Rs. 1.81 crore and total comprehensive loss of Rs. 1.81 crore for the year ended 31st March, 2023 in respect of 2 overseas joint ventures and 1 subsidiary of one of JV which have not been audited by their auditors.

c) (i) The consolidated financial statements also include total assets of Rs. 65.61 crore as at 31st March, 2023, total revenues of Rs. 24.63 crore, total net profit after tax of Rs. 0.35 crore and total comprehensive income of Rs. 0.41 crore for the year ended 31st March, 2023 in respect of 7 Indian subsidiary companies which have been audited by other auditors.

(ii) The consolidated financial statements also include groups share of net profit after tax of Rs. 0.88 crore and total comprehensive income of Rs. 0.88 crore for the year ended 31st March, 2023 in respect of 11 Indian Joint Ventures which have been audited by other auditors.

d) These consolidated financial statements also include groups share of net loss after tax of Rs. 7.20 crore and total comprehensive loss of Rs. 7.20 crore for the year ended 31st March, 2023 in respect of 1 foreign associate which has not been audited by their auditors.

These unaudited financial statements in respect of 2 overseas subsidiaries, 2 overseas Joint Ventures and 1 overseas associate have been furnished to us by the management and our opinion on the statement in so far as it related to the amounts and disclosures is based solely on such unaudited financial statements. In our opinion and according to the information and explanations furnished to us by the board of directors, this financial information is not material to the group.

In respect of subsidiaries, associates and joint ventures which are located outside India, the annual financial statements which have not been audited by their auditors have been prepared and certified by the management under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such companies located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have verified these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and Joint ventures is based on the statements prepared by the management and conversion adjustments made by the management of the Holding Company and verified by us. Our opinion is not modified in respect of this matter.

Our opinion on the consolidated financial statement and our report on the other legal and regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements and other financial information certified by the management.

Report on Other Legal and Regulatory Requirements

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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, 2023 taken on record by the Board of Directors of the holding company and reports of other auditors, none of the directors of the Group, Joint Ventures incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the Holding company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of those companies for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding company and its Indian subsidiaries in the group to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated financial statements has disclosed the impact of pending litigations on its consolidated financial position of the Group and its JV and associate.

ii. The parent company and other companies in the group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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iv. (a) The Management of the Parent Company has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management of the Parent Company has represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Parent Company during the year is in accordance with section 123 of the Act, as applicable. As stated in note 52 to the financial statements, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Parent Company and a subsidiary and the CARO reports issued by other auditors for the subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For K.S. Rao & Co
Chartered Accountants
(Firm Registration No. 003109S)

K.S. RAO & CO. ★ VIJAYAWADA INDIA ★ CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 26.5.2023
UDIN: 23235528BGSAQA7596

Gopikrishna Chowdary Manchinella
Partner
Membership No. 235528

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, 2023, we have audited the internal financial controls over financial reporting of POWER MECH PROJECTS LIMITED ("the holding company"), its subsidiary companies incorporated in India as on that date.

Management's Responsibility for Internal Financial Controls

The respective board of directors of the holding company and its Indian subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its Indian subsidiaries based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of Indian subsidiary is sufficient and appropriate to provide a basis for our audit opinion on the Company's and its Indian subsidiaries internal financial controls system over financial reporting.

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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 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report u/s 143(1)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it related to Indian subsidiaries is based on the report of the other auditors.

For K.S. Rao & Co
Chartered Accountants
(Firm Registration No. 003109S)

K.S. RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

Gopikrishna Chowdary Manchinella
Partner
Membership No. 235528

Place: Hyderabad
Date: 26.5.2023
UDIN: 23235528BGSAQA7596

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POWER MECH PROJECTS LIMITED
HYDERABAD

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

Consolidated Balance Sheet as at 31st March, 2023

		Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
		Assets			
1		**Non-Current Assets**			
	(a)	Property, Plant and Equipment	4.1	182.31	172.47
	(b)	Right-of-use assets	4.2	4.01	5.50
	(c)	Capital Work-in-progress	5	2.73	2.38
	(d)	Intangible Assets	6	2.46	2.51
	(e)	Financial Assets			
		(i) Investments	7.1	35.74	36.65
		(ii) Loans	8	-	-
		(iii) Other financial assets	9	331.69	304.27
	(f)	Deferred Tax Asset (Net)	20	12.31	11.82
	(g)	Other Non-current assets	10	1.37	1.32
		Total Non-Current assets		**572.62**	**536.92**
2		**Current Assets**			
	(a)	Inventories	11	147.34	137.66
	(b)	Financial Assets			
		(i) Investments	7.2	0.39	2.45
		(ii) Trade Receivables	12	893.51	666.57
		(iii) Cash and cash equivalents	13	44.47	73.49
		(iv) Other Bank Balances	13	127.06	76.65
		(v) Loans	8	4.88	5.74
		(vi) Other Financial Assets	9	678.21	545.29
	(c)	Other Current assets	10	525.32	491.30
	(d)	Current tax Assets (Net)	24	60.37	60.79
		Total Current assets		**2,481.55**	**2,059.94**
		Total Assets		**3,054.17**	**2,596.86**
		EQUITY AND LIABILITIES			
1		**Equity**			
	(a)	Equity Share Capital	14	14.91	14.71
	(b)	Other Equity	15	1,260.47	1,028.60
				1,275.38	**1,043.31**
2		Non-Controlling Interests	16	1.34	3.09
		Liabilities			
3		**Non-current liabilities**			
	(a)	Financial Liabilities			
		(i) Long-term borrowings	17	26.07	34.96
		(ii) Lease liabilities	18	0.86	1.72
		(iii) Other financial liabilities	18	86.76	80.31
	(b)	Provisions	19	4.31	7.20
	(c)	Deferred Tax Liabilities (Net)	20	-	-
	(d)	Other non-current liabilities	21	89.66	77.15
		Total Non-Current liabilities		**207.66**	**201.34**
4		**Current liabilities**			
	(a)	Financial Liabilities			
		(i) Short-term borrowings	22	449.06	492.19
		(ii) Lease liabilities	18	0.83	1.64
		(iii) Trade payables	23		
		a) Total outstanding dues of micro enterprises and small enterprises		1.16	1.47
		b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		747.91	537.85
		(iv) Other financial liabilities	18	134.25	126.97
	(b)	Other current liabilities	21	235.60	187.33
	(c)	Provisions	19	0.98	1.67
	(d)	Current tax Liabilities (Net)	24	-	-
		Total Current liabilities		**1,569.79**	**1,349.12**
		Total Liabilities		**1,777.45**	**1,550.46**
		Total Equity and Liabilities		**3,054.17**	**2,596.86**

Corporate Information	1
Basis of Preparation and Significant Accounting Policies	2-3

The accompanying notes 34-55 form an integral part of the financial statements.

As per our report of even date
For K.S. RAO & CO
Chartered Accountants
Firm's Registration Number: 003109S

(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528
UDIN: 23235528BGSAQA7596

For and on behalf of the Board

S.Kishore Babu
Chairman and Managing Director
DIN (00971313)

J Satish
CFO

Mohith Kumar Khandelwal
Company Secretary

Place: Hyderabad
Date: 26.05.2023

K.S RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

Power Mech Projects Limited Hyderabad

POWER MECH PROJECTS LIMITED
HYDERABAD

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

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2023

	Particulars		Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
I	Revenue from Operations		25	3,601.19	2,710.49
II	Other Income		26	17.00	17.31
III	**Total Income**	**(I+II)**		**3,618.19**	**2,727.80**
IV	Expenses				
	Cost of Material Consumed		27	536.18	336.19
	(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress		28	(16.75)	(1.97)
	Contract Execution expenses		29	2,092.82	1,633.09
	Employee benefits expense		30	542.83	423.16
	Finance Costs		31	89.54	79.47
	Depreciation and Amortization expense		32	42.91	36.90
	Other expenses		33	42.56	34.02
	Total Expenses	**(IV)**		**3,330.09**	**2,540.86**
V	**Profit before share of profit from Associate, Joint Venture, exceptional items and tax**	**(III-IV)**		288.10	**186.94**
VI	Share of Profit/(Loss) from Joint Venture			(8.13)	(2.27)
VII	**Profit before exceptional items and tax**	**(V+VI)**		**279.97**	**184.67**
VIII	Exceptional Items			-	-
IX	**Profit before tax**	**(VII-VIII)**		**279.97**	**184.67**
X	**Tax Expense:**				
	Current tax			73.14	36.30
	Deferred tax			(0.48)	9.88
XI	**Profit for the year after tax**	**(IX-X)**		**207.31**	**138.49**
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	0.01
	b) Remeasurement of defined employee benefit plans			0.83	1.16
	B. Items that will be re-classified to profit and Loss account				
	a) Exchange fluctuations on revaluation of foreign operations			(0.62)	(1.65)
XIII	**Total Comprehensive Income for the year**	**(XI+XII)**		**207.53**	**138.01**
	Profit for the year before Other Comprehensive Income			**207.31**	**138.49**
	Attributable to				
	Equity holders of the parent			209.11	138.99
	Non-Controlling Interests			(1.80)	(0.50)
	Total Comprehensive Income for the year			**207.53**	**138.01**
	Attributable to				
	Equity holders of the parent			209.28	138.45
	Non-Controlling Interests			(1.75)	(0.44)
XIV	Earnings per Share - Basic and Diluted		49	141.26	94.48

Corporate Information
Basis of Preparation and Significant Accounting Policies 1
The accompanying notes 34-55 form an integral part of the financial statements. 2-3

As per our report of even date
For K.S. RAO & CO
Chartered Accountants
Firm's Registration Number: 003109S

K.S. RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528
UDIN: 23235528BGSAQA7596

For and on behalf of the Board

S.Kishore Babu
Chairman and Managing Director
DIN (00971313)

Power Mech Projects Limited Hyderabad

J Satish
CFO

Mohith Kumar Khandelwal
Company Secretary

Place: Hyderabad
Date: 26.05.2023

POWER MECH PROJECTS LIMITED
HYDERABAD

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

Consolidated Cash Flow Statement for the Year ended 31st March, 2023

PARTICULARS	2022-23	2021-22
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	279.97	184.67
Add/Less: Adjustments for :		
Depreciation	42.91	36.90
FCTR Movement	(0.62)	(1.65)
Interest and Finance charges	89.00	78.77
Interest on Income Tax	0.54	0.71
Loss on sale of assets	0.04	3.18
Fair value gain on current investments	0.05	(0.19)
Net gain arising on financial assets measured at FVTPL	(0.08)	(0.07)
Interest income	(8.33)	(6.73)
Amortisation of Deferred Government grants	(0.05)	(0.05)
Profit on sale of assets	(1.62)	(0.23)
Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income	0.83	1.16
Share of Profit/(Loss) from Joint Venture	8.13	2.27
Operating profit before working capital changes	**410.77**	**298.74**
Movements in Working Capital		
Adjustments for (increase)/decrease in operating assets:		
- Trade Receivables	(226.94)	(132.99)
- Inventories	(9.68)	(22.99)
- Other Assets	(192.10)	(80.16)
Adjustments for increase/(decrease) in operating liabilities:		
- Trade Payables	209.77	26.70
- Other Liabilities and Provisions	63.70	146.54
Cash generated from operations	**255.52**	**235.84**
Less: Direct taxes paid	(73.26)	(61.19)
Net cash from Operating activities (A)	**182.26**	**174.65**
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(53.65)	(43.83)
Proceeds from sale of fixed assets	4.11	4.00
Investment /Redemption in Mutual Funds (Net)	2.01	(0.02)
Margin money deposits with banks and other balances	(51.80)	(18.64)
Interest received (Excl interest on rental deposit)	8.33	6.73
Net cash used in Investing activities (B)	**(91.00)**	**(51.76)**
III. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Equity Share Capital by way of conversion of Unsecured Loan	25.00	-
Repayment of unsecured loan by way of conversion	(25.00)	-
Proceeds from/(Repayment of) borrowings	(27.01)	17.84
Interest and Finance charges paid	(88.75)	(78.34)
Lease rent paid	(2.31)	(2.65)
Dividend paid	(2.21)	-
Net cash used in financing activities (C)	**(120.28)**	**(63.15)**
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**(29.02)**	**59.74**
Cash and cash equivalents at the beginning of the period	73.49	13.75
Cash and cash equivalents at the end of the period	44.47	73.49
Net Increase/(Decrease) in cash and cash equivalents	**(29.02)**	**59.74**

Notes to Cashflow Statement

a) The above cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind As 7 - Statement of Cashflows

Components of cash and cash equivalents

Particulars	2022-23	2021-22
Cash on hand	1.15	1.47
In Current accounts	42.51	71.00
Deposits having maturity period for less than 3months	0.81	1.02
Total	**44.47**	**73.49**

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

Particulars	Opening	Ind As 116 adoption	Cash flows	Non-Cash changes	Net cash flow	Closing
Long term borrowings(Including Current maturities of long-term borrowings)	82.47	-	-	-	(13.05)	69.42
Short term borrowings	444.68	-	-	(25.00)	(13.97)	405.71
Lease Libilities (Refer Note no. 50)	3.36	0.39	(2.31)	0.25	(2.06)	1.69

Reconcilation of Changes in Liability arising from Financing activities for the year ending 31/03/2022

Particulars	Opening	Ind As 116 adoption	Cash flows	Non-Cash changes	Net cash flow	Closing
Long term borrowings(Including Current maturities of long-term borrowings)	55.79	-	-	0.05	26.62	82.47
Short term borrowings	453.54	-	-	-	(8.86)	444.68
Lease Libilities (Refer Note no. 50)	5.27	0.31	(2.65)	0.43	(2.21)	3.36

Corporate Information	1
Basis of Preparation and Significant Accounting Policies	2-3

The accompanying notes 34-55 form an integral part of the financial statements.

As per our report of even date
For K.S. RAO & CO
Chartered Accountants
Firm's Registration Number 003109S

K.S RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528
UDIN: 23235528BGSAQA7596

Place: Hyderabad
Date: 26.05.2023

J Satish
CFO

For and on behalf of the Board

S.Kishore Babu
Chairman and Managing Director
DIN (00971313)

Mohith Kumar Khandelwal
Company Secretary

Power Mech Projects Limited Hyderabad

POWER MECH PROJECTS LIMITED
HYDERABAD

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

Consolidated Statement of Changes in Equity for the year ended 31.03.2023

A. Equity share capital

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

B. Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income		Total
	Securities Premium Reserve	Other Reserves (General reserve)	Foreign Currenty Translation Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Acturial Gains/(Loses)	
Balance at the end of reporting period - 31st March 2021	160.93	37.00	1.48	686.68	0.02	4.04	890.15
Profit for the year attributable to equity share holders of parent	-	-	-	138.99	0.01	1.16	140.16
Other Comprehensive loss	-	-	(1.71)	-	-	-	(1.71)
Total Comprehensive income for the year	-	-	(1.71)	138.99	0.01	1.16	138.45
Less : Appropriations	-	-	-	-	-	-	-
Balance at the end of reporting period - 31st March 2022	160.93	37.00	(0.23)	825.67	0.03	5.20	1,028.60
Profit for the year attributable to equity share holders of parent	-	-	-	209.11	0.01	0.83	209.94
Other Comprehensive loss	-	-	(0.67)	-	-	-	(0.67)
Securities Premium on conversion of loan into equity	24.80	-	-	-	-	-	24.80
Total Comprehensive income for the year	24.80	-	(0.67)	209.11	0.01	0.83	234.08
Less : Appropriations							-
Final Dividend for the Financial year 2021-22 proposed & paid during the year	-	-	-	2.21	-	-	2.21
Balance at the end of reporting period - 31st March 2023	185.73	37.00	(0.90)	1,032.57	0.04	6.03	1,260.47

Corporate Information	1
Basis of Preparation and Significant Accounting Policies	2-3

The accompanying notes 34-55 form an integral part of the financial statements.

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K.S RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

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Place: Hyderabad
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Power Mech Projects Limited Hyderabad

For and on behalf of the Board

S Kishore Babu
Chairman and Managing Director

Mohith Kumar Khandelwal
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

Note No.1 GROUP INFORMATION

The consolidated financial statements comprise financial statements of Power Mech Projects Limited (the parent) and its subsidiaries (collectively referred to as "Group") and includes share of profit from its joint venturers and associate.

The parent company Power Mech Projects Limited is incorporated in the year 1999 and is an engineering and construction company providing integrated service in erection, testing and commissioning (ETC) of boilers, turbines and generators and balance of plant (BOP), civil works and operation and maintenance (O&M). The company is also undertaking railway projects and executing major railway project of doubling of tracks including electrification, signalling, culverts, platforms etc. and transmission and distribution portfolio, a new venture of diversification and the company has already undertaken some major projects. Thus, Power Mech is proud to be a vital part of India's Power generation capacity augmentation. Also, the company as a part of diversifying its operations, had entered into development and operation of coal mines.

The company, its subsidiaries and its joint venture and associate considered in the consolidated financial statements are:

a) Subsidiaries:

Name of the company	Country of incorporation	Principal activities	Year ended (% of holding)	
			31.03.2023	31.03.2022
Hydro Magus Private Limited	India	Maintenance contracts	88%	88%
Power Mech Industri Private Limited	India	Manufacture of spare parts	100%	100%
Power Mech BSCPL Consortium Private Limited	India	Infrastructure development	51%	51%
Power Mech SSA Structures Private Limited	India	Infrastructure development	100%	100%
Aashm Avenues Private Limited	India	Infrastructure development	100%	100%
Power Mech Environmental Protection Private Limited	India	Recycling of wastes generated by various industries and commercial establishments	100%	100%
Energy Advisory and Consulting Services Private Limited	India	Advisory and Consulting services to various energy generation companies/ power plants/ power transmitters	100%	100%
KBP Mining Private Limited	India	Exploring, design & engineering, developing, operating and working on mines	76%	76%

Power Mech Projects LLC	Oman	Installation and repair of electric power and transformer plants	70%	70%
Power Mech Projects (BR) FZE	Nizeria	Infrastructure development	100%	100%

b) Joint Venture:

Name of the company	Country of incorporation	Principal activities	Year ended	
			31.03.2023	31.03.2022
M/s. Power Mech – M/s. ACPL JV	India	Construction works	80%	80%
Power Mech – Khilari Consortium JV	India	Construction works	75%	75%
Power Mech – STS JV	India	Construction works	74%	74%
PMPL – SRC INFRA JV – Mizoram	India	Construction works	74%	74%
PMPL – SRC INFRA JV – Hassan	India	Construction works	60%	60%
PMPL – BRCC INFRA JV	India	Construction works	70%	70%
PMPL-KVRECPL Consortium JV	India	Construction works	82%	82%
Rites-PMPL JV	India	Construction Works	51%	-
SCPL-PMPL JV	India	Construction Works	20%	-
M/s. Power Mech – M/s. Taikisha JV	India	Construction Works	66%	-
PMPL-PIA JV	India	Construction works	79%	79%
GTA Power Mech Nigeria Limited	Nigeria	Turbine repair	50%	50%
GTA Power Mech DMCC	Dubai	Construction works	50%	50%

c) Associate

Name of the company	Country of incorporation	Principal activities	Year ended	
			31.03.2023	31.03.2022
MAS Power Mech Arabia	Saudi Arabia	Installation and Maintenance services	49%	49%

K.S RAO & CO. VIJAYAWADA CHARTERED ACCOUNTANTS

Power Mech Projects Limited Hyderabad

Note No: 2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS :

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by the Ministry of Corporate affairs, pursuant to section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013('the Act')(to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the parent Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceased to control the subsidiary.

Profit and loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. Any distributions received from investee will reduce the carrying amount of investment. The Group's investment in associates includes goodwill/capital reserve identified on acquisition.

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in Joint Venture are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. Any distributions received from

VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

Hyderabad

investee will reduce the carrying amount of investment. The Group's investment in joint venture includes goodwill/capital reserve 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, 2022 and for consolidation purposes additional financial information for the q.e 31st March, 2023 has been prepared.

<u>Changes in the Group's ownership interests in existing subsidiaries</u>

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

K.S RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

Power Mech Projects Limited Hyderabad

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.

K.S. RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

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x) **Other estimates:**

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the group estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

b) Property, plant and equipment

An item of Property, Plant and Equipment that qualified as an asset is measured at initial recognition at Cost. Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The cost comprises of purchase price, applicable duties and taxes, direct expenditure attributable on making the asset ready for its intended use and interest on borrowings for acquisition of qualifying asset upto the date the asset is ready for its intended use.

Advances paid for acquisition of Property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Cost of the assets not put to use before such date are disclosed under 'Capital Work-in-progress'. Any subsequent expenditure relates to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. Items of spare parts are recognized as Property, plant and equipment when they meet the definition of

Property, plant and equipment. The cost and related depreciation are eliminated from the property, plant and equipment upon sale or retirement of the asset and the resultant gain or losses are recognized in statement of profit and loss.

c) Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortization. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis from the date they are available for use.

d) **Depreciation and Amortization**

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

The management estimates the useful lives for the fixed assets and the said useful lives are disclosed in the accounting policies of respective companies in the group.

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

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

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

Depreciation and amortization methods, useful lives and residual values are reviewed periodically at the end of each financial year with the effect of any change in estimate accounted for on a prospective basis.

e) Government Grants

Government grants are not recognized until there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. When the grant relates to an asset, it is recognized as deferred revenue in the Balance sheet and transferred to the statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

f) Investment in Joint venture and associate

Investment in jointly controlled entity and associate is accounted for using the "equity method" less accumulated impairment, if any. Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the jointly controlled entity and associate since the date of acquisition. Goodwill relating to the entity is included in the carrying amount of the investment.

The statement of profit and loss reflects the group's share of the results of the operations of the jointly controlled entity and associate. The amount of OCI of these entities are included in the groups OCI. Unrealised gains and losses resulting from transactions between the group and its entity are eliminated to the extent of interest in jointly controlled entity and associate.

g) Impairment of Assets

i) Financial assets (other than at fair value)

The group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The group recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount (i.e higher of the fair value less cost of sale and value in use) is determined on an individual asset basis unless the asset does not 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.

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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.

Identifying Performance Obligation:
A performance obligation is identified in the construction projects that the group engages in, owing to the high degree of integration and customization of the various goods and services to provide a combined output which is transferred to the customer over time and not at a specific point in time. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time.

Determination of Transaction Price:
Transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party(GST). Variable consideration is estimated using the expected value method or most likely

amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Recognition of Revenue:

In case of sale of goods:

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

In case of construction services:

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

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

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

In case of other Income:

Interest income is recognized using the effective interest method.

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

k) Employee Benefits

i) Defined Contribution Plans

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

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.

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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

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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

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subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

r) Cash flow statement

Cash flows are reported using the indirect method, whereby the profit before tax is adjusted for the effects of transactions of non-cash nature and items of income or expenses associated with investing and financing activities. The cash flows are segregated into Operating, investing and financing activities.

s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition:

The group recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than the financial assets and 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.

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(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

De-recognition of financial asset

The company de-recognises financial assets when the contractual right to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Impairment of financial assets:

The company applies expected credit loss (ECL) model for measurement and recognition of loss assets in case of trade receivables and other financial assets. For Trade Receivables, the company applies simplified approach which requires expected lifetime losses to be recognised from initial recognition of receivables. The company uses historical default rates applied on the ageing of receivables to determine loss allowance on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed. In case of other assets, the company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk has not increased significantly, an amount equal to 12-month ECL is measured and recognized as a loss allowance. However, if the credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as a loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the company reversed the impairment loss recognized earlier.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. The effective 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.

t) Recent Accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

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

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

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

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PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Note No.4.1

Particulars	As at 31st March, 2023	As at 31st March, 2022
Carrying Amounts of:		
Land	3.42	3.42
Office Buildings	29.21	30.90
Plant and Equipment	24.69	25.70
Furniture and Fixtures	2.28	1.81
Computers	2.34	1.84
Office Equipment	4.13	3.46
Motor vehicles	28.32	23.27
Cranes	75.66	68.01
Temporary Sheds	12.26	14.06
	182.31	172.47
Capital Work-in-progress (Refer Note No. 5)	**2.73**	**2.38**

Property, Plant and Equipment

Note No.4.1

Particulars	Land	Office Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Motor vehicles	Cranes	Temporary Sheds	Total
Gross Block :										
As at 31st March, 2021	3.60	40.16	55.54	10.26	4.79	11.63	49.51	155.23	37.03	367.75
Additions	-	-	10.91	1.03	1.02	1.83	11.94	10.19	9.57	46.49
Disposals	0.18	-	1.60	0.02	0.01	0.03	1.43	5.51	0.41	9.19
As at 31st March, 2022	3.42	40.16	64.85	11.27	5.80	13.43	60.02	159.91	46.19	405.05
Additions	-	-	5.18	1.43	1.25	2.07	12.85	24.25	6.24	53.27
Disposals	-	-	0.91	-	0.06	0.01	4.30	6.41	-	11.69
As at 31st March, 2023	3.42	40.16	69.12	12.70	6.99	15.49	68.57	177.75	52.43	446.63
Accumulated Depreciation including accumulated Impairment loses :										
As at 31st March, 2021	-	7.56	35.16	8.50	3.41	8.78	32.24	79.57	27.37	202.59
Depreciation charge for the year	-	1.70	4.84	0.98	0.56	1.20	5.70	14.50	5.12	34.60
On disposals	-	-	0.85	0.02	0.01	0.01	1.19	2.17	0.36	4.61
As at 31st March, 2022	-	9.26	39.15	9.46	3.96	9.97	36.75	91.90	32.13	232.58
Depreciation charge for the year	-	1.69	6.10	0.96	0.75	1.40	7.46	14.56	8.04	40.96
On disposals	-	-	0.82	-	0.06	0.01	3.96	4.37	-	9.22
As at 31st March, 2023	-	10.95	44.43	10.42	4.65	11.36	40.25	102.09	40.17	264.32
Net Block :										
As at 31st March, 2023	3.42	29.21	24.69	2.28	2.34	4.13	28.32	75.66	12.26	182.31
As at 31st March, 2022	3.42	30.90	25.70	1.81	1.84	3.46	23.27	68.01	14.06	172.47

Notes:

1) Term loans taken by the group for purchase of Fixed assets are secured by way of hypothecation on respective assets for which loans were availed.
2) Working Capital Loans from banks are secured by way of first charge on Property, Plant and Equipment of the company both present and future, excluding those assets against which charge was given to equipment financiers.
3) None of the property, plant & equipment were acquired / transfered by way of business combinations.
4) The carrying values of any of the assets does not include any changes made on account of revaluation as on date of balance sheet.
5) The title deeds of immovable properties were held in the respectives Companies of the group.
6) No proceedings have been initiated or pending against any of the companies in the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

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Right - of - use assets

Note No.4.2

Particulars	As at 31st March, 2023	As at 31st March, 2022
Right - of - use assets	4.01	5.50
	4.01	**5.50**

Particulars	Lease hold land & Improvements	Buildings	Total
(A) Cost or deemed cost :			
As at 31st March, 2021	**2.56**	**9.17**	**11.73**
Additions	-	0.57	0.57
Disposals/adjustments	-	-	-
As at 31st March, 2022	**2.56**	**9.74**	**12.30**
Additions	-	0.41	0.41
Disposals/adjustments	-	-	-
As at 31st March, 2023	**2.56**	**10.15**	**12.71**
(B) Accumulated Amortisation and impairment :			
As at 31st March, 2021	**0.16**	**4.40**	**4.56**
Amortisation expense for the year	0.01	2.23	2.24
Eliminated on disposal	-	-	-
As at 31st March, 2022	**0.17**	**6.63**	**6.80**
Amortisation expense for the year	0.01	1.89	1.90
Eliminated on disposal	-	-	-
As at 31st March, 2023	**0.18**	**8.52**	**8.70**
(C) Carrying amount :			
As at 31st March, 2023	**2.38**	**1.63**	**4.01**
As at 31st March, 2022	**2.39**	**3.11**	**5.50**

Capital Work-in-Progress

Note No.5

Particulars	Amount
Carrying value - At Cost	
As at 31st March, 2021	**5.32**
Additions	2.37
Capitalised/written off during the Year	5.31
As at 31st March, 2022	**2.38**
Additions	2.08
Capitalised during the year	1.73
As at 31st March, 2023	**2.73**

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Capital Work-in-progress ageing schedule as on 31.03.2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	2.09	0.64	-	-	2.73
Projects temporarily suspended	-	-	-	-	-

Note: None of the above projects were overdue for its completion and does not exceeded its cost compared to its original plan.

Capital Work-in-progress ageing schedule as on 31.03.2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	2.38	-	-	-	2.38
Projects temporarily suspended	-	-	-	-	-

Note: None of the above projects were overdue for its completion and does not exceeded its cost compared to its original plan.

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INTANGIBLE ASSETS **Note No.6**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Power Mech Brand *	0.00	0.00
Computer Software	0.19	0.24
Goodwill	2.27	2.27
	2.46	**2.51**

* Amounts below ₹.1 Lakh

Particulars	Power Mech Brand	Computer Software	Goodwill	Total
Gross Block :				
As at 31st March, 2021	**0.00**	**1.54**	**2.27**	**3.81**
Additions	-	0.01	-	0.01
Disposals	-	-	-	-
As at 31st March, 2022	**0.00**	**1.55**	**2.27**	**3.82**
Additions	-	0.01	-	0.01
Disposals	-	-	-	-
As at 31st March, 2023	**0.00**	**1.56**	**2.27**	**3.83**
Accumulated Amortisation and impairment :				
As at 31st March, 2021	**0.00**	**1.24**	-	**1.24**
Amortisation expense for the year	-	0.07	-	0.07
On disposals	-	-	-	-
As at 31st March, 2022	**0.00**	**1.31**	-	**1.31**
Amortisation expense for the year	-	0.06	-	0.06
On disposals	-	-	-	-
As at 31st March, 2023	**0.00**	**1.37**	-	**1.37**
Net Block :				
As at 31st March, 2023	**0.00**	**0.19**	**2.27**	**2.46**
As at 31st March, 2022	**0.00**	**0.24**	**2.27**	**2.51**

1) None of the intangible assets were acquired/transferred by way of business combinations.

2) The carrying values of any of the assets does not include any changes made on account of revaluation as on date of balance sheet.

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INVESTMENTS (NON-CURRENT)

Note No.7.1

Particulars	As at 31st March, 2023	As at 31st March, 2022
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 Associates (Carried at cost) :		
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	31.32	32.80
b) 50 (50) Equity shares of AED 1000 each in GTA Power Mech DMCC	0.44	0.77
c) Investment in PMPL-ACPL JV (Capital introduced Nil)	1.43	1.25
d) Investment in PMPL-STS JV (Capital introduced Nil)	0.90	0.82
e) Investment in PMPL-KHILARI Consortium JV (Capital introduced Nil)	0.50	0.42
f) Investment in PMPL-SRC INFRA JV - Mizoram (Capital introduced Nil)**	1.09	0.54
g) Investment in PMPL-SRC INFRA JV - Hassan (Capital introduced Nil)**	*	
h) Investment in PMPL-BRCC INFRA JV (Capital introduced Nil)**	-	-
i) Investment in PMPL-KVRECPL Consortium JV (Capital introduced Nil)**	-	-
j) Investment in PMPL-PIA JV (Capital introduced Nil)**	-	-
k) Investment in POWER MECH-TAIKISHA JV (Capital introduced Nil)**	-	-
l) Investment in RITES-PMPL JV (Capital introduced Nil)**	-	-
m) Investment in SCPL - PMPL JV (Capital introduced Nil)**	-	-
Total Investment in Un-Quoted Equity Instruments (b)	**35.68**	**36.60**
Total Investment in Equity Instruments (A = a+b)	**35.68**	**36.60**
B. Investment in Mutual Funds - Quoted (Carried at fair value through OCI)		
a) 20,000(20,000) units of SBI Infra structure fund - I - Growth ₹.10/ each	0.06	0.05
Total Investment in Mutual Funds (B)	**0.06**	**0.05**
Total (A+B)	**35.74**	**36.65**
Aggregate amount of : Quoted investments -		
- At cost	**0.02**	**0.02**
- Market value	**0.06**	**0.05**
Aggregate amount of un-Quoted investments	**35.68**	**36.60**

Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	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(24) Equity shares of ₹.10/ each in Reliance Power Limited	0.00	-	0.00	-
b) 200(200) Equity shares of ₹.10/ each in Assam Company Limited	0.00	-	0.00	-
c) 20,000(20,000) units of SBI Infra structure fund I Growth ₹.10/ each - Mutual Funds	0.06	-	0.05	-
(ii) Using Equity method for Investments in Joint Ventures and Associates as per Ind As 28	35.68	-	36.60	-
	35.74	**-**	**36.65**	**-**

* Amounts below ₹.1 Lakh

** The Parent Company has become a venturer in joint ventures incorporated during the financial year 2018-19 to 2022-23. However no investment has been made in the said JV's as on the date of Balance sheet. The balance shown above represents Parent Company's share of other equity treated in accordance with "Ind AS- 28: Investment in Joint ventures and Associates".

INVESTMENTS (CURRENT)

Note No.7.2

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investment in Mutual Funds - Quoted: (Carried at fair value through P&L)		
a) 92,793 (2,50,000) units of Baroda PNB Paribas Large & Mid Cap Fund	0.15	0.41
b) 2,50,000(Nil) units of Baroda BNP Paribas Flexi Cap Fund	0.24	-
c) Nil (16,30,879) units of Union Bank Corporate Fund Regular Plan- Growth Fund	-	2.04
Total Investment in Mutual Funds (B)	**0.39**	**2.45**
Aggregate amount of Quoted investments -		
- At cost	**0.34**	**2.15**
- Market value	**0.39**	**2.45**

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LOANS

Note No.8

Particulars	Non-Current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Unsecured, Considered Good				
a) Employee related advances	-	-	4.19	5.10
b) Loans to others - GTA Power Mech FZE (Subsidiary to GTA Power Mech Nizeria, a JV)	-	-	0.69	0.64
Total	-	-	4.88	5.74

The above Loans Receivables are sub-classified as :

Particulars	Non-Current 31st March, 2023	Non-Current 31st March, 2022	Current 31st March, 2023	Current 31st March, 2022
a) Loans considered good - Secured	-	-	-	-
b) Loans considered good - Unsecured	-	-	4.88	5.74
c) Loans which have significant increase in Credit Risk	-	-	-	-
d) Loans - Credit impaired	-	-	-	-
	-	-	4.88	5.74

Note:

1) No loans are due from directors or other officers of the Group either severally or jointly with any other person nor any other loans are due from firms in which any director is a partner, a director or a member.

2) All the above advances given to joint venture are utilised for their business purposes.

3) Loans repayable on demand without specifying the terms or period of repayment.

Particulars of Loans granted	As at 31st March, 2023	% out of Total Loans advanced	As at 31st March, 2022	% out of Total Loans advanced
	-	-	-	-
a) Promoters	-	-	-	-
b) Directors	-	-	-	-
c) KMP	-	-	-	-
d) Related parties	0.69	100.00	0.64	100.00

OTHER FINANCIAL ASSETS

Note No.9

Particulars	Non-Current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
a) Security deposits with Govt. authorities and others	11.60	9.50	0.02	0.02
b) EMD with customers	37.64	37.65	-	-
c) Earmarked balances with banks held as margin money against LC and guarantees having a maturity period for more than 12months from the date of Balance sheet	59.23	57.85	-	-
d) Retention Money and Security Deposit with customers	227.50	205.37	118.07	113.62
e) Uncertified Revenue	-	-	560.12	431.65
Total	335.97	310.37	678.21	545.29
Less: Provision for doubtful receivables (Retention Money and Security Deposit with customers)	(4.28)	(6.10)	-	-
	331.69	304.27	678.21	545.29

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 manangement.

Uncertified revenue ageing schedule as on 31.03.2023

Particulars	Outstanding for following periods					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Uncertified revenue	459.90	47.13	28.13	19.41	5.55	560.12

Uncertified revenue ageing schedule as on 31.03.2022

Particulars	Outstanding for following periods					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Uncertified revenue	316.34	70.08	35.42	9.81	-	431.65

OTHER ASSETS

Note No.10

Particulars	Non-Current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Unsecured, Considered Good				
a) Advances for Capital goods	1.37	1.32	-	-
b) Mobilisation advances to Sub - Contractors	-	-	14.93	8.96
c) Advances to creditors against supplies	-	-	22.73	21.20
d) Advances to sub-contractors against works - Unsecured			410.00	356.02
e) Prepaid Royalty and other expenses	-	-	15.96	31.00
f) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	57.26	67.30
Works contract tax (TDS)	-	-	1.16	1.24
MAT Credit entitlement	-	-	0.15	0.15
Custom Duty Receivable	-	-	0.02	0.10
Taxes paid under protest	-	-	0.94	0.54
g) Other advances	-	-	6.33	6.01
Total	1.37	1.32	529.48	492.52
Less : Provision for doubtful advances (Advance to sub-contractors against works)	-	-	(4.16)	(1.22)
Total	1.37	1.32	525.32	491.30

Note: No advances are due from directors or other officers in the group either severally or jointly with any other person nor any other loans are due from firms or private company in which any director is a partner, a director or a member.

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INVENTORIES (At Lower of Cost and Net Realiable Values) **Note No.11**

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Stores and spares	114.13	121.20
b) Construction Work-in-progress	33.21	16.46
Total	**147.34**	**137.66**

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, 2023 was ₹. 536.18 Cr (for the year ended 31st March, 2022: ₹. 336.19 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.

TRADE RECEIVABLES **Note No.12**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	893.51	666.57
Trade receivables which have significant increase in Credit Risk	4.90	4.06
Trade receivables - Credit impaired	-	-
Less: Allowance for doubtful receivables	(4.90)	(4.06)
Total	**893.51**	**666.57**

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, ₹.209.63 Cr (as at March 31, 2022 : ₹. 166.15 Cr) is due from one of the Parent Company's largest customer. Further, an amount of ₹.238.02 Cr. (as at March 31, 2022 : ₹.87.48 Cr) is due from customers who represent more than 5% of the total balance of trade receivables.

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 estimates by the management about their recoverability.

Trade Receivables ageing schedule as on 31.03.2023

Particulars	Outstanding for following periods from date of transaction					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) undisputed trade Receivables - considered good	771.12	15.46	50.90	50.90	5.13	893.51
(ii) undisputed trade Receivables - which have significant increase in credit risk	-	-	0.84	2.60	1.46	4.90
(iii) undisputed trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade Receivables - credit impaired	-	-	-	-	-	-
Provision for expected credit loss	-	-	(0.84)	(2.60)	(1.46)	(4.90)
Total	**771.12**	**15.46**	**50.90**	**50.90**	**5.13**	**893.51**

Trade Receivables ageing schedule as on 31.03.2022

Particulars	Outstanding for following periods from date of transaction					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) undisputed trade Receivables - considered good	504.48	47.25	109.36	3.32	2.16	666.57
(ii) undisputed trade Receivables - which have significant increase in credit risk	-	-	-	4.06	-	4.06
(iii) undisputed trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade Receivables - credit impaired	-	-	-	-	-	-
Provision for expected credit loss	-	-	-	(4.06)	-	(4.06)
Total	**504.48**	**47.25**	**109.36**	**3.32**	**2.16**	**666.57**

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CASH AND CASH EQUIVALENTS

Note No.13

Particulars	As at 31st March, 2023	As at 31st March, 2022
i) Balances with banks		
a. In Current accounts	42.51	71.00
ii) Cash on hand	1.15	1.47
iii) Fixed Deposits with original maturity period of less than 3 months	0.81	1.02
Total	**44.47**	**73.49**

OTHER BANK BALANCES

Note No.13

Particulars	As at 31st March, 2023	As at 31st March, 2022
a. Earmarked balances with banks held as margin money against LC and guarantees falls due for maturity within 12months from the date of Balance sheet	127.04	76.63
b. Earmarked balances with banks towards unclaimed dividends	0.02	0.02
Total	**127.06**	**76.65**

Note: Bank Deposits with more than 12 months maturity from the date of Balance Sheet was disclosed under "Other Financial Assets"

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SHARE CAPITAL — Note No. 14

a) Authorised Share Capital

Particulars	Equity	
	No's	Total
As at 31st March, 2021	**26,000,000**	**26.00**
Changes during the year	-	-
As at 31st March, 2022	**26,000,000**	**26.00**
Changes during the year	-	-
As at 31st March, 2023	**26,000,000**	**26.00**

b) Issued Share Capital

Equity shares of ₹.10 each issued, subscribed and fully paid

Particulars	No's	Total
As at 31st March, 2021	**14,710,764**	**14.71**
Increase/(Decrease) during the Year	-	-
As at 31st March, 2022	**14,710,764**	**14.71**
Increase in paid-up capital on conversion of Loan into equity	195,593	0.20
As at 31st March, 2023	**14,906,357**	**14.91**

c) Rights, Preferences and restrictions attached to Equity shares

The Parent Company has only one class of Equity shares having a face value of ₹.10/- each. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

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

Name of the Share Holder	As at 31st March, 2023		As at 31st March, 2022	
	No of Shares held	% out of total number of shares of the Company	No of Shares held	% out of total number of shares of the Company
S. Kishore Babu	3,864,942	25.93%	3,864,942	26.27%
S. Kishore Babu (HUF)	-	0.00%	1,244,000	8.46%
S. Lakshmi	3,008,626	20.18%	3,728,626	25.35%
Vignatha Sajja	1,103,054	7.40%	383,054	0.00%
Aishwarya Kurra	807,513	5.42%	87,513	0.00%
HDFC Small Cap Fund	1,247,109	8.37%	1,227,393	8.34%
	10,031,244	**67.30%**	**10,535,528**	**68.42%**

e) Details of shares held by promoters as on 31.03.2023

Name of the promoters	As at 31st March 2023		% Change during the FY 2022-23
	No. of shares	% of total shares	
Sajja Kishore Babu	3,864,942	25.93	0.00
Lakshmi Sajja	3,008,626	20.18	(19.31)
Sajja Rohit	543,413	3.65	2,699.22
Sajja Vignatha	1,103,054	7.40	187.96
Aishwarya Kurra	807,513	5.42	822.73
Gogineni Babu	25,958	0.17	0.00
Sireesha Gogineni	3,360	0.02	0.00
Sekhar Gogineni	4,071	0.03	0.00
Sivarama Krishna Prasad Sajja	2,930	0.02	0.00
Subhashini Kanteti	2,520	0.02	0.00
Uma Devi Koyi	3,026	0.02	0.00
Sai Malleswara Rao Sajja	255	0.00	0.00
Power Mech Infra Limited	195,593	1.31	100.00

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Details of shares held by promoters as on 31.03.2022

Name of the promoters	As at 31st March 2022		% Change during the FY 2021-22
	No. of shares	% of total shares	
Sajja Kishore Babu	38,64,942	26.27	0.00
Sajja Kishore Babu (HUF)	12,44,000	8.46	0.00
Lakshmi Sajja	37,28,626	25.35	0.00
Sajja Rohit	19,413	0.13	0.00
Sajja Vignatha	3,83,054	2.60	0.00
Aishwarya Kurra	87,513	0.59	4.47
Gogineni Babu	25,958	0.18	0.00
Sireesha Gogineni	3,360	0.02	0.00
Sekhar Gogineni	4,071	0.03	0.00
Sivarama Krishna Prasad Sajja	2,930	0.02	(0.09)
Subhashini Kanteti	2,520	0.02	0.00
Uma Devi Koyi	3,026	0.02	(0.33)
Sai Malleswara Rao Sajja	255	-	0.00

f) Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:

No Bonus shares were issued by the parent company during the period of five immediately preceeding financial years.

g) No shares were issued by the parent company pursuant to a contract without payment being received in cash.

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OTHER EQUITY

Note No. 15

Securities Premium Reserve

Particulars	Amount
As at 31st March, 2021	160.93
Changes during the Year	-
As at 31st March, 2022	160.93
Add : Increase on account of Conversion of Loan into equity at a Premium of ₹.1,268.16 per share.	24.80
As at 31st March, 2023	185.73

General Reserve

Particulars	Amount
As at 31st March, 2021	37.00
Transfers during the Year	-
As at 31st March, 2022	37.00
Transfers during the Year	-
As at 31st March, 2023	37.00

Foreign Currency Translation Reserve Account

Particulars	Amount
As at 31st March, 2021	1.48
Changes during the Year	(1.71)
As at 31st March, 2022	(0.23)
Changes during the Year	(0.67)
As at 31st March, 2023	(0.90)

Retained Earnings

Particulars	Amount
As at 31st March, 2021	690.74
Add: Total comprehensive income for the year transferred from statement of profit and loss	140.16
Less: Appropriations	-
As at 31st March, 2022	830.90
Add: Total comprehensive income for the year transferred from statement of profit and loss	209.95
Less: Appropriations	
Final Dividend for the Financial year 2021-22 proposed & paid during the year	2.21
As at 31st March, 2023	1,038.64

Summary of Other Equity

Particulars	As at 31st March, 2023	As at 31st March, 2022
Securities Premium	185.73	160.93
General Reserve	37.00	37.00
Foreign Currency Translation Reserve Account	(0.90)	(0.23)
Retained Earnings	1,038.64	830.90
	1,260.47	1,028.60

Nature of reserves:

a) Securities premium

Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

b) General reserve

The general reserve is created by way of tranfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

c) Foreign currency Translation reserve

Exchange differences relating to the translation of the results and the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. INR) are recognised directly accumulated in the foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

d) Retained Earnings:

Retained earnings are the profits that the company has earned till date less transfers to general reserves and dividends paid to share holders.

Minority Interest

Note No. 16

Particulars	Amount
As at 31st March, 2021	3.53
Changes during the Year	(0.44)
Dividend paid	-
As at 31st March, 2022	3.09
Changes during the Year	(1.75)
Dividend paid	-
As at 31st March, 2023	1.34

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LONG TERM BORROWINGS

Note No.17

Particulars	Non-Current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
A. Secured				
i. Term Loans				
a) From Banks :				
i) Axis Bank	5.31	7.94	13.43	11.95
ii) HDFC Bank	0.70	0.95	1.32	2.06
iii) ICICI Bank	0.13	7.06	7.11	9.24
iv) Kotak Mahindra Bank	6.00	6.16	7.23	5.29
v) Yes Bank	-	0.31	0.31	0.34
vi) Bank of Baroda	1.98	-	1.27	-
vii) Emirates Islamic Bank	1.18	0.63	0.69	0.46
b) From Others :				
i) HDB Financial Services	3.92	4.35	4.55	3.34
ii) TATA Capital	2.52	6.43	6.11	12.49
iii) Mahindra Finance	0.19	1.13	1.21	2.34
iv) Al-Futtaim	0.12	-	0.11	-
Total (a)	**22.05**	**34.96**	**43.34**	**47.51**
B. Unsecured				
a) Deferred payment liabilities Due to suppliers on deferred credit basis	4.02	-	-	-
Total (b)	**4.02**	**-**	**-**	**-**
Total (a+b)	**26.07**	**34.96**	**43.34**	**47.51**

1) The term loans from banks and companies are secured by way of hypothecation of assets funded under the said facility. Further, in respect of loans availed by parent Company, the same were guaranteed by Managing Director and a Director in their personal capacities.

2) The above loans carries interest varies from 7.35 % to 12.50 %

3) The above loans are repayable in monthly/quarterly installments.

4) Maturity pattern of above term loans (non current) is as follows
Banks : 2024-25 - ₹. 10.51 ; 2025-26 - ₹. 4.39 ; 2026-27 - ₹.0.33 & 2027-28 - ₹. 0.08
Companies : 2024-25 - ₹. 5.82 & 2025-26 - ₹. 0.93

5) Registration, Modification and Satisfaction of charges relating to the new loans taken during the year, had been filed with the Registrar of Companies, within the prescribed time or within the extended time requiring the payment of additional fees except for the term loans sanctioned in parent Company bearing sanction amount of ₹.0.66 Cr and outstanding balance of ₹.0.65 Cr as at 31.03.2023 for which no charge was registered and term loans bearing sanction amount of ₹.0.27 Cr and outstanding balance of ₹.Nil as at 31.03.2023 for which no satisfaction of charge was filed by the parent company.

6) No defaults were made in repayment of above term loans

OTHER FINANCIAL LIABILITIES

Note No.18

Particulars	Non-Current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
a) Retention Money & Security deposits recovered from Sub-Contractors	86.76	80.31	25.05	15.46
b) Creditors for capital goods	-	-	0.82	0.79
c) Interest accrued and due	-	-	0.16	0.24
d) Interest accrued but not due	-	-	-	0.21
e) Unclaimed dividend	-	-	0.02	0.02
f) Employee related payments	-	-	64.50	63.80
g) Share application money refundable	-	-	0.11	0.11
h) Other Liabilities	-	-	43.59	46.34
	86.76	**80.31**	**134.25**	**126.97**
a) Lease liability as per Ind As 116 (Refer Note No. 51)	0.86	1.72	0.83	1.64
Total	**87.62**	**82.03**	**135.08**	**128.61**

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.

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PROVISIONS **Note No.19**

Particulars	Non-Current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	0.36	2.67	0.03	0.59
- Leave Encashment (Unfunded)	3.95	4.53	0.95	1.08
Total	**4.31**	**7.20**	**0.98**	**1.67**

EMPLOYEE BENEFITS

a. Defined contribution plans

The Group makes Provident Fund and Employees' State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. The Group recognised ₹. 29.11 Cr (Year ended March 31, 2022: ₹. 19.96 Cr) for provident fund contributions, and ₹. 3.81 Cr (Year ended March 31, 2022: ₹. 2.05 Cr) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

b. Defined benefit plans

The Group provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

(i) Balance Sheet

The assets, liabilities and surplus/(deficit) position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Present value of obligation	14.31	12.98
Fair Value of plan assets	13.92	9.72
(Asset)/Liability recognised in the Balance Sheet	**0.39**	**3.26**

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Plan Obligation	Plan Assets	Deficit/(Surplus)
As at March 31, 2021	**11.27**	**9.64**	**1.63**
Current service cost	3.01	-	3.01
Past service sot	-		-
Interest cost	0.75	-	0.75
Interest income	-	0.65	(0.65)
Actuarial gain arising from changes in experience adjustments	(0.49)	-	(0.49)
Actuarial gain arising from changes in financial assumptions	(0.78)	-	(0.78)
Contributions by employer	-	0.29	(0.29)
Benefit payments	(0.78)	(0.76)	(0.03)
Return on plan assets, excluding interest income	-	(0.11)	0.11
As at March 31, 2022	**12.98**	**9.72**	**3.26**
Current service cost	3.70	-	3.70
Past service sot	-		-
Interest cost	0.87	-	0.87
Interest income	-	0.84	(0.84)
Actuarial gain arising from changes in experience adjustments	(0.65)	-	(0.65)
Actuarial gain arising from changes in financial assumptions	(0.31)	-	(0.31)
Contributions by employer	-	5.77	(5.77)
Benefit payments	(2.28)	(2.28)	(0.00)
Return on plan assets, excluding interest income	-	(0.13)	0.13
As at March 31, 2023	**14.31**	**13.92**	**0.39**

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Employee Benefit Expenses		
Current service cost	3.70	3.01
Past service cost		-
Interest cost	0.87	0.75
Interest Income	(0.84)	(0.65)
Net impact on profit before tax	**3.73**	**3.11**
Remeasurement of the net defined benefit plans:		-
Actuarial gain arising from changes in Financial assumptions	(0.31)	(0.78)
Actuarial (gain)/loss arising from changes in Experience adjustments	(0.65)	(0.49)
Return on plan assets, excluding interest income	0.13	0.11
Net impact on other comprehensive income before tax	**(0.83)**	**(1.16)**

(iv) Assets

The major categories of plan assets as a % of the total plan assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Insurance policies	100%	100%

(v) Investment details

Particulars	As at 31st March, 2023	As at 31st March, 2022
Insurance Policies*	13.92	9.72

* insurance policies above represents plan assets maintained by the parent company with the Life Insurance Corporation of India

(vi) Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet date, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Discount rate	7.51%	7.34%
Salary escalation rate	3.00%	3.00%

(vii) Sensivity analysis

Significant acturial assumptions for the determination of the defined benefit obligation are discount rate,expected salary increase and employee turnover.The data sensivity analysis below have been determined based on the reasonably possible changes of the assumptions occuring 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, 2023
Salary Escalation - Up by 1%	16.42
Salary Escalation - Down by 1%	12.47
Withdrawal Rates - Up by 1%	15.16
Withdrawal Rates - Down by 1%	13.22
Discount Rates - Up by 1%	12.61
Discount Rates - Down by 1%	16.27
Mortality Rates - Up by 1%	14.30
Mortality Rates - Down by 1%	14.24

(viii) Maturity profile of defined benefit obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non current
Defined Benefit obligation	0.63	2.90	43.99

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DEFERRED TAX Note No.20

The following is the analysis of deferred tax (Assets)/Liabilities presented in the Balance Sheet

Particulars	Components	
	As at 31st March, 2023	As at 31st March, 2022
Liability:		
Towards depreciation	-	-
Asset:		
Disallowances under Income-tax	1.98	2.49
On account of Unabsored Losses	3.63	3.61
Towards depreciation	6.70	5.72
Total	**12.31**	**11.82**

Movement in Deferred Tax Assets/(Liabilities)

Component	As at 31st March, 2021	(Credit)/Charge to Statement of P&L	As at 31st March, 2022	Credit/(Charge) to Statement of P&L	As at 31st March, 2023
Deferred tax Liability/(Asset) in relation to:					
Depreciation	2.27	(3.44)	5.72	(0.98)	6.70
Expenses allowable under Income tax when paid	6.85	4.34	2.49	0.52	1.98
On account of unabsorbed losses	12.59	8.98	3.61	(0.02)	3.63
Total	**21.71**	**9.88**	**11.82**	**(0.48)**	**12.31**

OTHER LIABILITIES Note No.21

Particulars	Non-Current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
a) Mobilisation advances received from customers	72.90	67.56	145.26	93.60
b) Advances received from customers against supplies or works	-	-	22.40	19.08
c) Provision for Loss in Associate	16.31	9.10	-	-
d) Statutory Liabilities	-	-	67.94	74.65
e) Deferred government grants (Refer note 1 below)	0.45	0.49	-	-
Total	**89.66**	**77.15**	**235.60**	**187.33**

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 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.

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SHORT TERM BORROWINGS

Note No.22

Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Secured		
1. Loans repayable on demand :		
a) Working Capital Loans From Banks		
i) State Bank of India	86.45	82.95
ii) Standard Chartered Bank	-	12.00
iii) Axis Bank	-	3.03
iv) IDFC First Bank	12.55	35.55
v) Punjab National Bank	17.37	19.81
vi) Bank of India	19.91	20.87
vii) IndusInd Bank	4.27	0.25
viii) Uinion Bank of India	33.87	35.30
ix) Bank of Baroda	64.54	44.42
x) UCO Bank	44.77	49.94
xi) Central Bank of India	-	1.59
xii) Bandhan Bank	49.10	19.13
xiii) Fidelity Bank	-	19.06
xiv) Karnataka Bank	22.95	-
2) Current maturities of long-term debt (Refer Note no.17)	43.35	47.51
B. Un Secured		
1. Loans repayable on demand :		
a) Working Capital Loans from Banks		
i) Bank of Bahrain & Kuwait	48.80	49.85
2. Short term loans :		
i) Inter Corporate loan		
i) From AMR India Limited	1.13	0.93
ii) From Power Mech Infra Limited	-	50.00
Total	**449.06**	**492.19**

Note:

a) Working capital loans from all the banks are secured by way of first charge on entire current assets of the company on pari passu basis. Further these loans are secured by way of first charge on fixed assets both present and future,excluding those assets against which charge was given to equipment financiers.

The said loans are collaterally secured by way of equitable mortgage of immovable properties belonging to the company, Managing director, director and a firm.

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 7.97 % to 10.65 %.

e) Registration, Modification and Satisfaction of charges relating to the loans sancationed/renewed during the year under review, had been filed with the Registrar of Companies, within the prescribed time or within the extended time requiring the payment of additional fees.

f) The company has availed working capital facilities against security of current assets. The revised quarterly returns and statements comprising stock statements, payables and receivables (including retention and security deposit amounts) filed by the company with the banks subsequent to the quarterly review of accounts are in agreement with the unaudited books of the company of the respective quarters and no material discrepancies have been noticed.

g) The company has not declared as wilful defaulter by any of the bank or any other institution.

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TRADE PAYABLES

Note No.23

Particulars	As at 31st March, 2023	As at 31st March, 2022
Dues to : Small and Micro Enterprises	1.16	1.47
: Other than Small and Micro Enterprises (including Acceptances) *	747.91	537.85
Total	749.07	539.32

* Acceptances include arrangements where suppliers of goods and services are initially paid by banks/financiers

Ageing of Trade Payables as on 31.03.2023

Particulars	Outstanding for following periods from the date of transaction				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	1.10	0.02	0.04	-	1.16
(ii) others	621.61	53.96	27.59	44.75	747.91
(iii) Unbilled Dues	-	-	-	-	-
(iv) Disputed dues MSME	-	-	-	-	-
(v) Disputed dues others	-	-	-	-	-

Ageing of Trade Payables as on 31.03.2022

Particulars	Outstanding for following periods from the date of transaction				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	1.43	0.04	-	-	1.47
(ii) others	385.96	87.55	39.69	24.65	537.85
(iii) Unbilled Dues	-	-	-	-	-
(iv) Disputed dues MSME	-	-	-	-	-
(v) Disputed dues others	-	-	-	-	-

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

Based on and to the extent of information obtained available with the Group, with regard to the status of their suppliers under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT), on which the auditors have relied, the disclosure requirement with regard to the payment made/ due to Micro, Small and Medium Enterprises are given below.

Particulars	As at 31st March, 2023	As at 31st March, 2022
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	1.16	1.47
(b) Interest due there on	0.35	0.26
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date Interest there on in terms of Sec 16 of the Act	0.37	0.06
(b) Interest paid along with such payments during the year	0.02	0.00
(c) Interest due and payable at the end of the year on such payments made during the year.	0.24	-
3. Amount of Interest for the year u/s 16 of the Act accrued and remaining un-paid at the end of the year	0.11	0.04
4. Total amount of interest u/s 16 of the Act including that arising in earlier years, accrued and remaining unpaid at end of the year.	0.35	0.26

CURRENT INCOME-TAX(ASSETS)/LIABILITIES (NET)

Note No.24

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Income-tax	330.77	257.63
Less: Advance Income-tax and TDS	391.14	318.42
	(60.37)	(60.79)

Income-tax recognised in profit or loss

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Current Tax		
Tax expense in respect of current year Income	73.14	36.30
(Excess)/Short provision of current tax in earlier years	-	-
	73.14	36.30
Deferred Tax		
Deferred Tax Income in respect of Current year	(0.48)	9.88
MAT credit entitlement credit in respect of tax paid under provision of MAT	-	-
	(0.48)	9.88
Total tax expense recognised in statement of profit or loss	72.66	46.18

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REVENUE FROM OPERATIONS

Note No.25

PARTICULARS	Year ended 31st March, 2023	Year ended 31st March, 2022
Contract receipts:		
Income from contracts and services	3,600.44	2,709.30
Other operating revenue :		
Crane hire charges received	0.75	1.19
TOTAL	3,601.19	2,710.49

OTHER INCOME

Note No.26

PARTICULARS	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest from banks and others	8.33	6.73
Interest on unwinding portion of Rental Deposits (at amortized cost)	0.08	0.07
Rent received	1.39	0.26
Profit on sale of assets	0.24	0.23
Insurance claims received on Property plant and equipment damaged	1.38	-
Fair value gain on current investments	-	0.19
Gain on exchange fluctuations	2.48	9.78
Forex Gain on revaluation	3.05	-
Sale of Duty credit scrip and deferment of govt. grants	0.05	0.05
Interest on Income tax refund	0.00	0.00
TOTAL	17.00	17.31

COST OF MATERIALS CONSUMED

Note No.27

PARTICULARS	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening Stock	121.20	100.18
Add:Purchases	529.11	357.21
	650.31	457.39
Less : Closing Stock	114.13	121.20
TOTAL	536.18	336.19

CHANGES IN INVENTORIES OF WORK -IN- PROGRESS

Note No.28

PARTICULARS	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening work-in-progress	16.46	14.49
	16.46	14.49
Closing work-in-progress	33.21	16.46
	33.21	16.46
Increase / (Decrease) in Work-in-progress	16.75	1.97

CONTRACT EXECUTION EXPENSE

Note No.29

PARTICULARS	Year ended 31st March, 2023	Year ended 31st March, 2022
Sub-contract expenses	1,688.64	1,245.78
Radiography charges	17.31	15.78
Royalty Charges	175.77	179.23
Hire charges	40.40	43.18
Rent at Project sites	24.95	20.88
Power and fuel	6.34	5.34
Insurance	5.09	5.93
Vehicles movement and other freight expenses	25.91	27.27
Repairs and maintenance : Plant and machinery	20.55	13.64
Other assets	3.66	3.24
Fuel and vehicle maintenance	71.35	59.69
Travelling expenses at projects	12.85	13.12
Wages paid to contract labour	-	0.01
TOTAL	2,092.82	1,633.09

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EMPLOYEE BENEFIT EXPENSE

Note No.30

PARTICULARS	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries and Wages	463.35	364.03
Remuneration to managerial personnel	11.71	5.32
Contribution to provident and other funds	32.95	22.01
Staff welfare expenses	31.09	28.69
Contribution towards group gratuity	3.73	3.11
TOTAL	542.83	423.16

FINANCE COST

Note No.31

PARTICULARS	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest paid to banks and others	69.87	64.18
Bank charges and BG commission	11.19	9.56
Loan Processing charges	7.58	4.53
Interest on Income-tax	0.54	0.71
Exchange fluctuations on deferred credit payment	0.11	0.06
Finance cost on lease liability	0.25	0.43
TOTAL	89.54	79.47

DEPRECIATION AND AMORTISATION

Note No.32

PARTICULARS	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation	40.96	34.60
Amortisation	0.06	0.07
Depreciation on Right-to-use assets	1.89	2.23
TOTAL	42.91	36.90

Refer note no 3(d) given under Significant accounting policies for method of providing depreciation.

OTHER EXPENSE

Note No.33

PARTICULARS	Year ended 31st March, 2023	Year ended 31st March, 2022
Directors Sitting Fee	0.12	0.11
Payments to auditors		
Towards Statutory audit	0.23	0.18
Towards tax audit and taxation matters	0.02	0.01
Rates and taxes	4.72	6.00
Fair value gain on current investments	0.05	-
Miscellaneous expenses	29.89	18.69
Bad debts writtenoff	4.31	-
Less : Provision withdrawn	(2.15)	-
Provision towards doubtful debts and advances	4.13	4.28
CSR expenses	1.20	1.53
Loss on sale of assets	0.04	3.18
Loss on exchange fluctuations	(0.00)	0.04
TOTAL	42.56	34.02

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Categories of Financial instruments

Note: 34

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2023, 31st March, 2022 are as follows:

Particulars	Fair value		Carrying value	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Financial assets				
Measured at Amortised cost				
(i) Other financial assets	1,009.90	849.56	1,010.14	849.67
(ii) Loans and advances	4.88	5.74	4.87	5.74
Measured at FVTOCI				
(i) Investments in equity instruments and Mutual Funds	0.06	0.05	0.02	0.02
Measured at FVTPL				
(i) Investments in Mutual Funds	0.39	2.45	0.34	2.15
Measured at cost				
(i) Investment in Joint ventures & Associates	35.68	36.60	35.68	36.60
Total assets	1,050.91	894.40	1,051.05	894.18
Financial liabilities				
Measured at amortised cost				
(i) Borrowings (including current maturities of Long term borrowings)	69.42	82.47	69.42	82.47
(ii) Other financial liabilities	221.00	207.30	221.00	207.30
(iii) Lease liabilities	1.69	3.36	1.69	3.36
Total liabilities	292.11	293.13	292.11	293.13

Fair value hierarchy

Note: 35

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The categories used are as follows:
Level 1: Quoted prices for identified instruments in an active market.
Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data.

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.
Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.
Some of the Group's financial assets are measured at the fair value at the end of each reporting period.

The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique and other inputs used).

Financial Assets	Fair Value as at		Fair Value hierarchy	Valuation technique and key input
	31st March, 2023	31st March, 2022		
1) Investments in Quoted Mutual Funds	0.45	2.50	Level I	Quoted bid prices in an active market
2) Investments in Quoted Equity Instruments	0.00	0.00	Level I	Quoted bid prices in an active market

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and short term borrowings at carrying value because their carrying amounts approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of bank borrowings, other financial assets and financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

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Financial Risk Management

Note: 36

The group's business activities are exposed to a variety of financial risks namely credit risk, liquidity risk and foreign currency risk. The group's senior management has the overall responsibility for establishing and governing the group's risk management framework. The group's risk management policies are established to identify and analyse the risks faced by the group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of Directors of the group.

A. Credit Risk

Credit risk is the risk of financial loss to the group if a customer fails to meet its contractual obligation. Credit risk encompasses of both the direct risk of default and the risk of deterioration of credit worthiness. Credit risk is controlled by monitoring and interaction with the customers on a continous 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 public sector and accounts for more than 39% of its trade receivables. All trade receivables are reviewed and assessed for default on a monthly basis. On historical experience of collecting receivables credit risk is low.

The following table gives details in respect of dues from trade receivables including retentions and deposits and uncertified revenue.

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Turnover from top Customer	693.45	650.61
Dues from top customer	355.05	295.00
Turnover from other top 4 customers	1,314.07	547.57
Dues from other top 4 customers	244.14	32.91

Other financial assets

The group maintains exposure in cash and cash equivalents, term deposits with banks held as margin money against guarantees and retention money and security deposits with customers which are to be released on fulfillment of conditions as specified in the work orders.

The group's maximum exposure of credit risk as at March 31, 2023, March 31, 2022, is the carrying value of each class of financial assets.

B. Foreign currency risk management

Foreign currency risk is the risk that the Fair value or Future cashflows of an exposure will fluctuate due to changes in foreign currency rates. Exposures can arise on account of various assets and liabilities which are denominated in currencies other than Indian rupee. The Company has not entered in to any forward exchange contract to hedge against currency risk.

a) The group, in addition to its Indian operations, operates outside India through its project centres.

Particulars of Unhedged foreign currency exposures of Indian operations as at Balance sheet date:

(In ₹ Cr)

Particulars	Currency	As at 31st March, 2023	As at 31st March, 2022
Letter of Credit	USD	4.02	-

Since the group has not entered into any forward contracts, there is a risk of foreign currency fluctuations.

b) The Income and expenditure of the foreign projects are denominated in currencies other than Indian Currency. Accordingly the group enjoys natural hedge in respect of its assets and liabilities of foreign projects. The group's unhedged foreign currency exposure in respect of these project centres is limited to the uncovered amount, the particulars of which are given below.

(In ₹ Cr)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Net Foreign currency exposure in		
USD - US Dollars	10.11	9.35
SAR - Saudi Arabian Riyals	0.04	3.06
AED - Arab Emirates Dirham	32.49	19.08
BDT - Bangladeshi Taka	181.61	165.26
LYD - Libyan Dinars	1.47	1.22
OMR - Oman Riyals	4.24	5.30
Total	**229.96**	**203.27**

The unhedged exposures are naturally hedged by future foreign currency earnings and earnings linked to foreign currency.
The uncovered amount is subject to foreign currency fluctuations.

C. Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the group has availed credit limits with banks. The group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2023 and March 31, 2022. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The group regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits

The group is repaying its borrowings as per the schedule of repayment and no amount was pending for remittance beyond its due date.

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, 2023	As at 31st March, 2022
Equity	1,276.70	1,046.40
Short Term Borrowings	405.71	444.68
Long Term Borrowings (including Current maturities of Long term debt)	65.39	82.47
Cash and Cash Equivalents (including other bank balances)	(230.76)	(207.98)
Net Debt	**240.34**	**319.17**
Total Capital (Equity+Net Debt)	1,517.04	1,366.57
Gearing Ratio (Net Debt / Equity)	**18.82%**	**30.50%**

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Note	Particulars	31.03.2023	31.03.2022
37	**Contingent Liabilities and Commitments**		
A.	**Contingent Liabilities**		
	a) Claims against the Company not acknowledged as debts		
	VAT	1.80	1.80
	Goods & Service Tax (GST)	8.28	-
B.	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	4.24	2.17
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.	1,221.45	1,017.44
39	CIF value of Imports made by the Group during the year		
	a) Consumables & Spare parts	0.06	0.29
	b) Capital goods	4.61	2.71
40	**Earnings in foreign exchange currency**		
	a) Contract receipts (Projects executed outside India)		
	Abu Dhabi	119.52	84.39
	Bheramara	203.75	266.54
	Sharja	10.45	1.03
41	**Expenditure in foreign currency**		
	a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
	Abu Dhabi	105.87	79.16
	Bheramara	176.77	181.07
	Kuwait	0.49	0.17
	Shuqaiq	4.34	0.58
	Libya	0.02	-
	Sharja	7.56	1.04
	b) Foreign travel	0.05	0.01

42 **EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
a) Gross amount required to be spent by the parent Company during the year *	1.06	1.36
b) Amount spent during the year (Contribution paid to Power Mech Foundation/others)	1.20	1.53
c) Related party transactions in relation to Corporate Social Responsibility	1.18	1.41
d) Details of excess amount spent	0.14	0.17
e) Nature of CSR activities undertaken by the Company		
(i) Providing Education		
(ii) Promoting health care		
(iii) facilities for setting up home for Orphanages & Old-Age homes		

* In respect of other indian Companies in the group, the provisions of contribution to CSR under Section135 does not apply

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43 Enterprises consolidated as Subsidiaries in accordance with Indian Accounting Standard - 110 : Consolidated Financial Statements

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
Hydro Magus Private Limited	India	88.10%
Power Mech Industri Private Limited	India	99.99%
Power Mech Projects Limited LLC	Oman	70.00%
Power Mech BSCPL Consortium Private Limited	India	51.00%
Power Mech SSA Structures Private Limited	India	99.99%
Aashm Avenues Private Limited	India	99.99%
Power Mech Projects (BR) FZE	Nigeria	99.99%
Power Mech Environmental Protection Private Limited	India	99.99%
KBP Mining Private Limited	India	74.00%
Energy Advisory and Consulting Services Private Limited	India	99.99%

Enterprises consolidated as Joint ventures in accordance with Indian Accounting Standard - 28 : Investment in Associates and Joint Ventures

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest/Profit sharing
GTA Power Mech NIGERIA Limited	Nigeria	50.00%
GTA Power Mech DMCC	Dubai	50.00%
M/s. PMPL- M/s. ACPL JV	India	80.00%
PMPL-STS JV	India	74.00%
PMPL-KHILARI Consortium JV	India	75.00%
PMPL-SRC INFRA JV -Mizoram	India	74.00%
PMPL-SRC INFRA JV -Hassan	India	60.00%
PMPL-BRCC INFRA JV	India	70.00%
PMPL-KVRECPL Consortium JV	India	82.23%
PMPL-PIA JV	India	79.47%
POWER MECH-TAIKISHA JV	India	66.00%
RITES-PMPL JV	India	51.00%
M/s. SCPL-PMPL JV	India	20.00%

Enterprises consolidated as Associates in accordance with Indian Accounting Standard - 28 : Investment in Associates and Joint Ventures

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
MAS Power Mech Arabia (MASPA)	Saudi Arabia	49.00%

44 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries, Joint Ventures and Associate.

Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Power Mech Projects Limited	95.86%	1,223.96	101.22%	210.07
Subsidiaries				
Hydro Magus Private Limited	0.33%	4.24	(0.08%)	(0.17)
Power Mech Industri Private Limited	(0.17%)	(2.15)	0.29%	0.61
Power Mech SSA Structures Private Limited	0.00%	(0.01)	0.00%	(0.00)
Aashm Avenues Private Limited	0.00%	(0.01)	0.00%	(0.00)
Power Mech BSCPL Consortium Private Ltd	0.05%	0.65	0.00%	(0.00)
Power Mech Projects Limited LLC	(0.30%)	(3.79)	(1.94%)	(4.02)
Power Mech Projects (BR) FZE	2.62%	33.40	5.27%	10.94
Power Mech Environmental Protection Private Limited	0.00%	(0.01)	0.00%	(0.00)
KBP Mining Private Limited	0.00%	(0.00)	0.00%	(0.00)
Energy Advisory and Consulting Services Private Limited	0.00%	(0.00)	0.00%	(0.00)
Joint Venture				
M/s. PMPL- M/s. ACPL JV	0.11%	1.43	0.09%	0.18
PMPL-KHILARI Consortium JV	0.04%	0.50	0.04%	0.08
PMPL-STS JV	0.07%	0.90	0.04%	0.08
PMPL-SRC INFRA JV (MIZORAM)	0.09%	1.09	0.26%	0.54
PMPL-SRC INFRA JV (HASSAN)	0.00%	-	0.00%	-
PMPL-BRCC INFRA JV	0.00%	-	0.00%	-
PMPL-KVRECPL Consortium JV	0.00%	-	0.00%	-
PMPL-PIA JV	0.00%	-	0.00%	-
POWER MECH-TAIKISHA JV	0.00%	-	0.00%	-
RITES-PMPL JV	0.00%	-	0.00%	-
SCPL - PMPL JV	0.00%	-	0.00%	
GTA Power Mech NIGERIA Limited	(0.01%)	(0.17)	(0.00%)	(0.01)
GTA Power Mech DMCC	0.03%	0.44	(0.16%)	(0.34)
GTA Power Mech FZE	2.45%	31.32	(0.71%)	(1.47)
Associate				
MAS Power Mech Arabia (MASPA)	(1.28%)	(16.31)	(3.47%)	(7.20)
Share of Minority	0.10%	1.32	(0.84%)	(1.75)
	100%	1,276.80	100%	207.53

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ANNEXURE-A

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES,JOINT VENTURES AND ASSOCIATES AS PER COMPANIES ACT , 2013

Sr. No.	Name of Subsidiary Company / Joint Venture / Associate	Reporting Currency	Share Capital	Reserves & Surplus	Other Liabilities	Total Assets	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Other Comprehensive Income	Total Comprehensive Income	% of Shareholding
Subsidiaries													
1	Hydro Magus Private Limited	INR	0.21	8.09	7.26	15.57	0.45	(0.19)	(0.00)	(0.19)	-	(0.19)	88%
2	Power Mech Industri Private Limited	INR	0.02	(0.12)	37.70	37.59	24.18	0.65	0.10	0.55	0.06	0.61	100%
3	Power Mech BSCPL Consortium Private Limited	INR	0.01	1.28	81.34	82.64	-	(0.00)	-	(0.00)	-	(0.00)	51%
4	Power Mech SSA Structures Private Limited	INR	0.10	(0.01)	2.21	2.31	-	(0.00)	-	(0.00)	-	(0.00)	100%
5	Aashm Avenues Private Limited	INR	0.10	(0.01)	0.06	0.15	-	(0.00)	-	(0.00)	-	(0.00)	100%
6	Power Mech Environmental Protection Private Limited	INR	0.01	(0.01)	0.01	0.00	-	(0.00)	-	(0.00)	-	(0.00)	100%
7	KBP Mining Private Limited	INR	0.01	(0.01)	9.98	9.98	-	(0.00)	-	(0.00)	-	(0.00)	74%
8	Energy Advisory and Consulting Services Private Limited	INR	0.01	(0.00)	0.00	0.01	-	(0.00)	-	(0.00)	-	(0.00)	100%
9	Power Mech Projects (BR) FZE	NGN	3.60	188.25	138.89	330.74	360.15	65.02	-	65.02		65.02	100%
10	Power Mech Projects Limited LLC	Oman Rials	0.03	(0.03)	0.01	0.00	0.00	(0.03)	-	-0.03		(0.03)	70%
Joint ventures													
1.00	M/s. PMPL - M/s. ACPL JV (Capital Introduced Nil)	INR	-	1.81	4.83	6.64	26.76	0.35	0.13	0.22	-	0.22	0.80
2.00	PMPL-STS JV (Capital introduced Nil)	INR	-	1.22	35.38	36.60	15.11	0.18	0.07	0.11	-	0.11	0.74
3.00	PMPL-KHILARI Consortium JV (Capital introduced Nil)	INR	-	0.67	23.45	24.12	17.09	0.16	0.06	0.10	-	0.10	0.75
4.00	PMPL - SRC INFRA JV (MIZORAM) (Capital introduced Nil)	INR	-	2.70	21.55	24.24	117.47	1.16	0.43	0.73	-	0.73	0.74
5.00	PMPL - SRC INFRA JV (HASSAN) (Capital introduced Nil)	INR	-			-				-	-	-	0.60
6.00	PMPL-BRCC INFRA JV (Capital Introduced Nil)	INR	-	0.00	283.61	283.61	675.77	0.00	0.00	0.00	-	0.00	0.70
7.00	PMPL-KVRECPL Consortium JV (Capital introduced Nil)	INR	-	(0.04)	1.86	1.82	12.58	(0.05)	(0.01)	(0.04)	-	(0.04)	0.82
8.00	PMPL-PIA JV (Capital introduced Nil)	INR	-	0.27	19.68	19.95	48.39	0.36	0.09	0.27	-	0.27	0.79
9.00	POWER MECH-TAIKISHA JV (Capital Introduced Nil)	INR	-	-	5.25	5.25	5.05	-	-	-	-	-	0.66
###	RITES-PMPL JV (Capital introduced Nil)	INR	-	-	1.40	1.40	8.21	-	-	-	-	-	0.51
###	SCPL-PMPL JV	INR	-	-	5.51	5.51	25.42	-	-	-	-	-	0.20
###	GTA Power Mech NIGERIA Limited	NGN	3.00	(2.25)	0.93	1.67	-	(0.10)	-	(0.10)	-	(0.10)	0.50
###	GTA Power Mech DMCC	AED	0.01	0.04	0.01	0.05	0.04	(0.03)	-	(0.03)	-	(0.03)	0.50
Associates													
1.00	MAS Power Mech Arabia (MASPA)	SAR	0.25	(1.60)	2.31	0.95	(0.45)	(0.67)	-	(0.67)		(0.67)	0.49

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45 **Particulars disclosed pursuant to AS-18 "Related party transactions"**

A)

i) Key Managerial personnel	- S. Kishore Babu , Chairman and Managing director of Power Mech Projects Limited
ii) Relatives of Key Managerial personnel	- S. Lakshmi - W/o S.Kishore Babu - S. Rohit s/o S.Kishore Babu - S. Kishore Babu (HUF) - S. Vignatha D/o S.Kishore Babu
iii) Companies/Firms controlled by KMP/Relatives of KMP	Power Mech Infra Limited Bombay Avenue Developers Private Limited Power Mech Foundation Lakshmi Agro Farms Vaishno infra services Vignatha Solar Private Limited

B) Transactions with related parties

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP
i) Rent & Electricity Charges Paid				
a)	S. Kishore Babu	0.23 (0.18)		
b)	S. Lakshmi		0.16 (0.16)	
c)	S. Kishore Babu (HUF)		0.02 (0.09)	
d)	S.Vignata		0.12 (0.12)	
e)	Power Mech Infra Limited			1.84 (1.96)
f)	Power Mech foundation			0.01 -
ii) Remuneration Paid				
a)	S. Kishore Babu	11.71 (5.32)		
b)	S.Rohit		0.36 (0.36)	
c)	Ajay Kumar	- (0.05)		
iii) Amount paid twoards Corporate Social Responsibility (CSR)				
a)	Power Mech Foundation			1.18 (1.41)
Interest paid				
a)	Power Mech Infra Limited			2.57 -
Loans Repaid				
a)	Power Mech Infra Limited			25.00 -
Fresh issue of equity shares by way of conversion of Unsecured Loan				
a)	Power Mech Infra Limited			25.00 -

C) Balances outstanding as on 31.03.2023

i)	Due to Power Mech Infra Limited			1.24 (1.85)
	Due to Power Mech Infra Limited			- (50.00)
	Rental Deposit with Power Mech Infra Limited			0.89 (0.89)
	Due to Power Mech Infra Limited			0.07 (0.07)
ii)	**Remuneration Payable** S. Kishore Babu	2.95 (1.10)		
	S. Rohit		0.07 (0.07)	
	Ajay Kumar	0.00 (0.00)		
iii)	**Rent Payable** S. Kishore Babu	0.04 (0.04)		
	S. Lakshmi		0.01 (0.02)	
	S. Kishore Babu (HUF)		- (0.02)	
	S.Vignatha		0.01 (0.02)	
	Power Mech foundation		0.01 -	

46 In the opinion of the management, current assets, loans and advances have a value on realization in the ordinary course of business equal to the value at which they are stated. Balances in some of the parties account are subject to confirmation and reconciliation.

47 **Segment reporting:**

Business Segment : The group 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 2022-23	Segment Assets as on 31.03.2023	Captial Expenditure for the year 2022-23
With in India	3,204.65	2,665.72	50.45
(Previous year)	(2,344.03)	(2,233.23)	(38.81)
Outside India	396.53	388.43	3.20
(Previous year)	(366.46)	(363.64)	(5.02)

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48 Key Financial Ratios

Particulars	Numerator	Denominator	Unit of Measurement	FY 2022-23	FY 2021-22	Variation in %
Current Ratio	Current Assets	Current Liabilities	No.of times	1.58	1.53	3%
Debt-Equity Ratio *	Total Debt	Shareholder's Equity	No.of times	0.37	0.51	-36%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	No.of times	2.56	2.01	21%
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	%	18%	14%	20%
Inventory Turnover Ratio #	Cost of Goods sold	Average Inventory	No.of times	3.88	2.68	31%
Trade receivables Turnover Ratio	Net Credit Sales	Avg. Accounts Receivable	No.of times	4.62	4.52	2%
Trade payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	No.of times	3.47	3.08	11%
Net Capital Turnover Ratio	Net Sales	Working Capital	No.of times	3.95	3.81	3%
Net Profit Ratio	Net Profit	Net Sales	%	6%	5%	11%
Return on Capital Employed	Earning before interest and taxes	Capital Employed	%	21%	17%	20%
Return on Investment						
(a) Return on Mutual funds	Income during the year	Time weighted average of investments	%	0%	8%	0%

* The debt equity ratio has been improved on account of repayment of debt during the current financial year and increase in shareholders equity of the Company.
# Inventory Turnover ratio has been increase primarily due to increase in revenue thereby increase in material consumption during the current financial year.

49 Calculation of Earnings per Share:

Sl.No	Particulars	2022-23	2021-22
1)	Basic and Diluted Earning per share		
	No. of shares at the beginning of the year	1,47,10,764	1,47,10,764
	Weighted average number of shares	1,49,06,357	1,47,10,764
	Face value per share (in ₹)	10.00	10.00
	Profit after tax attributable to equity share holders and after minority interest	209.11	138.99
	Basic and Diluted Earning per share (in ₹)	**141.26**	**94.48**

50 Leases

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) The following is the breakup of current and non-current lease liabilities		
Current liabilities	0.83	1.64
Non-current liabilities	0.86	1.72
Total	**1.69**	**3.36**
(ii) The following is the movement of lease liabilities		
Balance at the Opening/Transition date	3.36	5.27
Additions during the year	0.39	0.31
Finance cost accrued during the year	0.25	0.43
Payment of lease liabilities during the year	(2.31)	(2.65)
Balance at the end	**1.69**	**3.36**
(iii) Maturity analysis of lease liabilities		
Less than one year	0.83	1.64
One to five years	0.86	1.72
More than five years	-	-
Total	**1.69**	**3.36**

(iv) The impact of change in accounting policy on account of adoption of Ind AS 116 is as follows

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities (Refer Note 31)	0.25	0.43
Depreciation of Right-of-use assets (Refer Note 4.2)	1.89	2.23
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	2.31	2.65

(v) The impact on the profit for the year is not material.

51 Disclosure pursuant to Ind AS 115 " Revenue from contracts with customers "

a) Movement in expected credit losses :

Particulars	Retention money & security deposits with customers	Advances given to sub contractors against works
Opening balance as at 01.04.2022	10.15	1.22
Changes in allowance for expected credit loss		
- Provision for expected credit loss	1.18	2.94
- Reversal of Provision for expected credit loss	(2.15)	-
Closing balance as at 31.03.2023	**9.18**	**4.16**

b) Movement in contract balances :

Particulars	31.03.2023	31.03.2022	Net Increase/Decrease
Contract Receivables			
Dues from customers	893.51	666.57	226.94
Contract assets			
Retention & SD amounts due from customers	341.28	312.89	28.39
Contract payables			
Due to Sub Contractors	435.81	345.88	89.93
Contract Liabilities			
Retention & SD amount due to Sub Contractors	111.81	95.77	16.04

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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 ₹. 23,027 Cr which will be recognized as revenue over the respective project durations Generally the project duration of contracts with customers will be 1-25 years.

52 Dividend:

The board of Directors of the parent Company at its meeting held on 26.05.2023 have recommended a dividend of ₹. 2.00/- each per share of face value of ₹. 10/- each for the financial year ended 31st March, 2023. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as a liability.

53 Other disclosures: Additional regulatory and other information as required by the Schedule III to the Companies Act 2013

(a) Relationship with Struck off Companies

The Companies in the group did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the group.

(b) Compliance with number of layers of Companies

The Company do not have any parent company and accordingly, compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable for the year under consideration.

(c) Scheme of arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

(d) Advance or loan or investment to intermediaries and receipt of funds from intermediaries

The Companies in the group have not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Companies in the group have also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(e) Undisclosed Income

The companies in the group do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

(f) Details of Crypto Currency or Virtual Currency

The companies in the group did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

54 The Income-Tax Department had carried out a search operation at the parent Company's various business premises, under Section 132 of the Income-tax Act, 1961 in the month of July, 2022. The Company has extended full cooperation to the Income-tax officials during the search and provided all the information sought by them. As on the date of issuance of these financial results, the Company has not received any formal communication or notices for filing returns of income from the Income-tax department. Management is of the view that this will not have any impact on the Company's financial position as at March 31, 2023 and the performance for the year ended on that date and hence no provision for any liability has been recognized in the Standalone financial results.

55 Previous year figures have been regrouped wherever necessary to conform to current year classification.

As per our report of even date
For K S RAO & CO
Chartered Accountants
Firm's Registration Number: 003109S

K.S RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528
UDIN: 23235528BGSAQA7596

Place: Hyderabad
Date: 26.05.2023

J Satish
CFO

For and on behalf of the Board

S.Kishore Babu
Chairman and Managing Director
DIN (00971313)

Power Mech Projects Limited Hyderabad

Mohith Kumar Khandelwal
Company Secretary

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 ventures and associates comprising of the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and other financial information of overseas subsidiaries, Joint Ventures and Associates which have not been audited, the accompanying Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of affairs of the Group and its JV and associate as at March 31, 2022 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.

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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.	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.

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	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.	• 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.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, Business Responsibility Report, Management discussion and analysis, Corporate Governance, Shareholder's Information etc., but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information, which is not available to us as on the date of this report. In the absence of the said other information, we are unable to comment upon whether the other information is materially misstated or not.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its JV and associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of directors of the companies included in the Group and of its JV and associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for

K.S. RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

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

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statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its JV and associate to cease to continue as a going concern.

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

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

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

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

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

Other Matters

a) The accompanying financial statements includes the financial results of 2 overseas subsidiaries, 2 overseas Joint Ventures and 1 subsidiary of one of JV whose financial statements have not been audited by their auditors.

   These statements also include financial results of 7 Indian subsidiary companies and 8 Indian Joint Ventures which have been audited by other auditors.

   Also, these Consolidated financial statements include the financials results of 1 foreign associate whose financial statements have not been audited by their auditors.

b) (i) The Consolidated financial statements include total assets of Rs. 72.61 crore as at 31st March, 2022 and total revenues of Rs. 78.78 crore, total profit after tax of Rs. 16.52 crore, total comprehensive income of Rs. 14.87 crore for the year ended 31st March, 2022 of 2 overseas subsidiaries which have not been audited by their auditors.

   (ii) The consolidated financial statements also include groups share of net loss of Rs. 2.93 crore and total comprehensive loss of Rs. 2.93 crore for the year ended 31st March, 2022 in respect of 2 overseas joint ventures and 1 subsidiary of one of JV which have not been audited by their auditors.

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c) (i) The consolidated financial statements also include total assets of Rs. 61.61 crore as at 31st march, 2022, total revenues of Rs. 23.31 crore, total net loss after tax Rs. 1.11 crore and total comprehensive loss Rs. 1.20 crore for the year ended 31st March, 2022 in respect of 7 Indian subsidiary companies which have been audited by other auditors.

(ii) The consolidated financial statements also include groups share of net profit after tax of Rs. 0.99 crore and total comprehensive income of Rs. 0.99 crore for the year ended 31st March, 2022 in respect of 8 Indian Joint Ventures which have been audited by other auditors.

d) These consolidated financial statements also include groups share of net loss after tax of Rs. 0.34 crore and total comprehensive loss of Rs. 0.34 crore for the year ended 31st March, 2022 in respect of 1 foreign associate which has not been audited by their auditors.

These unaudited financial statements in respect of 2 overseas subsidiaries, 2 overseas Joint Ventures and 1 overseas associate have been furnished to us by the management and our opinion on the statement in so far as it related to the amounts and disclosures is based solely on such unaudited financial statements. In our opinion and according to the information and explanations furnished to us by the board of directors, this financial information is not material to the group.

In respect of subsidiaries, associates and joint ventures which are located outside India, the annual financial statements which have not been audited by their auditors have been prepared and certified by the management under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such companies located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have verified these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and Joint ventures is based on the statements prepared by the management and conversion adjustments made by the management of the Holding Company and verified by us. Our opinion is not modified in respect of this matter.

Our opinion on the consolidated financial statement and our report on the other legal and regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements and other financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiaries, JV and associate as noted in the "Other matter" paragraph, we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated

K.S. RAO & CO VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

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, 2022 taken on record by the Board of Directors of the holding company and reports of other auditors, none of the directors of the Group, Joint Ventures incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the Holding company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of those companies for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding company and its Indian subsidiaries in the group to its directors during the year is in accordance with the provisions of section 197 of the Act.

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.

iv. (a) The Management of the Parent Company has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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(b) The Management of the Parent Company has represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend was declared by the Parent company during the financial year 2021-22 relating to the final dividend for the previous financial year or interim dividend for the current financial year.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Parent Company and a subsidiary and the CARO reports issued by other auditors for the subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For K.S. Rao & Co
Chartered Accountants
(Firm Registration No. 003109S)

K.S. RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 21.5.2022
UDIN: **22235528AJJJXS9037**

Gopikrishna Chowdary Manchinella
Partner
Membership No. 235528

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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, 2022, we have audited the internal financial controls over financial reporting of POWER MECH PROJECTS LIMITED ("the holding company"), its subsidiary companies incorporated in India as on that date.

Management's Responsibility for Internal Financial Controls

The respective board of directors of the holding company and its Indian subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its Indian subsidiaries based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of Indian subsidiary is sufficient and appropriate to provide a basis for our audit opinion on the Company's and its Indian subsidiaries internal financial controls system over financial reporting.

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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 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report u/s 143(1)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it related to Indian subsidiaries is based on the report of the other auditors.

For K.S. Rao & Co
Chartered Accountants
(Firm Registration No. 003109S)

K.S. RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 21.5.2022
UDIN: **22235528AJJJXS9037**

Gopikrishna Chowdary Manchinella
Partner
Membership No. 235528

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POWER MECH PROJECTS LIMITED
HYDERABAD

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

Consolidated Balance Sheet as at 31st March, 2022

		Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
		Assets			
1		**Non-Current Assets**			
	(a)	Property, Plant and Equipment	4.1	172.47	164.91
	(b)	Right-of-use assets	4.2	5.50	7.17
	(c)	Capital Work-in-progress	5	2.38	5.32
	(d)	Intangible Assets	6	2.51	2.57
	(e)	Financial Assets			
		(i) Investments	7.1	36.65	38.58
		(ii) Loans	8	-	-
		(iii) Other financial assets	9	304.27	257.34
	(f)	Deferred Tax Asset (Net)	20	11.82	21.71
	(g)	Other Non-current assets	10	1.32	2.13
		Total Non-Current assets		**536.92**	**499.73**
2		**Current Assets**			
	(a)	Inventories	11	137.66	114.67
	(b)	Financial Assets			
		(i) Investments	7.2	2.45	2.36
		(ii) Trade Receivables	12	666.57	533.51
		(iii) Cash and cash equivalents	13	73.49	13.75
		(iv) Other Bank Balances	13	76.65	50.69
		(v) Loans	8	5.74	5.72
		(vi) Other Financial Assets	9	545.29	563.57
	(c)	Other Current assets	10	491.72	448.91
	(d)	Current tax Assets (Net)	24	60.79	36.73
		Total Current assets		**2,060.36**	**1,769.91**
		Total Assets		**2,597.28**	**2,269.64**
		EQUITY AND LIABILITIES			
1		**Equity**			
	(a)	Equity Share Capital	14	14.71	14.71
	(b)	Other Equity	15	1,028.60	890.15
				1,043.31	**904.86**
2		Non-Controlling Interests	16	3.09	3.53
		Liabilities			
3		**Non-current liabilities**			
	(a)	Financial Liabilities			
		(i) Long-term borrowings	17	34.96	15.86
		(ii) Lease liabilities	18	1.72	2.74
		(iii) Other financial liabilities	18	80.31	71.63
	(b)	Provisions	19	7.20	4.83
	(c)	Deferred Tax Liabilities (Net)	20	-	-
	(c)	Other non-current liabilities	21	77.15	31.74
		Total Non-Current liabilities		**201.34**	**126.80**
4		**Current liabilities**			
	(a)	Financial Liabilities			
		(i) Short-term borrowings	22	492.19	493.46
		(ii) Lease liabilities	18	1.64	2.53
		(iii) Trade payables	23		
		a) Total outstanding dues of micro enterprises and small enterprises		1.47	0.11
		b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		537.85	512.50
		(iv) Other financial liabilities	18	126.99	115.65
	(b)	Other current liabilities	21	187.73	108.89
	(c)	Provisions	19	1.67	1.31
	(d)	Current tax Liabilities (Net)	24	-	-
		Total Current liabilities		**1,349.54**	**1,234.45**
		Total Liabilities		**1,550.88**	**1,361.25**
		Total Equity and Liabilities		**2,597.28**	**2,269.64**

Corporate Information	1
Basis of Preparation and Significant Accounting Policies	2-3

The accompanying notes 34-55 form an integral part of the financial statements.

As per our report of even date.
For K.S. RAO & CO
Chartered Accountants
Firm's Registration Number: 003109S

(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528
UDIN: 22235528AJJJXS9037

For and on behalf of the Board

S.Kishore Babu
Chairman and Managing Director
DIN: 00971313

J Satish
CFO

Mohith Kumar Khandelwal
Company Secretary

Place: Hyderabad
Date: 21.05.2022

POWER MECH PROJECTS LIMITED
HYDERABAD

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

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2022

	Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
I	Revenue from Operations	25	2,710.49	1,884.08
II	Other Income	26	17.31	16.33
III	**Total Income (I+II)**		**2,727.80**	**1,900.41**
IV	Expenses			
	Cost of Material Consumed	27	336.19	264.05
	(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	28	(1.97)	6.21
	Contract Execution expenses	29	1,633.09	1,223.72
	Employee benefits expense	30	423.16	322.22
	Finance Costs	31	79.47	79.27
	Depreciation and Amortization expense	32	36.90	35.76
	Other expenses	33	34.02	26.04
	Total Expenses (IV)		**2,540.86**	**1,957.27**
V	**Profit/(Loss) before share of profit/(Loss) from Joint Venture, exceptional items and tax (III-IV)**		**186.94**	**(56.86)**
VI	Share of Loss from Joint Venture		(2.27)	(3.09)
VII	**Profit/(Loss) before exceptional items and tax (V+VI)**		**184.67**	**(59.95)**
VIII	Exceptional Items		-	-
IX	**Profit/(Loss) before tax (VII-VIII)**		**184.67**	**(59.95)**
X	**Tax Expense:**			
	Current tax		36.30	2.15
	Deferred tax		9.88	(13.49)
XI	**Profit/(Loss) for the year (IX-X)**		**138.49**	**(48.61)**
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	0.02
	b) Remeasurement of defined employee benefit plans		1.16	1.37
	B. Items that will be re-classified to profit and Loss account			
	a) Exchange fluctuations on revaluation of foreign operations		(1.65)	(0.69)
XIII	**Total Comprehensive Income/(Loss) for the year (XI+XII)**		**138.01**	**(47.91)**
	Profit/(Loss) for the year before Other Comprehensive Income		**138.49**	**(48.61)**
	Attributable to			
	Equity holders of the parent		138.99	(45.64)
	Non-Controlling Interests		(0.50)	(2.97)
	Total Comprehensive Income/(Loss) for the year		**138.01**	**(47.91)**
	Attributable to			
	Equity holders of the parent		138.45	(44.82)
	Non-Controlling Interests		(0.44)	(3.09)
XIV	Earnings per Share - Basic and Diluted		94.48	(31.02)

Corporate Information	1
Basis of Preparation and Significant Accounting Policies	2-3

The accompanying notes 34-55 form an integral part of the financial statements.

As per our report of even date
For K.S. RAO & CO
Chartered Accountants
Firm's Registration Number: 003109S

K.S. RAO & CO. HYDERABAD INDIA CHARTERED ACCOUNTANTS

(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528
UDIN: 22235528AJJJXS9037

For and on behalf of the Board

S.Kishore Babu
Chairman and Managing Director
DIN: 00971313

Power Mech Projects Limited Hyderabad

J Satish
CFO

Mohith Kumar Khandelwal
Company Secretary

Place: Hyderabad
Date: 21.05.2022

POWER MECH PROJECTS LIMITED
HYDERABAD

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

Consolidated Cash Flow Statement for the Year ended 31st Mar, 2022

PARTICULARS		2021-22	2020-21
I. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		184.67	(59.95)
Add/Less: Adjustments for :			
Depreciation		36.90	35.76
FCTR Movement		(1.65)	(0.69)
Interest and Finance charges		78.77	79.25
Interest on Income Tax		0.71	0.02
Loss on sale of assets		3.18	0.36
Fair value gain on current investments		(0.19)	(0.11)
Net gain arising on financial assets measured at FVTPL		(0.07)	(0.05)
Interest income (excluding interest on rental deposit)		(6.73)	(6.52)
Amortisation of Deferred Government grants		(0.05)	(0.12)
Profit on sale of assets		(0.23)	(0.46)
Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income		1.16	1.37
Share of Profit/(Loss) from Joint Venture		2.27	3.09
Operating profit before working capital changes		298.74	51.95
Movements in Working Capital			
Adjustments for (increase)/decrease in operating assets:			
- Trade Receivables		(132.99)	8.25
- Inventories		(22.99)	11.66
- Other Assets		(80.16)	95.31
Adjustments for increase/(decrease) in operating liabilities:			
- Trade Payables		26.70	(65.26)
- Other Liabilities and Provisions		146.54	46.51
Cash generated from operations		235.84	148.42
Less: Direct taxes paid		(61.19)	(26.21)
Net cash from Operating activities	**(A)**	**174.65**	**122.21**
II. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(43.83)	(26.91)
Proceeds from sale of fixed assets		4.00	2.02
Investment in Mutual Funds		(0.02)	(2.25)
Margin money deposits with banks and other balances		(18.64)	(26.18)
Interest received (Excl interest on rental deposit)		6.73	6.52
Net cash (used) in Investing activities	**(B)**	**(51.76)**	**(46.80)**
III. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from/(Repayment of) borrowings		17.84	(7.18)
Interest and Finance charges paid		(78.34)	(78.65)
Lease rent paid		(2.65)	(2.51)
Dividend paid		-	(2.96)
Net cash (used) in financing activities	**(C)**	**(63.15)**	**(91.30)**
Net Increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**59.74**	**(15.89)**
Cash and cash equivalents at the beginning of the period		13.75	29.64
Cash and cash equivalents at the end of the period		73.49	13.75
Net Increase/(Decrease) in cash and cash equivalents		**59.74**	**(15.89)**

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	2021-22	2020-21
Cash on hand	1.47	1.65
In Current accounts	71.00	12.04
Deposits having maturity period for less than 3months	1.02	0.06
Total	**73.49**	**13.75**

Reconcilation of Changes in Liability arising from Financing activities for the year ending 31/03/2022

Particulars	Opening	Ind As 116 adoption	Cash flows	Non-Cash changes	Net cash flow	Closing
Long term borrowings	55.79	-	-	0.06	26.62	82.47
Short term borrowings	453.54	-	-	-	(8.86)	444.68
Lease Libilities (Refer Note no. 51)	5.27	0.31	(2.65)	0.43	(2.21)	3.36

Reconcilation of Changes in Liability arising from Financing activities for the year ending 31/03/2021

Particulars	Opening	Ind As 116 adoption	Cash flows	Non-Cash changes	Net cash flow	Closing
Long term borrowings	90.89	-	-	0.08	(35.18)	55.79
Short term borrowings	425.60	-	-	-	27.94	453.54
Lease Libilities (Refer Note no. 51)	6.96	0.33	(2.63)	0.61	(2.02)	5.27

Corporate Information	1
Basis of Preparation and Significant Accounting Policies	2-3

The accompanying notes 34-55 form an integral part of the financial statements.

As per our report of even date
For K.S. RAO & CO
Chartered Accountants
Firm's Registration Number: 003109S

(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528
UDIN: 22235528AJJJXS9037

Place: Hyderabad
Date: 21.05.2022

For and on behalf of the Board

S.Kishore Babu
Chairman and Managing Director
DIN: 00971313

J Satish
CFO

Mohith Kumar Khandelwal
Company Secretary

POWER MECH PROJECTS LIMITED
HYDERABAD

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

Consolidated Statement of Changes in Equity for the year ended 31.03.2022

A. Equity share capital

Particulars	No's	Total
As at 31st March, 2020	1,47,10,764	14.71
Changes in equity during the year	-	-
As at 31st March, 2021	1,47,10,764	14.71
Changes in equity during the year	-	-
As at 31st March, 2022	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 2020	160.93	37.00	2.05	733.79	0.00	2.67	936.44
Loss for the year attributable to equity share holders of parent	-	-	-	(45.64)	0.02	1.37	(44.25)
Other Comprehensive loss	-	-	(0.57)	-	-	-	(0.57)
Total Comprehensive Loss for the year	-	-	(0.57)	(45.64)	0.02	1.37	(44.82)
Less : Appropriations							
Final Dividend for the Financial year 2019-20 proposed & paid during the year	-	-	-	1.47	-	-	1.47
Balance at the end of reporting period - 31st March 2021	160.93	37.00	1.48	686.68	0.02	4.04	890.15
Profit for the year attributable to equity share holders of parent	-	-	-	138.99	0.01	1.16	140.16
Other Comprehensive loss	-	-	(1.71)				(1.71)
Total Comprehensive income for the year	-	-	(1.71)	138.99	0.01	1.16	138.45
Less : Appropriations	-	-	-	-	-	-	-
Balance at the end of reporting period - 31st March 2022	160.93	37.00	(0.23)	825.67	0.03	5.20	1,028.60

Corporate Information 1
Basis of Preparation and Significant Accounting Policies 2-3
The accompanying notes 34-55 form an integral part of the financial statements.

As per our report of even date
For K.S. RAO & CO
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Firm's Registration Number: 003109S

(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528
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Place: Hyderabad
Date: 21.05.2022

K.S RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

J Satish
CFO

Power Mech Projects Limited Hyderabad

For and on behalf of the Board

S.Kishore Babu
Chairman and Managing Director
DIN: 00971313

Mohith Kumar Khandelwal
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

Note No.1 GROUP INFORMATION

The consolidated financial statements comprise financial statements of Power Mech Projects Limited (the parent) and its subsidiaries (collectively referred to as "Group") and includes share of profit from its joint venturers and associate.

The parent company Power Mech Projects Limited is incorporated in the year 1999 and is an engineering and construction company providing integrated service in erection, testing and commissioning (ETC) of boilers, turbines and generators and balance of plant (BOP), civil works and operation and maintenance (O&M). The company is also undertaking railway projects and executing major railway project of doubling of tracks including electrification, signalling, culverts, platforms etc. and transmission and distribution portfolio, a new venture of diversification and the company has already undertaken some major projects. Thus, Power Mech is proud to be a vital part of India's Power generation capacity augmentation. Also, the company as a part of diversifying its operations, had entered into development and operation of coal mines.

The company, its subsidiaries and its joint venture and associate considered in the consolidated financial statements are:

a) Subsidiaries:

Name of the company	Country of incorporation	Principal activities	Year ended (% of holding)	
			31.03.2022	31.03.2021
Hydro Magus Private Limited	India	Maintenance contracts	88%	88%
Power Mech Industri Private Limited	India	Manufacture of spare parts	100%	100%
Power Mech BSCPL Consortium Private Limited	India	Infrastructure development	51%	51%
Power Mech SSA Structures Private Limited	India	Infrastructure development	100%	100%
Aashm Avenues Private Limited	India	Infrastructure development	100%	100%
Power Mech Environmental Protection Private Limited	India	Recycling of wastes generated by various industries and commercial establishments	100%	100%
Energy Advisory and Consulting Services Private Limited	India	Advisory and Consulting services to various energy generation companies/ power plants/ power transmitters	100%	-
KBP Mining Private Limited	India	Exploring, design & engineering, developing, operating and working on mines	76%	-

Power Mech Projects LLC	Oman	Installation and repair of electric power and transformer plants	70%	70%
Power Mech Projects (BR) FZE	Nizeria	Infrastructure development	100%	100%

b) Joint Venture:

Name of the company	Country of incorporation	Principal activities	Year ended	
			31.03.2022	31.03.2021
M/s. Power Mech – M/s. ACPL JV	India	Construction works	80%	80%
Power Mech – Khilari Consortium JV	India	Construction works	75%	75%
Power Mech – STS JV	India	Construction works	74%	74%
PMPL – SRC INFRA JV – Mizoram	India	Construction works	74%	74%
PMPL – SRC INFRA JV – Hassan	India	Construction works	60%	60%
PMPL – BRCC INFRA JV	India	Construction works	70%	70%
PMPL-KVRECPL Consortium JV	India	Construction works	82%	-
PMPL-PIA JV	India	Construction works	79%	-
GTA Power Mech Nigeria Limited	Nigeria	Turbine repair	50%	50%
GTA Power Mech DMCC	Dubai	Construction works	50%	50%

c) Associate

Name of the company	Country of incorporation	Principal activities	Year ended	
			31.03.2022	31.03.2021
MAS Power Mech Arabia	Saudi Arabia	Installation and Maintenance services	49%	49%

K.S. RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

Power Mech Projects Limited Hyderabad

Note No: 2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS :

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by the Ministry of Corporate affairs, pursuant to section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013('the Act')(to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the parent Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceased to control the subsidiary.

Profit and loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. Any distributions received from investee will reduce the carrying amount of investment. The Group's investment in associates includes goodwill/capital reserve identified on acquisition.

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in Joint Venture are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. Any distributions received from investee will reduce the carrying amount of investment. The Group's investment in joint venture includes goodwill/capital reserve identified on acquisition.

K.S. RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

Power Mech Projects Limited Hyderabad

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, 2021 and for consolidation purposes additional financial information for the q.e 31st March, 2022 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.

K.S. RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

Power Mech Projects Limited Hyderabad

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.

K.S. RAO & CO. VIJAYAWADA CHARTERED ACCOUNTANTS

Hyderabad

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

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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.

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

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

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

Depreciation and amortization methods, useful lives and residual values are reviewed periodically at the end of each financial year with the effect of any change in estimate accounted for on a prospective basis.

e) Government Grants

Government grants are not recognized until there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received .

Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. When the grant relates to an asset, it is recognized as deferred revenue in the Balance sheet and transferred to the statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

f) Investment in Joint venture and associate

Investment in jointly controlled entity and associate is accounted for using the "equity method" less accumulated impairment, if any. Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the jointly controlled entity and associate since the date of acquisition. Goodwill relating to the entity is included in the carrying amount of the investment.

The statement of profit and loss reflects the group's share of the results of the operations of the jointly controlled entity and associate. The amount of OCI of these entities are included in the groups OCI. Unrealised gains and losses resulting from transactions between the group and its entity are eliminated to the extent of interest in jointly controlled entity and associate.

g) Impairment of Assets

i) Financial assets (other than at fair value)

The group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The group recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

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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.

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Identifying Performance Obligation:
A performance obligation is identified in the construction projects that the group engages in, owing to the high degree of integration and customization of the various goods and services to provide a combined output which is transferred to the customer over time and not at a specific point in time. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time.

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

Recognition of Revenue:

In case of sale of goods:

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

In case of construction services:

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

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

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

In case of other Income:

Interest income is recognized using the effective interest method.

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

k) Employee Benefits

i) Defined Contribution Plans

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

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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.

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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.

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q) Leases

The Company's leased assets primarily consist of buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

r) Cash flow statement

Cash flows are reported using the indirect method, whereby the profit before tax is adjusted for the effects of transactions of non-cash nature and items of income or expenses associated with investing and financing activities. The cash flows are segregated into Operating, investing and financing activities.

s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition:

The group recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than the financial assets and 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.

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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 loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the company reversed the impairment loss recognized earlier.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. The effective 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.

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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.

t) Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022. The amendment is not expected to have a material impact on the Consolidated financial statements of the Company.

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NOTES ON CONSOLIDATED FINANCIALS STATEMENTS

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

PROPERTY, PLANT & EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Note No.4.1

Particulars	As at 31st March, 2022	As at 31st March, 2021
Carrying Amounts of:		
Land	3.60	3.60
Office Buildings	30.72	32.60
Plant and Equipment	26.44	20.80
Furniture and Fixtures	1.82	1.77
Computers	1.85	1.39
Office Equipment	3.45	2.84
Motor vehicles	22.84	16.91
Cranes	67.54	75.20
Temporary Sheds	14.21	9.80
	172.47	164.91
Capital Work-in-progress	2.38	5.32

Property, Plant and Equipment

Note No.4

Particulars	Land	Office Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Motor vehicles	Cranes	Temporary Sheds	Total
<u>Gross Block :</u>										
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
Additions	-	-	2.05	0.55	0.49	0.84	7.65	8.40	4.21	24.19
Disposals	-	-	0.69	0.20	0.13	1.26	1.53	1.78	6.57	12.16
As at 31st March, 2021	3.60	40.16	55.92	10.26	4.80	11.61	49.16	154.77	36.99	367.27
Additions	-	-	11.23	1.03	1.02	1.83	11.87	10.18	9.58	46.74
Disposals	-	0.18	1.60	0.02	0.01	0.03	1.43	5.51	0.41	9.19
As at 31st March, 2022	3.60	39.98	65.55	11.27	5.81	13.41	59.60	159.44	46.16	404.82
<u>Accumulated Depreciation Including accumulated Impairment loses :</u>										
As at 31st March, 2020	-	5.86	31.07	7.06	3.04	8.29	29.08	64.65	30.13	179.18
Depreciation charge for the year	-	1.70	4.41	1.56	0.46	1.36	4.50	15.93	3.52	33.44
On disposals	-	-	0.36	0.13	0.09	0.88	1.33	1.01	6.46	10.26
As at 31st March, 2021	-	7.56	35.12	8.49	3.41	8.77	32.25	79.57	27.19	202.36
Depreciation charge for the year	-	1.70	4.84	0.98	0.56	1.20	5.70	14.50	5.11	34.59
On disposals	-	-	0.85	0.02	0.01	0.01	1.19	2.17	0.35	4.60
As at 31st March, 2022	-	9.26	39.11	9.45	3.96	9.96	36.76	91.90	31.95	232.35
<u>Net Block :</u>										
As at 31st March, 2022	3.60	30.72	26.44	1.82	1.85	3.45	22.84	67.54	14.21	172.47
As at 31st March, 2021	3.60	32.60	20.80	1.77	1.39	2.84	16.91	75.20	9.80	164.91

<u>Notes:</u>

1) Term loans taken by the company for purchase of Property, Plant & Equipment are secured by way of hypothecation on respective Property, Plant & Equipment 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 Property, Plant & Equipment against which charge was given to equipment financiers.
3) The carrying values of any of the Property, Plant & Equipment does not include any changes made on account of revaluation as on date of balance sheet.
4) The carring values of any of the Property, Plant & Equipment does not include any changes made on account of revalution as on date of balance sheet.
5) The title deeds of immovable properties were held in the name of the company.
6) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made hereunder.

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Right of use asset **Note No.4.2**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Right - of - use assets	5.50	7.17
	5.50	7.17

Particulars	Lease hold land & Improvements	Buildings	Total
(A) Cost or deemed cost :			
As at 31st March, 2020	2.56	8.84	11.40
Additions	-	0.33	0.33
Disposals/adjustments	-	-	-
As at 31st March, 2021	2.56	9.17	11.73
Additions	-	0.57	0.57
Disposals/adjustments	-	-	-
As at 31st March, 2022	2.56	9.74	12.30
(B) Accumulated Amortisation and impairment :			
As at 31st March, 2020	0.13	2.18	2.31
Amortisation expense for the year	0.03	2.22	2.25
Eliminated on disposal	-	-	-
As at 31st March, 2021	0.16	4.40	4.56
Amortisation expense for the year	0.01	2.23	2.24
Eliminated on disposal	-	-	-
As at 31st March, 2022	0.17	6.63	6.80
(C) Carrying amount :			
As at 31st March, 2022	2.39	3.11	5.50
As at 31st March, 2021	2.40	4.77	7.17

Capital Work-in-Progress **Note No.5**

Particulars	Amount
Carrying value - At Cost	
As at 31st March, 2020	2.61
Additions	2.93
Capitalised during the year	0.22
As at 31st March, 2021	5.32
Additions	2.37
Capitalised/written off during the Year	5.31
As at 31st March, 2022	2.38

Capital Work-in-progress ageing schedule as on 31.03.2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	2.38	-	-	-	2.38
Projects temporarily suspended	-	-	-	-	-

Note: None of the above projects were overdue for its completion and does not exceeded its cost compared to its original plan.

Capital Work-in-progress ageing schedule as on 31.03.2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	2.95	0.02	-	2.35	5.32
Projects temporarily suspended	-	-	-	-	-

Note: None of the above projects were overdue for its completion and does not exceeded its cost compared to its original plan.
* Assets pending installation/assembling due to closure of site for reasons beyond the control of the company

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INTANGIBLE ASSETS Note No.6

Particulars	As at 31st March, 2022	As at 31st March, 2021
Power Mech Brand *	0.00	0.00
Computer Software	0.24	0.30
Goodwill	2.27	2.27
	2.51	**2.57**

* Amounts below 1 Lakh

Particulars	Power Mech Brand	Computer Software	Goodwill	Total
Gross Block				
As at 31st March, 2020	**0.00**	**1.54**	**2.27**	**3.81**
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31st March, 2021	**0.00**	**1.54**	**2.27**	**3.81**
Additions	-	0.01	-	**0.01**
Disposals	-	-	-	-
As at 31st March, 2022	**0.00**	**1.55**	**2.27**	**3.82**
Accumulated Amortisation and impairment :				
As at 31st March, 2020	**0.00**	**1.17**	-	**1.17**
Amortisation expense for the year	0.00	0.07	-	0.07
On disposals	-	-	-	-
As at 31st March, 2021	**0.00**	**1.24**	-	**1.24**
Amortisation expense for the year	-	0.07	-	0.07
On disposals	-	-	-	-
As at 31st March, 2022	**0.00**	**1.31**	-	**1.31**
Net Block				
As at 31st March, 2022	**0.00**	**0.24**	**2.27**	**2.51**
As at 31st March, 2021	**0.00**	**0.30**	**2.27**	**2.57**

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INVESTMENTS (NON-CURRENT)

Note No.7.1

Particulars	As at 31st March, 2022	As at 31st March, 2021
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 Associates (Carried at cost) :		
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	32.80	36.46
b) 50 (50) Equity shares of AED 1000 each in GTA Power Mech DMCC	0.77	0.04
c) Investment in PMPL-ACPL JV (Capital introduced Nil)	1.25	0.82
d) Investment in PMPL-STS JV (Capital introduced Nil)	0.82	0.67
e) Investment in PMPL-KHILARI Consortium JV (Capital introduced Nil)	0.42	0.27
f) Investment in PMPL-SRC INFRA JV - Mizoram (Capital introduced Nil)**	0.54	0.28
g) Investment in PMPL-SRC INFRA JV - Hassan (Capital introduced Nil)**	-	-
h) Investment in PMPL-BRCC INFRA JV (Capital introduced Nil)**	-	-
i) Investment in PMPL-KVRECPL Consortium JV (Capital introduced Nil)**	-	-
j) Investment in PMPL-PIA JV (Capital introduced Nil)**	-	-
Total Investment in Un-Quoted Equity Instruments (b)	36.60	38.54
Total Investment in Equity Instruments (A = a+b)	36.60	38.54
B. Investment in Mutual Funds - Quoted (Carried at fair value through OCI)		
a) 20,000(20,000) units of SBI Infra structure fund - I - Growth ₹.10/ each	0.05	0.04
Total Investment in Mutual Funds (B)	0.05	0.04
Total (A+B)	36.65	38.58
Aggregate amount of : Quoted investments -		
- At cost	0.02	0.02
- Market value	0.05	0.04
Aggregate amount of un-Quoted investments	36.60	38.54

Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	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(24) Equity shares of ₹.10/ each in Reliance Power Limited *	0.00	-	0.00	-
b) 200(200) Equity shares of ₹.10/ each in Assam Company Limited *	0.00	-	0.00	-
c) 20,000(20,000) units of SBI Infra structure fund I Growth ₹.10/ each - Mutual Funds	0.05	-	0.04	-
(ii) Using Equity method for Investments in Joint Ventures and Associates as per Ind As 28	36.60	-	38.54	-
	36.65	-	38.58	-

* Amounts below 1 Lakh

** The Parent Company has become a venturer in joint ventures incorporated during the financial year 2018-19 to 2021-22. However no investment has been made in the said JV's as on the date of Balance sheet. The balance shown above represents Parent Company's share of other equity treated in accordance with "Ind AS- 28: Investment in Joint ventures and Associates".

INVESTMENTS (CURRENT)

Note No.7.2

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investment in Mutual Funds - Quoted: (Carried at fair value through P&L)		
a) 2,50,000(2,50,000) units of Baroda PNB Paribas Large & Mid Cap Fund	0.41	0.32
b) 16,30,879(16,82,808) Units of Union Bank Corporate Fund Regular Plan- Growth Fund	2.04	2.04
Total Investment in Mutual Funds	2.45	2.36
Aggregate amount of : Quoted investments -		
- At cost	2.15	2.25
- Market value	2.45	2.36

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LOANS

Note No.8

Particulars	Non-Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered Good				
a) Employee related advances	-	-	5.10	5.17
b) Loans to Others - GTA Power Mech FZE (Subsidiary to GTA Power Mech Nizeria, a JV)	-	-	0.64	0.55
Total	-	-	5.74	5.72

The above Loans are sub-classified as :				
a) Loans considered good - Secured	-	-	-	-
b) Loans considered good - Unsecured	-	-	5.74	5.72
c) Loans which have significant increase in Credit Risk	-	-	-	-
d) Loans - Credit impaired	-	-	-	-
	-	-	5.74	5.72

Note: 1) No loans are due from directors or other officers of the Group either severally or jointly with any other person nor any other loans are due from firms in which any director is a partner, a director or a member.

2) All the above advances given to joint venture are utilised for their business purposes .

Particulars of Loans granted	As at 31st March, 2022	% out of Total Loans advanced	As at 31st March, 2021	% out of Total Loans advanced
Repayable on demand	-	-	-	-
without specifying the terms or period of repayment				
a) Promoters	-	-	-	-
b) Directors	-	-	-	-
c) KMP	-	-	-	-
d) Related parties	0.64	100.00	0.55	100.00

OTHER FINANCIAL ASSETS

Note No.9

Particulars	Non-Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
a) Security deposits with Govt. authorities and others	9.50	10.19	0.02	0.02
b) EMD with customers	37.65	59.79	-	-
c) Earmarked balances with banks held as margin money against LC and guarantees having a maturity period for more than 12months from the date of Balance sheet	57.85	65.15	-	-
d) Retention Money and Security Deposit with customers	205.37	125.55	113.62	162.43
e) Uncertified Revenue	-	-	431.65	401.12
Total	310.37	260.68	545.29	563.57
Less: Provision for doubtful receivables (Retention Money and Security Deposit with customers)	(6.10)	(3.34)	-	-
Total	304.27	257.34	545.29	563.57

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 manangement.

Uncertified revenue ageing schedule as on 31.03.2022

Particulars	Outstanding for following periods					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Uncertified revenue	316.34	70.08	35.42	9.81	-	431.65

Uncertified revenue ageing schedule as on 31.03.2021

Particulars	Outstanding for following periods					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Uncertified revenue	299.14	56.59	39.98	5.41	-	401.12

OTHER ASSETS

Note No.10

Particulars	Non-Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered Good				
a) Advances for Capital goods	1.32	2.13	-	-
b) Mobilisation advances to Sub - Contractors	-	-	8.96	8.90
c) Advances to creditors against supplies	-	-	21.20	28.87
d) Advances to sub-contractors against works Unsecured	-	-	356.02	337.80
e) Prepaid Royalty and other expenses	-	-	31.00	38.89
f) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	67.30	26.67
Works contract tax (TDS)	-	-	1.24	1.43
MAT Credit entitlement	-	-	0.15	-
Sales Tax Refund Receivable	-	-	-	0.14
Custom Duty Receivable	-	-	0.10	0.02
Taxes paid under protest	-	-	0.54	0.54
g) Other advances	-	-	6.43	6.87
Total	1.32	2.13	492.94	450.13
Less : Provision for doubtful advances (Advance to sub-contractors against works)	-	-	(1.22)	(1.22)
Total	1.32	2.13	491.72	448.91

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.

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INVENTORIES **Note No.11**

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Stores and spares	121.20	100.18
b) Construction Work-in-progress	16.46	14.49
Total	**137.66**	**114.67**

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, 2022 was ₹ 336.19 Cr (for the year ended 31st March, 2021: ₹ 264.05 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.

TRADE RECEIVABLES **Note No.12**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	666.57	533.51
Trade receivables which have significant increase in Credit Risk	4.06	2.53
Trade receivables - Credit impaired	-	-
Less: Allowance for doubtful receivables	(4.06)	(2.53)
Total	**666.57**	**533.51**

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, ₹.166.15 Cr (as at March 31, 2021 : ₹. 95.06 Cr) is due from one of the Parent Company's largest customer. Further, an amount of ₹.87.48 Cr. (as at March 31, 2021 : ₹.25.73 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 estimates by the management about their recoverability.

Trade Receivables ageing schedule as on 31.03.2022

Particulars	Outstanding for following periods from date of transaction					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) undisputed trade Receivables - considered good	504.48	47.25	109.36	3.32	2.16	666.57
(ii) undisputed trade Receivables - which have significant increase in credit risk	-	-	-	4.06	-	4.06
(iii) undisputed trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade Receivables - credit impaired	-	-	-	-	-	-
Provision for expected credit loss	-	-	-	(4.06)	-	(4.06)
Total	**504.48**	**47.25**	**109.36**	**3.32**	**2.16**	**666.57**

Trade Receivables ageing schedule as on 31.03.2021

Particulars	Outstanding for following periods from date of transaction					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) undisputed trade Receivables - considered good	325.96	193.35	8.77	3.75	1.68	533.51
(ii) undisputed trade Receivables - which have significant increase in credit risk	-	-	-	2.53	-	2.53
(iii) undisputed trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade Receivables - credit impaired	-	-	-	-	-	-
Provision for expected credit loss	-	-	-	(2.53)	-	(2.53)
Total	**325.96**	**193.35**	**8.77**	**3.75**	**1.68**	**533.51**

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CASH AND CASH EQUIVALENTS — **Note No.13**

Particulars	As at 31st March, 2022	As at 31st March, 2021
i) Balances with banks		
a. In Current accounts	71.00	12.04
ii) Cash on hand	1.47	1.65
iii) Fixed Deposits with original maturity period of less than 3 months	1.02	0.06
Total	**73.49**	**13.75**

OTHER BANK BALANCES — **Note No.13**

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Earmarked balances with banks held as margin money against LC and guarantees falls due for maturity within 12months from the date of Balance sheet	76.63	50.67
b. Earmarked balances with banks towards unclaimed dividends	0.02	0.02
Total	**76.65**	**50.69**

Note: Bank Deposits with more than 12 months maturity from the date of Balance Sheet was disclosed under "Other Financial Assets"

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SHARE CAPITAL

Note No. 14

a) Authorised Share Capital

Particulars	Equity	
	No's	Total
As at 31st March, 2020	2,60,00,000	26.00
Changes during the year	-	-
As at 31st March, 2021	2,60,00,000	26.00
Changes during the year	-	-
As at 31st March, 2022	2,60,00,000	26.00

b) Issued Share Capital

Equity shares of Rs.10 each issued, subscribed and fully paid

Particulars	No's	Total
As at 31st March, 2020	1,47,10,764	14.71
Increase/(Decrease) during the year	-	-
As at 31st March, 2021	1,47,10,764	14.71
Increase/(Decrease) during the year	-	-
As at 31st March, 2022	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, 2022		As at 31st March, 2021	
	No of Shares held	% out of total number of shares of the Company	No of Shares held	% out of total number of shares of the Company
S. Kishore Babu	38,64,942	26.27%	38,64,942	26.27%
S. Kishore Babu (HUF)	12,44,000	8.46%	12,44,000	8.46%
S. Lakshmi	37,28,626	25.35%	37,28,626	25.35%
S. Rohit	19,413	0.13%	19,413	0.13%
HDFC Small Cap Fund	12,27,393	8.34%	10,03,126	6.82%
	1,00,84,374	68.55%	98,60,107	67.03%

e) Details of shares held by promoters as on 31.03.2022

Name of the promoters	As at 31st March 2022		% Change during the FY 2021-22
	No. of shares	% of total shares	
SAJJA KISHORE BABU	38,64,942	26.27	0.00
SAJJA KISHORE BABU (HUF)	12,44,000	8.46	0.00
LAKSHMI SAJJA	37,28,626	25.35	0.00
SAJJA ROHIT	19,413	0.13	0.00
SAJJA VIGNATHA	3,83,054	2.60	0.00
AISHWARYA KURRA	87,513	0.59	4.47
GOGINENI BABU	25,958	0.18	0.00
SIREESHA GOGINENI	3,360	0.02	0.00
SEKHAR GOGINENI	4,071	0.03	0.00
SIVARAMA KRISHNA PRASAD SAJJA	2,930	0.02	(0.09)
SUBHASHINI KANTETI	2,520	0.02	0.00
UMA DEVI KOYI	3,026	0.02	(0.33)
SAI MALLESWARA RAO SAJJA	255	-	0.00

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Details of shares held by promoters as on 31.03.2021

Name of the promoters	As at 31st March 2021		% Change during the FY 2020-21
	No. of shares	% of total shares	
SAJJA KISHORE BABU	38,64,942	26.27	0.06
SAJJA KISHORE BABU (HUF)	12,44,000	8.46	0.00
LAKSHMI SAJJA	37,28,626	25.35	0.19
SAJJA ROHIT	19,413	0.13	(0.98)
SAJJA VIGNATHA	3,83,054	2.60	0.29
AISHWARYA KURRA	15,990	0.11	0.11
GOGINENI BABU	25,958	0.18	0.05
SIREESHA GOGINENI	3,360	0.02	0.00
SEKHAR GOGINENI	4,071	0.03	9.18
SIVARAMA KRISHNA PRASAD SAJJA	3,230	0.02	0.00
SUBHASHINI KANTETI	2,520	0.02	0.00
UMA DEVI KOYI	4,526	0.03	0.00
SAI MALLESWARA RAO SAJJA	255	-	0.00

f) Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:

No Bonus shares were issued by the parent company during the period of five immediately preceeding financial years.

g) No shares were issued by the parent company pursuant to a contract without payment being received in cash.

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OTHER EQUITY

Note No. 15

Securities Premium Reserve

Particulars	Amount
As at 31st March, 2020	**160.93**
Changes during the year	-
As at 31st March, 2021	**160.93**
Changes during the year	-
As at 31st March, 2022	**160.93**

General Reserve

Particulars	Amount
As at 31st March, 2020	**37.00**
Transfers during the year	-
As at 31st March, 2021	**37.00**
Transfers during the year	-
As at 31st March, 2022	**37.00**

Foreign Currency Translation Reserve Account

Particulars	Amount
As at 31st March, 2020	**2.05**
Changes during the year	(0.57)
As at 31st March, 2021	**1.48**
Changes during the year	(1.71)
As at 31st March, 2022	**(0.23)**

Retained Earnings

Particulars	Amount
As at 31st March, 2020	**736.46**
Add: Total comprehensive loss for the year transferred from statement of profit and loss	(44.25)
Less: Appropriations	
Final Dividend for the Financial year 2019-20 proposed & paid during the year	1.47
As at 31st March, 2021	**690.74**
Add: Total comprehensive income for the year transferred from statement of profit and loss	140.16
Less: Appropriations	-
As at 31st March, 2022	**830.90**

Summary of Other Equity

Particulars	As at 31st March, 2022	As at 31st March, 2021
Securities Premium	160.93	160.93
General Reserve	37.00	37.00
Foreign Currency Translation Reserve Account	(0.23)	1.48
Retained Earnings	830.90	690.74
Total	**1,028.60**	**890.15**

Minority Interest

Note No. 16

Particulars	Amount
As at 31st March, 2020	**8.11**
Changes during the year	(3.09)
Dividend paid	(1.49)
As at 31st March, 2021	**3.53**
Changes during the year	(0.44)
Dividend paid	-
As at 31st March, 2022	**3.09**

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LONG TERM BORROWINGS Note No.17

Particulars	Non-Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
A. Secured				
i. Term loans				
a) From banks :				
i) Axis Bank	7.94	7.91	11.95	21.70
ii) HDFC Bank	0.95	0.65	2.06	0.99
iii) ICICI Bank	7.06	3.60	9.24	2.58
iv) Kotak Mahindra Bank	6.16	-	5.29	1.30
v) Yes Bank	0.31	0.65	0.34	0.48
vi) Emirates Islamic Bank	0.63	0.52	0.46	0.49
b) From Others :				
i) HDB Financial Services	4.35	1.77	3.34	1.22
ii) TATA Capital	6.43	0.03	12.49	8.00
iii) Mahindra finance	1.13	0.73	2.34	0.58
Total (a)	**34.96**	**15.86**	**47.51**	**37.34**
B. Unsecured				
a) Deferred payment liabilities				
Due to suppliers on deferred credit basis	-	-	-	2.59
Total (b)	-	-	-	**2.59**
Total (a+b)	**34.96**	**15.86**	**47.51**	**39.93**

1) The term loans from banks and companies are secured by way of hypothecation of assets funded under the said facility. Further, the loans are guaranteed by Managing Director and a Director in their personal capacities.

2) The above loans carries interest varies from 7.35 % to 12.50 %
3) The above loans are repayable in monthly/quarterly installments.
4) Maturity pattern of above term loans (non current) is as follows
 Banks: 2022-23 – ₹. 19.51; 2023-24 – ₹.3.54
 Companies: 2022-23 – ₹. 9.05; 2023-24 – ₹.2.86

5) Registration, Modification and Satisfaction of charges relating to the new loans taken during the year, had been filed with the Registrar of Companies, within the prescribed time or within the extended time requiring the payment of additional fees.

6) No defaults were made in repayment of above term loans

OTHER FINANCIAL LIABILITIES Note No.18

Particulars	Non-Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
a) Retention Money & Security deposits recovered from Sub-Contractors	80.31	71.63	15.46	25.72
b) Creditors for capital goods	-	-	0.79	2.15
c) Interest accrued and due	-	-	0.24	0.04
d) Interest accrued but not due	-	-	0.21	-
e) Unclaimed dividend	-	-	0.02	0.02
f) Employee related payments	-	-	63.80	46.80
g) Share application money refundable	-	-	0.11	0.11
h) Other Liabilities	-	-	46.36	40.81
	80.31	**71.63**	**126.99**	**115.65**
a) Lease liability as per Ind As 116 (Refer Note No. 51)	1.72	2.74	1.64	2.53
Total	**82.03**	**74.37**	**128.63**	**118.18**

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.

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PROVISIONS — Note No.19

Particulars	Non-Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	2.67	1.16	0.59	0.47
- Leave Encashment (Unfunded)	4.53	3.67	1.08	0.84
Total	**7.20**	**4.83**	**1.67**	**1.31**

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 ₹.19.96 Cr (Year ended March 31, 2021: ₹.14.19 Cr) for provident fund contributions, and ₹. 2.05 Cr (Year ended March 31, 2021: ₹. 1.43 Cr) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

b. Defined benefit plans

The Group provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

(i) Balance Sheet

The assets, liabilities and surplus/(deficit) position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Present value of obligation	13.01	11.27
Fair Value of plan assets	9.75	9.64
(Asset)/Liability recognised in the Balance Sheet	**3.26**	**1.63**

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Plan Obligation	Plan Assets	Deficit/(Surplus)
As at March 31, 2020	9.68	7.51	2.17
Current service cost	2.67	-	2.67
Past service cost	0.07	-	0.07
Interest cost	0.64	-	0.64
Interest income	-	0.57	(0.57)
Actuarial gain arising from changes in experience adjustments	(1.22)	-	(1.22)
Actuarial gain arising from changes in financial assumptions	(0.17)	-	(0.17)
Contributions by employer	-	1.97	(1.97)
Benefit payments	(0.40)	(0.40)	-
Return on plan assets, excluding interest income	-	(0.01)	0.01
As at March 31, 2021	**11.27**	**9.64**	**1.63**
Current service cost	3.01	-	3.01
Past service sot	-	-	-
Interest cost	0.75	-	0.75
Interest income	-	0.65	(0.65)
Actuarial gain arising from changes in experience adjustments	(0.49)	-	(0.49)
Actuarial gain arising from changes in financial assumptions	(0.78)	-	(0.78)
Contributions by employer	-	0.29	(0.29)
Benefit payments	(0.75)	(0.72)	(0.03)
Return on plan assets, excluding interest income	-	(0.11)	0.11
As at March 31, 2022	**13.01**	**9.75**	**3.26**

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(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Employee Benefit Expenses		
Current service cost	3.01	2.67
Past service cost	-	0.07
Interest cost	0.75	0.64
Interest Income	(0.65)	(0.57)
Net impact on profit before tax	**3.11**	**2.81**
Remeasurement of the net defined benefit plans:	-	-
Actuarial gain arising from changes in Financial assumptions	(0.78)	(0.17)
Actuarial (gain)/loss arising from changes in Experience adjustments	(0.49)	(1.21)
Return on plan assets, excluding interest income	0.11	0.01
Net impact on other comprehensive income before tax	**(1.16)**	**(1.37)**

(iv) Assets

The major categories of plan assets as a % of the total plan assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Insurance policies	100%	100%

(v) Investment details

Particulars	As at 31st March, 2022	As at 31st March, 2021
Insurance Policies	9.75	9.64

(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, 2022	As at 31st March, 2021
Discount rate	7.34%	6.90%
Salary escalation rate	3.00%	3.00%

(vii) Sensivity analysis

Significant acturial assumptions for the determination of the defined benefit obligation are discount rate,expected salary increase and employee turnover.The data sensivity analysis below have been determined based on the reasonably possible changes of the assumptions occuring 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, 2022
Salary Escalation - Up by 1%	14.95
Salary Escalation - Down by 1%	11.27
Withdrawal Rates - Up by 1%	13.79
Withdrawal Rates - Down by 1%	11.95
Discount Rates - Up by 1%	11.40
Discount Rates - Down by 1%	14.82

(viii) Maturity profile of defined benefit obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non current
Defined Benefit obligation	0.56	2.63	4.14

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DEFERRED TAX

Note No.20

The following is the analysis of deferred tax (Assets)/Liabilities presented in the Balance Sheet

Particulars	Components	
	As at 31st March, 2022	As at 31st March, 2021
Liability:		
Towards depreciation	-	-
Asset:		
Disallowances under Income-tax	2.49	6.85
On account of Unabsorbed Losses	-	12.44
Towards depreciation	9.18	2.27
MAT Credit entitlement	0.15	0.15
Total	**11.82**	**21.71**

Movement in Deferred Tax Assets/(Liabilities)

Component	As at 31st March, 2020	(Credit)/Charge to Statement of P&L	As at 31st March, 2021	(Credit)/Charge to Statement of P&L	As at 31st March, 2022
Deferred tax Liability/(Asset) in relation to:					
Depreciation	1.85	(0.42)	2.27	(6.90)	9.18
Expenses allowable under Income tax when paid	6.32	(0.53)	6.85	4.34	2.49
On account of unabsorbed losses	-	(12.44)	12.44	12.44	-
MAT Credit entitlement	0.05	(0.10)	0.15	(0.00)	0.15
Total	**8.22**	**(13.49)**	**21.71**	**9.88**	**11.82**

OTHER LIABILITIES

Note No.21

Particulars	Non-Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
a) Mobilisation advances received from customers	67.56	22.65	93.60	53.71
b) Advances received from customers against supplies or works	-	-	19.08	15.80
c) Provision for Loss in Associate	9.10	8.77	-	-
d) Statutory Liabilities	-	-	75.05	39.38
e) Deferred government grants (Refer note 1 below)	0.49	0.32	-	-
Total	**77.15**	**31.74**	**187.73**	**108.89**

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 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.

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SHORT TERM BORROWINGS

Note No.22

Particulars	As at 31st March, 2022	As at 31st March, 2021
A. Secured		
1. Loans repayable on demand :		
a) Working capital loans from banks		
i) State Bank of India	82.95	125.37
ii) Standard Chartered bank	12.00	23.50
iii) Axis bank	3.03	2.96
iv) IDFC First bank	35.55	39.66
v) Punjab National bank	19.81	20.75
vi) Bank of india	20.87	27.18
vii) IndusInd bank	0.25	7.42
viii) Uinion bank of india	35.30	37.66
ix) Bank of Baroda	44.42	44.47
x) UCO bank	49.94	49.45
xi) Central bank of india	1.59	5.78
xii) Bandhan bank	19.13	-
xiii) Fidelity Bank	19.06	-
2) Current maturities of long-term debt (Refer Note no.17)	47.51	39.93
B. Un Secured		
1. Loans repayable on demand :		
a) Working capital loans from banks		
i) HDFC Bank	-	9.37
ii) Bank of Bahrain & Kuwait	49.85	59.96
		-
2. Short term loans :		
i) Inter Corporate loan		
i) From AMR India Limited	0.93	-
ii) From Power Mech Infra Limited	50.00	-
Total	**492.19**	**493.46**

Note:

a) Working capital loans from State Bank of India, Standard Chartered bank, Axis bank, IDFC First bank, Punjab National bank, Bank of India, IndusInd bank, Union Bank of India, Bank of Baroda, UCO bank,Central bank of India,Bandhan bank and fidelity 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 of the Parent Company in their personal capacities.

d) The above loans carries interest varies from 7.50 % to 9.50 %

e) Registration, Modification and Satisfaction of charges relating to the loans sancationed/renewed during the year under review, had been filed with the Registrar of Companies, within the prescribed time or within the extended time requiring the payment of additional fees.

f) The company availed working capital loans against security of current assets and no material discrepancies were noticed between the amounts as per unaudited books of accounts and amounts as reported in the statement submitted to the banks.

g) The company has not declared as wilful defaulter by any of the bank or any other institution.

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TRADE PAYABLES

Note No.23

Particulars	As at 31st March, 2022	As at 31st March, 2021
Dues to : Small and Micro Enterprises	1.47	0.11
: Other than Small and Micro Enterprises (including Acceptances) *	537.85	512.50
Total	**539.32**	**512.61**

* Acceptances include arrangements where suppliers of goods and services are initially paid by banks/financiers

Ageing of Trade Payables as on 31.03.2022

Particulars	Outstanding for following periods from the date of transaction				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	1.43	0.04	-	-	1.47
(ii) Others	385.96	87.55	39.69	24.65	537.85
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-

Ageing of Trade Payables as on 31.03.2021

Particulars	Outstanding for following periods from the date of transaction				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	0.11	-	-	-	0.11
(ii) Others	383.80	74.75	26.02	27.93	512.50
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-

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

Based on and to the extent of information obtained available with the Group, with regard to the status of their suppliers under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT), on which the auditors have relied, the disclosure requirement with regard to the payment made/ due to Micro, Small and Medium Enterprises are given below.

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	1.47	0.11
(b) Interest due there on	0.26	0.02
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date Interest there on in terms of Sec 16 of the Act	0.06	0.23
(b) Interest paid along with such payments during the year	0.00	0.26
(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	0.02
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.	0.26	0.22

CURRENT INCOME-TAX(ASSETS)/LIABILITIES (NET)

Note No.24

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Income-tax	257.63	221.18
Less: Advance Income-tax and TDS	318.42	257.91
Total	**(60.79)**	**(36.73)**

Income-tax recognised in profit or loss

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Current Tax		
Tax expense in respect of current year Income	36.30	2.15
(Excess)/Short provision of current tax in earlier years	-	-
	36.30	**2.15**
Deferred Tax		
Deferred Tax Income in respect of Current year	9.88	(13.39)
MAT credit entitlement credit in respect of tax paid under provision of MAT	-	(0.10)
	9.88	**(13.49)**
Total tax expense recognised in statement of profit or loss	**46.18**	**(11.34)**

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REVENUE FROM OPERATIONS

Note No.25

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Contract receipts:		
Income from contracts and services	2,709.30	1,879.86
Other operating revenue :		
Crane hire charges received	1.19	4.22
Total	**2,710.49**	**1,884.08**

OTHER INCOME

Note No.26

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest from banks and others	6.73	6.52
Interest on unwinding portion of Rental Deposits (at amortized cost)	0.07	0.05
Rent received	0.26	0.04
Profit on sale of assets	0.23	0.46
Fair value gain on current investments	0.19	0.11
Gain on exchange fluctuations	9.78	8.72
Sale of Duty credit scrip and deferment of govt. grants	0.05	0.27
Interest on Income tax refund	0.00	0.16
Total	**17.31**	**16.33**

COST OF MATERIALS CONSUMED

Note No.27

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening Stock	100.18	105.63
Add:Purchases	357.21	258.60
	457.39	**364.23**
Less : Closing Stock	121.20	100.18
Total	**336.19**	**264.05**

CHANGES IN INVENTORIES OF WORK -IN- PROGRESS

Note No.28

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening work-in-progress	14.49	20.70
	14.49	**20.70**
Closing work-in-progress	16.46	14.49
	16.46	**14.49**
(Increase) / Decrease in inventories	**(1.97)**	**6.21**

CONTRACT EXECUTION EXPENSE

Note No.29

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Sub-contract expenses	1,245.78	917.01
Radiography charges	15.78	14.53
Royalty Charges	179.23	128.02
Hire charges	43.18	41.52
Rent at Project sites	20.88	16.92
Power and fuel	5.34	5.02
Insurance	5.93	3.89
Vehicles movement and other freight expenses	27.27	22.74
Repairs and maintenance : Plant and machinery	13.64	10.96
Other assets	3.24	2.67
Fuel and vehicle maintenance	59.69	44.45
Travelling expenses at projects	13.12	14.22
Wages paid to contract labour	0.01	1.77
Total	**1,633.09**	**1,223.72**

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EMPLOYEE BENEFIT EXPENSE

Note No.30

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries and Wages	364.03	277.55
Remuneration to managerial personnel	5.32	-
Contribution to provident and other funds	22.01	15.62
Staff welfare expenses	28.69	26.24
Contribution towards group gratuity	3.11	2.81
Total	**423.16**	**322.22**

FINANCE COST

Note No.31

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest paid to banks and others	64.18	66.66
Bank charges and BG commission	9.56	5.98
Loan Processing charges	4.53	5.11
Interest on Income-tax	0.71	0.91
Exchange fluctuations on deferred credit payment	0.06	-
Finance cost on lease liability	0.43	0.61
Total	**79.47**	**79.27**

DEPRECIATION AND AMORTISATION

Note No.32

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation	34.60	33.44
Amortisation	0.07	0.07
Depreciation on Right-to-use assets	2.23	2.25
Total	**36.90**	**35.76**

Refer note no 1(2)(c) given under Significant accounting policies for method of providing depreciation.

OTHER EXPENSE

Note No.33

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Rents - Office	-	0.01
Directors Sitting Fee	0.11	0.11
Payments to auditors		
Towards Statutory audit	0.18	0.14
Towards tax audit and taxation matters	0.01	0.01
Rates and taxes	6.00	5.63
Miscellaneous expenses	18.69	17.42
Provision towards doubtful debts and advances	4.28	-
CSR expenses	1.53	2.36
Loss on sale of assets	3.18	0.36
Loss on exchange fluctuations	0.04	-
Total	**34.02**	**26.04**

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Categories of Financial Instruments

Note: 34

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2022, 31st March, 2021 are as follows:

Particulars	Fair value		Carrying value	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Financial assets				
Measured at Amortised cost				
(i) Other financial assets	849.56	820.91	849.67	821.02
(ii) Loans and advances	5.74	5.72	5.74	5.72
Measured at FVTOCI				
(i) Investments in equity instruments and Mutual Funds	0.05	0.04	0.02	0.02
Measured at FVTPL				
(i) Investments in Mutual Funds	2.45	2.36	2.15	2.25
Measured at cost				
(i) Investment in Joint ventures & Associates	36.60	38.54	36.60	38.54
Total assets	**894.40**	**867.57**	**894.18**	**867.55**
Financial liabilities				
Measured at amortised cost				
(i) Borrowings (including current maturities of Long term borrowings)	82.47	55.79	82.47	55.79
(ii) Other financial liabilities	207.30	187.28	207.30	187.28
(iii) Lease liabilities	3.36	5.28	3.36	5.28
Total liabilities	**293.13**	**248.35**	**293.13**	**248.35**

Fair value hierarchy

Note: 35

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The categories used are as follows:
Level 1: Quoted prices for identified instruments in an active market.
Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data.

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.
Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.
Some of the Group's financial assets are measured at the fair value at the end of each reporting period.

The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique and other inputs used).

Financial Assets	Fair Value as at		Fair Value hierarchy	Valuation technique and key input
	31st March, 2022	31st March, 2021		
1) Investments in Quoted Mutual Funds	2.50	2.40	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.

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Financial Risk Management **Note: 36**

The group's business activities are exposed to a variety of financial risks namely credit risk, liquidity risk and foreign currency risk. The group's senior management has the overall responsibility for establishing and governing the group's risk management framework. The group's risk management policies are established to identify and analyse the risks faced by the group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of Directors of the group.

A. Credit Risk

Credit risk is the risk of financial loss to the group if a customer fails to meet its contractual obligation. Credit risk encompasses of both the direct risk of default and the risk of deterioration of credit worthiness. Credit risk is controlled by monitoring and interaction with the customers on a continous 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 48% of its trade receivables. All trade receivables are reviewed and assessed for default on a monthly basis. On historical experience of collecting receivables,credit risk is low.

The following table gives details in respect of dues from trade receivables including retentions and deposits and uncertified revenue.

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Turnover from top Customer	650.61	319.73
Dues from top customer	295.00	215.63
Turnover from other top 4 customers	547.57	378.89
Dues from other top 4 customers	32.91	38.81

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, 2022, March 31, 2021, 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:

in ₹ Cr

Particulars	Currency	As at 31st March, 2022	As at 31st March, 2021
Letter of Credit	USD	-	2.59

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.

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in ₹ Cr

Particulars	As at 31st March, 2022	As at 31st March, 2021
Net Foreign currency exposure in		
USD - US Dollars	9.35	12.57
SAR - Saudi Arabian Riyals	3.06	3.81
AED - Arab Emirates Dirham	19.08	13.65
BDT - Bangladeshi Taka	165.26	98.51
LYD - Libyan Dinars	1.22	1.21
OMR - Oman Riyals	5.30	4.91
	203.27	**134.66**

The unhedged exposures are naturally hedged by future foreign currency earnings and earnings linked to foreign currency.
The uncovered amount is subject to foreign currency fluctuations.

C. Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the group has availed credit limits with banks. The group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2022 and March 31, 2021. 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.

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, 2022	As at 31st March, 2021
Equity	1,046.40	908.45
Short Term Borrowings	444.68	453.54
Long Term Borrowings (including Current maturities of Long term debt)	82.47	55.79
Cash and Cash Equivalents (including other bank balances)	(207.98)	(129.60)
Net Debt	**319.17**	**379.72**
Total Capital (Equity+Net Debt)	1,365.57	1,289.17
Gearing Ratio (Net Debt / Equity)	**30.50%**	**41.80%**

K S RAO & CO VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

Power Mech Projects Limited Hyderabad

POWER MECH PROJECTS LIMITED

HYDERABAD

NOTES ON CONSOLIDATED FINANCIALS STATEMENTS

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

Note	Particulars	31.03.2022	31.03.2021
37	**Contingent Liabilities and Commitments**		
A.	**Contingent Liabilities**		
	a) Claims against the company not acknowledged as debts		
	- VAT	1.80	1.80
B.	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	2.17	0.49
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.	1,017.44	821.20
39	CIF value of Imports made by the Group during the year		
	a) Consumables & Spare parts	0.29	-
	b) Capital goods	2.71	0.78
40	Earnings in foreign exchange currency		
	a) Contract receipts (Projects executed outside India)		
	Abu Dhabi	84.39	69.42
	Bheramara	266.54	122.33
	Kuwait	-	4.42
	Saudi	-	0.25
	Nigeria	14.50	26.27
	Sharja	1.03	-
41	Expenditure in foreign currency		
	a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
	Abu Dhabi	79.16	62.00
	Bheramara	181.07	131.02
	Kuwait	0.17	3.17
	Shuqaiq	0.58	-
	Libya	-	0.06
	Sharja	1.04	-
	b) Foreign travel	0.01	0.01

Note	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
42	**EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY**		
	a) Gross amount required to be spent by the parent company during the year	1.36	2.36
	b) Amount spent during the year (Contribution paid to Power Mech Foundation/others)	1.53	2.36
	c) Related party transactions in relation to Corporate Social Responsibility	1.41	2.03
	d) Details of excess amount spent	0.17	-
	e) Nature of CSR activities undertaken by the Company		
	(i) Providing Education		
	(ii) Promoting health care		
	(iii) facilities for setting up home for Orphanages & Old-Age homes		

K.S. RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

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

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%
KBP Mining Private Limited	India	76.00%
Energy Advisory and Consulting Services 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%
PMPL-SRC INFRA JV -Mizoram	India	74%
PMPL-SRC INFRA JV -Hassan	India	60%
PMPL-BRCC INFRA JV	India	70%
PMPL-KVRECPL Consortium JV	India	82%
PMPL-PIA JV	India	79%

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%

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	94.69%	990.83	91.76%	126.63
Subsidiaries				
Hydro Magus Private Limited	0.42%	4.41	(0.06%)	(0.08)
Power Mech Industri Private Limited	(0.26%)	(2.76)	(0.80%)	(1.10)
Power Mech SSA Structures Private Limited	0.00%	(0.01)	0.00%	(0.00)
Aashm Avenues Private Limited	0.00%	(0.01)	0.00%	(0.00)
Power Mech BSCPL Consortium Private Ltd	0.06%	0.66	0.00%	(0.00)
Power Mech Projects Limited LLC	0.02%	0.23	(0.72%)	(1.00)
Power Mech Projects (BR) FZE	2.15%	22.46	11.80%	16.29
Power Mech Environmental Protection Private Limited	0.00%	(0.01)	0.00%	(0.00)
KBP Mining Private Limited	0.00%	(0.00)	0.00%	(0.00)
Energy Advisory and Consulting Services Private Limited	0.00%	(0.00)	0.00%	(0.00)
Joint Venture				
M/s. PMPL- M/s. ACPL JV	0.12%	1.25	0.32%	0.44
PMPL-KHILARI Consortium JV	0.04%	0.42	0.11%	0.15
PMPL-STS JV	0.08%	0.82	0.11%	0.15
PMPL-SRC INFRA JV (MIZORAM)	0.05%	0.54	0.19%	0.26
PMPL-SRC INFRA JV (HASSAN)	-	-	-	-
PMPL-BRCC INFRA JV	-	-	-	-
PMPL-KVRECPL Consortium JV	-	-	-	-
PMPL-PIA JV	-	-	-	-
GTA Power Mech NIGERIA Limited	(0.02%)	(0.17)	(0.01%)	(0.01)
GTA Power Mech DMCC	0.07%	0.77	0.53%	0.74
GTA Power Mech FZE	3.15%	32.96	(2.65%)	(3.65)
Associate				
MAS Power Mech Arabia (MASPA)	(0.87%)	(9.10)	(0.25%)	(0.35)
Share of Minority	0.30%	3.09	(0.32%)	(0.44)
	100%	**1,046.40**	**100%**	**138.01**

K.S. RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

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

ANNEXURE-A

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES AS PER COMPANIES ACT , 2013

Sr. No.	Name of Subsidiary Company / Joint Venture / Associate	Reporting Currency	Share Capital	Reserves & Surplus	Other Liabilities	Total Assets	Turnover / Total Income	Profit / (Loss)Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	Other Comprehensive Income/(Loss)	Total Comprehensive Income/(Loss)	% of Shareholding
Subsidiaries													
1	Hydro Magus Private Limited	INR	0.21	8.28	7.76	16.25	0.98	(0.12)	(0.03)	(0.09)	-	(0.09)	88%
2	Power Mech Industri Private Limited	INR	0.02	(0.73)	39.39	38.68	22.32	(1.20)	(0.19)	(1.01)	(0.09)	(1.10)	100%
3	Power Mech BSCPL Consortium Private Limited	INR	0.01	1.29	82.94	84.24	-	(0.00)	-	(0.00)	-	(0.00)	51%
4	Power Mech SSA Structures Private Limited	INR	0.10	(0.01)	2.21	2.31	-	(0.00)	-	(0.00)	-	(0.00)	100%
5	Aashm Avenues Private Limited	INR	0.10	(0.01)	0.05	0.15	-	(0.00)	-	(0.00)	-	(0.00)	100%
6	Power Mech Environmental Protection Private Limited	INR	0.01	(0.01)	0.00	0.00	-	(0.00)	-	(0.00)	-	(0.00)	100%
7	KBP Mining Private Limited	INR	0.01	(0.00)	4.21	4.21	-	(0.00)	-	(0.00)	-	(0.00)	74%
8	Energy Advisory and Consulting Services Private Limited	INR	0.01	(0.00)	0.00	0.01	-	(0.00)	-	(0.00)	-	(0.00)	100%
9	Power Mech Projects (BR) FZE	NGN	3.60	123.22	233.86	360.68	375.77	96.83	-	96.83	-	96.83	100%
10	Power Mech Projects Limited LLC	Oman Rials	0.03	(0.00)	0.01	0.03	0.01	(0.01)	-	(0.01)	-	(0.01)	70%
Joint ventures													
1	M/s. PMPL - M/s. ACPL JV (Capital introduced Nil)	INR	-	1.58	12.83	14.41	88.68	0.88	0.33	0.54		0.54	80%
2	PMPL-STS JV (Capital Introduced Nil)	INR	-	1.11	66.01	67.11	30.92	0.29	0.10	0.20	-	0.20	74%
3	PMPL-KHILARI Consortium JV (Capital introduced Nil)	INR	-	0.56	25.78	26.34	31.12	0.29	0.09	0.20	-	0.20	75%
4	PMPL - SRC INFRA JV (MIZORAM) (Capital Introduced Nil)	INR	-			-	75.52	0.54	0.18	0.36	-	0.36	74%
5	PMPL - SRC INFRA JV (HASSAN) (Capital introduced Nil)	INR	-			-	128.10	-	-	-	-	-	60%
6	PMPL-BRCC INFRA JV (Capital introduced Nil)	INR	-	-	-	-	111.26	-	-	-	-	-	70%
7	PMPL-KVRECPL Consortium JV (Capital introduced Nil)	INR	-	-	-	-	2.58	-	-	-	-	-	82%
8	PMPL-PIA JV (Capital introduced Nil)	INR	-	-	-	-	2.83	-	-	-	-	-	79%
9	GTA Power Mech NIGERIA Limited	NGN	3.00	(2.15)	0.93	1.78	-	(0.14)	-	(0.14)	-	(0.14)	50%
10	GTA Power Mech DMCC	AED	0.01	0.07	0.11	0.18	0.20	0.07	-	0.07	-	0.07	50%
Associates													
1	MAS Power Mech Arabia (MASPA)	SAR	0.25	(0.93)	2.63	1.95	0.40	(0.03)	-	(0.03)	-	(0.03)	49%

POWER MECH PROJECTS LIMITED
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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 – W/o S.Kishore Babu S. Rohit S/o S.Kishore Babu S. Kishore Babu (HUF) S. Vignatha D/o S.Kishore Babu
	iii) Companies/Firms controlled by KMP/Relatives of KMP	Power Mech Infra Limited Bombay Avenue Developers Private Limited Power Mech Foundation Lakshmi Agro Farms Vaishno Infra services

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	0.18 (0.20)		
b)	S. Lakshmi		0.16 (0.07)	
c)	S. Kishore Babu (HUF)		0.09 (0.08)	
d)	S.Vignata		0.12 (0.12)	
e)	Power Mech Infra Limited			1.96 (1.95)
ii) Remuneration Paid				
a)	S. Kishore Babu	5.32 -		
b)	S.Rohit		0.36 (0.30)	
c)	Ajay Kumar	0.05 (0.05)		
iii) Amount paid towards Corporate Social Responsibility (CSR)				
a)	Power Mech Foundation			1.41 (2.03)
C) Balances outstanding as on 31.03.2022				
i)	Due to Power Mech Infra Limited			1.85 (0.20)
	Due to Power Mech Infra Limited			50.00 -
	Rental Deposit with Power Mech Infra Limited			0.89 (0.89)
ii)	**Remuneration Payable** S. Kishore Babu	1.10 -		
	S. Rohit		0.07 -	
	Ajay Kumar	0.00 (0.00)		
iii)	**Rent Payable** S. Kishore Babu	0.04 (0.03)		
	S. Lakshmi		0.02 (0.01)	
	S. Kishore Babu (HUF)		0.02 (0.02)	
	S.Vignatha		0.02 (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 ₹.1.24 Cr (As on 31.03.2021 ₹.1.43 Cr) being the Works contract tax deducted by the customers under local sales tax laws and outstanding as on 31.03.22 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.

48 **Segment reporting:**

Business Segment : The group predominently 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 2021-22	Segment Assets as on 31.03.2022	Captial Expenditure for the year 2021-22
With in India	2,344.04	2,233.64	38.81
(Previous year)	(1,661.40)	(1,967.19)	(21.05)
Outside India	366.46	363.64	5.02
(Previous year)	(222.69)	(293.72)	(5.86)

POWER MECH PROJECTS LIMITED
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NOTES ON CONSOLIDATED FINANCIALS STATEMENTS

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49 Key Financial Ratios

Particulars	Numerator	Denominator	Unit of Measurement	FY 2021-22	FY 2020-21	Variation in %
Current Ratio	Current Assets	Current Liabilities	No.of times	1.53	1.43	6%
Debt-Equity Ratio	Total Debt	Shareholder's Equity	No.of times	0.51	0.56	-10%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	No.of times	2.01	0.56	260%
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	%	14.21%	-4.83%	-394%
Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	No.of times	2.65	2.24	18%
Trade receivables Turnover Ratio	Net Credit Sales	Avg. Accounts Receivable	No.of times	4.52	3.50	29%
Trade payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	No.of times	3.08	2.18	41%
Net Capital Turnover Ratio	Net Sales	Working Capital	No.of times	3.81	3.51	9%
Net Profit Ratio	Net Profit	Net Sales	%	5.11%	-2.59%	-298%
Return on Capital Employed	Earning before interest and taxes	Capital Employed	%	17.85%	1.56%	1047%
Return on Investment						
(a) Return on Mutual funds	Income during the year	Time weighted average of investments	%	8.09%	4.58%	76%

Note : Ratios of Current year are not comparable with the Previous year due to the outbreak of covid - 19 in the previous financial year which impacted the operational performance of the Group company.

50 Calculation of Earnings per Share:

Sl.No	Particulars	2021-22	2020-21
1)	<u>Basic and Diluted Earning per share</u>		
	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 Rs)	10	10
	Profit/(Loss) after tax attributable to equity share holders and after minority interest	138.99	(45.64)
	Basic and Diluted Earning per share (in Rs)	**94.48**	**(31.02)**

51 Leases

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) The following is the breakup of current and non-current lease liabilities		
Current liabilities	1.64	2.53
Non-current liabilities	1.72	2.74
Total	**3.36**	**5.27**
(ii) The following is the movement of lease liabilities		
Balance at the Opening/Transition date	5.27	6.96
Additions during the year	0.31	0.33
Finance cost accrued during the year	0.43	0.61
Payment of lease liabilities during the year	(2.65)	(2.63)
Balance at the end	**3.36**	**5.27**
(iii) Maturity analysis of lease liabilities		
Less than one year	1.64	2.53
One to five years	1.72	2.74
More than five years	-	-
Total	**3.36**	**5.27**

(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, 2022	For the year ended March 31, 2021
Interest on lease liabilities (Refer Note 31)	0.43	0.61
Depreciation of Right-of-use assets (Refer Note 4.2)	2.23	2.25
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	2.65	2.63

(v) The impact on the profit for the year is not material.

52 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 01.04.2021	5.87	1.22
Changes in allowance for expected credit loss		
- Provision for expected credit loss	4.28	-
- Reversal of Provision for expected credit loss	-	-
Write off as baddebts	-	-
Closing balance as at 31.03.2022	**10.15**	**1.22**

POWER MECH PROJECTS LIMITED
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All amounts are in ₹ Crores, except share data and where otherwise stated

b) Movement in contract balances :

Particulars	31.03.2022	31.03.2021	Net Increase/(Decrease)
Contract Receivables			
Dues from customers	666.57	533.50	133.07
Contract assets			
Retention & SD amounts due from customers	312.89	284.64	28.25
Contract payables			
Due to Sub Contractors	345.88	285.16	60.72
Contract Liabilities			
Retention & SD amount due to Sub Contractors	95.77	97.35	(1.58)

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 ₹. 18,149 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.

53 Dividend:

The Board of Directors of the parent company at its meeting held on 21.05.2022 have recommended a dividend of ₹. 1.50/- each per share of face value of ₹. 10/- each for the financial year ended 31st March, 2022. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as a liability.

54 Other disclosures: Additional regulatory and other information as required by the Schedule III to the Companies Act 2013

(a) Relationship with Struck off Companies

The Parent Company, Subsidiaries and it's Joint ventures did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the parent Company.

(b) Compliance with number of layers of Companies

The compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable for the Group.

(c) Scheme of Arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

(d) Advance or loan or investment to intermediaries and receipt of funds from intermediaries

The Parent Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Parent Company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(e) Undisclosed Income

The Parent Company, Subsidiaries and it's Joint ventures do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

(f) Details of Crypto Currency or Virtual Currency

The Parent Company, Subsidiaries and it's Joint ventures did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

55 Previous year figures have been regrouped wherever necessary to conform to current year classification.

As per our report of even date
For K S RAO & CO
Chartered Accountants
Firm's Registration Number: 003109S

KS RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528
UDIN: 22235528AJJJXS9037

Place: Hyderabad
Date:21.05.2022

Power Mech Projects Limited Hyderabad

For and on behalf of the Board

S.Kishore Babu
Chairman and Managing Director
DIN: 00971313

J Satish
CFO

Mohith Kumar Khandelwal
Company Secretary

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 ventures and associates comprising of the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and other financial information of some of subsidiaries, Joint Ventures and Associates, the accompanying Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of affairs of the Group and its JV and associate as at March 31, 2021 and its Loss, total comprehensive Loss, 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.

K.S RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

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	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.

	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.	• 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.

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

VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

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

K.S. RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its JV and associate to cease to continue as a going concern.

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

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

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

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

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

Other Matters

a) The accompanying financial statements includes the financial results of 2 overseas subsidiary and 2 overseas Joint Ventures of which financial statements of 1 subsidiary and 1 Joint Venture have not been audited by their auditors. These results also includes financial results of 5 Indian subsidiary companies and 5 Indian Joint Ventures which have been audited by other auditors. Also, these Consolidated financial results includes the financials results of 1 foreign associate whose financial statements have not been audited by their auditors.

b) (i) The Consolidated financial statements includes total assets of Rs. 11.73 crore as at 31st March, 2021 and total revenues of Rs. 6.52 crore, total loss after tax of Rs. 9.68 crore, total comprehensive loss of Rs. 10.09 crore for the year ended 31st March, 2021 of 1 overseas subsidiary which have not been audited by their auditors.

Also, the consolidated financial statements includes total assets of Rs. 32.74 crore as at 31st March, 2021 and total revenues of Rs. 123.02 crore, total profit after tax of Rs. 9.36 crore and total comprehensive income of Rs. 9.07 crore for the year ended 31st March, 2021 of 1 overseas subsidiary which was audited by other auditor.

(ii) The consolidated financial statements also includes groups share of net profit Rs. 0.01 crore and total comprehensive income of Rs. 0.01 crore for the year ended 31st March, 2021 in respect of 1 overseas joint venture which have not been audited by their auditors.

K.S. RAO & CO. CHARTERED ACCOUNTANTS VIJAYAWADA INDIA

Also, the Consolidated financial statements includes groups share of net profit after tax of Rs. 4.95 crore and total comprehensive income of Rs. 4.95 crore for the year ended 31st March, 2021 in respect of 1 overseas Joint Venture which was audited by their auditor.

c) (i) The consolidated financial statements also includes total assets of Rs. 68.88 crore as at 31st march, 2021, total revenues of Rs. 37.20 crore, total net profit after tax Rs. 0.25 crore and total comprehensive income Rs. 0.25 crore for the year ended 31st March, 2021 in respect of 5 Indian subsidiary companies which have been audited by other auditors.

(ii) The consolidated financial statements also includes groups share of net profit after tax of Rs. 0.79 crore and total comprehensive income of Rs. 0.79 crore for the year ended 31st March, 2021 in respect of 4 Indian Joint Ventures which have been audited by other auditors.

d) These consolidated financial statements also includes groups share of net loss after tax of Rs. 8.83 crore and total comprehensive loss of Rs. 8.83 crore for the year ended 31st March, 2021 in respect of 1 foreign associate which has not been audited by other auditors.

These unaudited financial statements in respect of 1 overseas subsidiary, 1 overseas Joint Venture and 1 overseas associate have been furnished to us by the management and our opinion on the statement in so far as it related to the amounts and disclosures is based solely on such unaudited financial statements. In our opinion and according to the information and explanations furnished to us by the board of directors, these financial information are not material to the group.

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 solely 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 consolidated financial statement and our report on the other legal and regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the 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.

VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

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, 2021 taken on record by the Board of Directors of the holding company and reports of other auditors, none of the directors of the Group, Joint Ventures incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the Holding company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of those companies for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding company and its Indian subsidiaries in the group to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

K.S RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

GopiKrishna Chowdary Manchinella
Partner
Membership No. 235528

Place: Vijayawada
Date: 17.06.2021
UDIN: 21235528AAAABU6483

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, 2021, we have audited the internal financial controls over financial reporting of POWER MECH PROJECTS LIMITED ("the holding company"), its subsidiary companies incorporated in India as on that date.

Management's Responsibility for Internal Financial Controls

The respective board of directors of the holding company and its Indian subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its Indian subsidiaries based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of Indian subsidiary is sufficient and appropriate to provide a basis for our audit opinion on the Company's and its Indian subsidiaries internal financial controls system over financial reporting.

K.S RAO & CO.
VIJAYAWADA
INDIA
CHARTERED ACCOUNTANTS

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 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report u/s 143(1)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it related to Indian subsidiaries is based on the report of the other auditor.

For K.S.Rao & Co,
Chartered Accountants,
Firm Regn No. 003109S

K.S RAO & CO * CHARTERED ACCOUNTANTS * VIJAYAWADA INDIA

GopiKrishna Chowdary Manchinella
Partner
Membership No. 235528

Place: Vijayawada
Date: 17.06.2021
UDIN: 21235528AAAABU6483

POWER MECH PROJECTS LIMITED
HYDERABAD

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

Consolidated Balance Sheet as at 31st March, 2021

		Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
		Assets			
1		**Non-Current Assets**			
	(a)	Property, Plant and Equipment	4.1	164.91	176.06
	(b)	Right-of-use assets	4.2	7.17	9.09
	(c)	Capital Work-in-progress	5	5.32	2.61
	(d)	Intangible Assets	6	2.57	2.64
	(e)	Financial Assets			
		(i) Investments	7.1	29.81	32.89
		(ii) Loans	8	-	-
		(iii) Other financial assets	9	257.34	284.91
	(f)	Deferred Tax Asset (Net)	20	21.71	8.22
	(g)	Other Non-current assets	10	2.13	1.91
		Total Non-Current assets		**490.96**	**518.33**
2		**Current Assets**			
	(a)	Inventories	11	114.67	126.33
	(b)	Financial Assets			
		(i) Investments	7.2	2.36	-
		(ii) Trade Receivables	12	533.51	541.72
		(iii) Cash and cash equivalents	13	13.75	29.64
		(iv) Other Bank Balances	13	50.69	45.44
		(v) Loans	8	5.72	5.22
		(vi) Other Financial Assets	9	563.57	574.55
	(c)	Other Current assets	10	448.91	485.43
	(d)	Current tax Assets (Net)	24	36.73	12.68
		Total Current assets		**1,769.91**	**1,821.01**
		Total Assets		**2,260.87**	**2,339.34**
		EQUITY AND LIABILITIES			
1		**Equity**			
	(a)	Equity Share Capital	14	14.71	14.71
	(b)	Other Equity	15	890.15	936.44
				904.86	**951.15**
2		Non-Controlling Interest	16	3.53	8.11
		Liabilities			
3		**Non-current liabilities**			
	(a)	Financial Liabilities			
		(i) Long-term borrowings	17	15.86	29.64
		(ii) Lease liabilities	18	2.74	4.53
		(iii) Other financial liabilities	18	71.63	61.03
	(b)	Provisions	19	4.83	3.70
	(c)	Deferred Tax Liabilities (Net)	20	-	-
	(d)	Other non-current liabilities	21	22.97	6.38
		Total Non-Current liabilities		**118.03**	**105.28**
4		**Current liabilities**			
	(a)	Financial Liabilities			
		(i) Short-term borrowings	22	453.53	425.60
		(ii) Lease liabilities	18	2.53	2.43
		(iii) Trade payables	23		
		a) Total outstanding dues of micro enterprises and small enterprises		0.11	0.35
		b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		512.50	577.48
		(iv) Other financial liabilities	18	155.58	176.70
	(b)	Other current liabilities	21	108.89	91.23
	(c)	Provisions	19	1.31	1.01
	(d)	Current tax Liabilities (Net)	24	-	-
		Total Current liabilities		**1,234.45**	**1,274.80**
		Total Liabilities		**1,352.48**	**1,380.08**
		Total Equity and Liabilities		**2,260.87**	**2,339.34**

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's Registration Number: 003109S

(GopiKrishna Chowdary Manchikalla)
Partner
Membership Number:235528
UDIN: 21235528AAAABU6483

Place: Vijayawada/Hyderabad
Date: 17.06.2021

For and on behalf of the Board

S.Kishore Babu
Chairman and Managing Director
DIN (00971313)

J Satish
CFO

Mohith Kumar Khandelwal
Company Secretary

K.S RAO & CO ★ VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

Power Mech Projects Ltd. ★ Hyderabad

POWER MECH PROJECTS LIMITED
HYDERABAD

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

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2021

	Particulars	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
I	Revenue from Operations	25	1,884.08	2,164.68
II	Other Income	26	16.33	9.35
III	**Total Income** (I+II)		1,900.41	2,174.03
IV	**Expenses**			
	Cost of Material Consumed	27	264.05	323.91
	(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	28	6.21	(11.97)
	Contract Execution expense	29	1,223.70	1,230.17
	Employee benefits expense	30	322.23	324.80
	Finance Cost	31	79.27	74.06
	Depreciation and Amortization expense	32	35.76	39.43
	Other expense	33	26.04	27.03
	Total Expenses (IV)		1,957.26	2,007.43
V	**Profit/(Loss) before share of profit/(Loss) from Joint Venture and Associate, exceptional items and tax** (III-IV)		(56.85)	166.60
VI	Share of Profit/(Loss) from Joint Venture and Associate		(3.09)	1.57
VII	**Profit/(Loss) before exceptional items and tax** (V+VI)		(59.94)	168.17
VIII	Exceptional Items		-	-
IX	**Profit/(Loss) before tax** (VII-VIII)		(59.94)	168.17
X	**Tax Expense:**			
	Current tax		2.15	40.01
	Deferred tax credit		(13.49)	(2.53)
XI	**Profit/(Loss) after tax for the year** (IX-X)		(48.60)	130.69
XII	**Other Comprehensive Income**			
	A. Items that will not be re-classified to profit and Loss account			
	a) Changes in Fair value of Investments		0.02	(0.01)
	b) Remeasurement of defined employee benefit plans		1.37	1.03
	B. Items that will be re-classified to profit and Loss account			
	a) Exchange fluctuations on revaluation of foreign operations		(0.69)	1.82
XIII	**Total Comprehensive Income/(Loss) for the year** (XI+XII)		(47.90)	133.53
	Profit/(Loss) for the year before Other Comprehensive Income		(48.60)	130.69
	Attributable to			
	Equity holders of the parent		(45.63)	131.26
	Non-Controlling Interest		(2.97)	(0.57)
	Total Comprehensive Income/(Loss) for the year		(47.90)	133.53
	Attributable to			
	Equity holders of the parent		(44.81)	133.57
	Non-Controlling Interest		(3.09)	(0.04)
XIV	Earnings per Share - Basic and Diluted		(31.02)	89.23

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's Registration Number:003109S

K.S RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528
UDIN: 21235528AAAABU6483

J Satish
CFO

For and on behalf of the Board

S.Kishore Babu
Chairman and Managing Director
DIN (00971313)

Power Mech Projects Ltd. Hyderabad

Mohith Kumar Khandelwal
Company Secretary

Place: Vijayawada/Hyderabad
Date: 17.06.2021

POWER MECH PROJECTS LIMITED
HYDERABAD
All amounts are in ₹ Crores, except share data and where otherwise stated

Consolidated Cash Flow Statement for the Year ended 31st March, 2021

PARTICULARS		2020-21	2019-20
I. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		(59.94)	168.17
Add/Less: Adjustments for :			
Depreciation		35.76	39.43
FCTR Movement		(0.69)	1.82
Interest and Finance charges		79.25	74.06
Interest on Income Tax		0.02	0.78
Loss on sale of assets		0.36	0.07
Fair value gain on current investments		(0.11)	-
Net gain arising on financial assets measured at FVTPL		(0.05)	0.09
Interest income (excluding interest on rental deposit)		(6.52)	(6.64)
Amortisation of Deferred Government grants		(0.12)	(0.10)
Profit on sale of assets		(0.46)	(0.67)
Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income		1.37	1.03
Share of Profit/(Loss) from Joint Ventures & Associates		3.09	(1.57)
Operating profit before working capital changes		**51.96**	**276.47**
Movements in Working Capital			
Adjustments for (increase)/decrease in operating assets:			
- Trade Receivables		8.26	(152.58)
- Inventories		11.66	(33.60)
- Other Assets		95.24	(221.72)
Adjustments for increase/(decrease) in operating liabilities:			
- Trade Payables		(65.21)	134.79
- Other Liabilities and Provisions		46.52	21.66
Cash generated from operations		**148.43**	**25.02**
Less: Direct taxes paid		(26.21)	(72.68)
Net cash from / (used in) Operating activities	**(A)**	**122.22**	**(47.66)**
II. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(26.91)	(29.19)
Proceeds from sale of fixed assets		2.02	2.01
Investment in Mutual Funds		(2.25)	-
Margin money deposits with banks and other balances		(26.18)	23.24
Interest received (Excl interest on rental deposit)		6.52	6.64
Net cash from/(used) in Investing activities	**(B)**	**(46.80)**	**2.70**
III. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from/(Repayment of) borrowings		(7.19)	136.55
Interest and Finance charges paid		(78.65)	(73.30)
Lease rent paid		(2.51)	(2.43)
Dividends and dividend tax paid		(2.96)	(1.77)
Net cash from/(used in) financing activities	**(C)**	**(91.31)**	**59.05**
Net Increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**(15.89)**	**14.09**
Cash and cash equivalents at the beginning of the period		29.64	15.55
Cash and cash equivalents at the end of the period		13.75	29.64
Net Increase/(Decrease) in cash and cash equivalents		**(15.89)**	**14.09**

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	2020-21	2019-20
Cash on hand	1.65	1.71
In Current accounts	12.04	25.52
Deposits having maturity period for less than 3months	0.06	2.41
	13.75	**29.64**

Reconcilation of Changes in Liability arising from Financing activities for the year ending 31/03/2021

Particulars	Opening	Ind as 116 adoption	Cash flows	Non-Cash changes	Net cash flow	Closing
Long term borrowings	90.90			0.08	(35.19)	55.79
Short term borrowings	425.60				27.93	453.53
Lease Libilities (Refer Note no. 50)	6.96	0.33	(2.63)	0.61	(2.02)	5.27

Reconcilation of Changes in Liability arising from Financing activities for the year ending 31/03/2020

Particulars	Opening	Ind as 116 adoption	Cash flows	Non-Cash changes	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 Libilities (Refer Note no. 50)	-	8.64	(2.43)	0.75	(1.68)	6.96

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's Registration Number: 003109S

K.S RAO & CO
VIJAYAWADA INDIA
CHARTERED ACCOUNTANTS

(GopiKrishna Chowdary Manchikella)
Partner
Membership Number:235528
UDIN: 21235528AAAABU6483

Place: Vijayawada/Hyderabad
Date: 17.06.2021

For and on behalf of the Board

S Kishore Babu
Chairman and Managing Director
DIN (00971313)

Power Mech Projects Ltd.
Hyderabad

J Satish
CFO

Mohith Kumar Khandelwal
Company Secretary

POWER MECH PROJECTS LIMITED
HYDERABAD

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

Consolidated Statement of Changes in Equity for the year ended 31.03.2021

A. Equity share capital

Particulars	No's	Amount
As at 31st March, 2019	14,710,764	14.71
Changes in equity during the year	-	-
As at 31st March, 2020	14,710,764	14.71
Changes in equity during the year	-	-
As at 31st March, 2021	14,710,764	14.71

B. Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income		Total
	Securities Premium Reserve	Other Reserves (General reserve)	Foreign Currenty Translation Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Acturial Gains/(Loses)	
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 attributable to equity share holders of parent	-	-	-	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
Final Dividend and tax thereon for the Financial year 2018-19 proposed & paid during the year	-	-	-	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
Loss for the year attributable to equity share holders of parent	-	-	-	(45.64)	0.02	1.37	(44.25)
Other Comprehensive loss	-	-	(0.57)	-	-	-	(0.57)
Total Comprehensive Loss for the year	-	-	(0.57)	(45.64)	0.02	1.37	(44.82)
Final Dividend for the Financial year 2019-20 proposed & paid during the year	-	-	-	1.47	-	-	1.47
Balance at the end of reporting period - 31st March 2021	160.93	37.00	1.48	686.68	0.02	4.04	890.15

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's Registration Number: 003109S

K.S RAO & CO. VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528
UDIN: 21235528AAAABU6483

Place: Vijayawada/Hyderabad
Date: 17.06.2021

J Satish
CFO

Power Mech Projects Ltd. Hyderabad

For and on behalf of the Board

S.Kishore Babu
Chairman and Managing Director
DIN (00971313)

Mohith Kumar Khandelwal
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

Note No.1 GROUP INFORMATION

The consolidated financial statements comprise financial statements of Power Mech Projects Limited (the parent) and its subsidiaries (collectively referred to as "Group") and includes share of profit from its joint venturers and associate.

The parent company Power Mech Projects Limited is incorporated in the year 1999 and is an engineering and construction company providing integrated service in erection, testing and commissioning (ETC) of boilers, turbines and generators and balance of plant (BOP), civil works and operation and maintenance (O&M). The company is also undertaking railway projects and executing major railway project of doubling of tracks including electrification, signalling, culverts, platforms etc. and transmission and distribution portfolio, a new venture of diversification and the company has already undertaken some major projects. Thus, Power Mech is proud to be a vital part of India's Power generation capacity augmentation. Also, the company as a part of diversifying its operations, entering into development and operation of coal mines.

The company, its subsidiaries and its joint venture and associate considered in the consolidated financial statements are:

a) Subsidiaries:

Name of the company	Country of incorporation	Principal activities	Year ended (% of holding)	
			31.03.2021	31.03.2020
Hydro Magus Private Limited	India	Maintenance contracts	88%	88%
Power Mech Industri Private Limited	India	Manufacture of spare parts	100%	100%
Power Mech BSCPL Consortium Private Limited	India	Infrastructure development	51%	51%
Power Mech SSA Structures Private Limited	India	Infrastructure development	100%	100%
Aashm Avenues Private Limited	India	Infrastructure development	100%	100%
Power Mech Environmental Protection Private Limited	India	Recycling of wastes generated by various industries and commercial establishments	100%	100%
Power Mech Projects LLC	Oman	Installation and repair of electric power and transformer plants	70%	70%
Power Mech Projects (BR) FZE	Nizeria	Infrastructure development	100%	100%

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b) **Joint Venture:**

Name of the company	Country of incorporation	Principal activities	Year ended	
			31.03.2021	31.03.2020
M/s. Power Mech – M/s. ACPL JV	India	Construction works	80%	80%
Power Mech – Khilari Consortium JV	India	Construction works	75%	75%
Power Mech – STS JV	India	Construction works	74%	74%
PMPL – SRC INFRA JV – Mizoram	India	Construction works	74%	-
PMPL – SRC INFRA JV – Hassan	India	Construction works	60%	-
PMPL – BRCC INFRA JV	India	Construction works	70%	-
GTA Power Mech Nigeria Limited	Nigeria	Turbine repair	50%	50%
GTA Power Mech DMCC	Dubai	Construction works	50%	50%

c) **Associate**

Name of the company	Country of incorporation	Principal activities	Year ended	
			31.03.2021	31.03.2020
MAS Power Mech Arabia	Saudi Arabia	Installation and Maintenance services	49%	49%

Note No:2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS :

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by the Ministry of Corporate affairs, pursuant to section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013('the Act')(to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the parent Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

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The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceased to control the subsidiary.

Profit and loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. Any distributions received from our investee will reduce the carrying amount of investment. The Group's investment in associates includes goodwill/capital reserve identified on acquisition.

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in Joint Venture are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. Any distributions received from our investee will reduce the carrying amount of investment. The Group's investment in joint venture includes goodwill/capital reserve 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, 2020 and for consolidation purposes additional financial information for the q.e 31st March, 2021 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.

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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

K.S RAO & CO. VIJAYAWADA CHARTERED ACCOUNTANTS 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

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

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

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

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

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Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. When the grant relates to an asset, it is recognized as deferred revenue in the Balance sheet and transferred to the statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

f) Investment in Joint venture and associate

Investment in jointly controlled entity and associate is accounted for using the "equity method" less accumulated impairment, if any. Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the jointly controlled entity and associate since the date of acquisition. Goodwill relating to the entity is included in the carrying amount of the investment.

The statement of profit and loss reflects the group's share of the results of the operations of the jointly controlled entity and associate. The amount of OCI of these entities are included in the groups OCI. Unrealised gains and losses resulting from transactions between the group and its entity are eliminated to the extent of interest in jointly controlled entity and associate.

g) Impairment of Assets

i) Financial assets (other than at fair value)

The group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The group recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount (i.e higher of the fair value less cost of sale and value in use) is determined on an individual asset basis unless the asset does not 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.

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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.

Identifying Performance Obligation:
A performance obligation is identified in the construction projects that the group engages in, owing to the high degree of integration and customization of the various goods and services to provide a combined output which is transferred to the customer over time and not at a specific point in time. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time.

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

Recognition of Revenue:

In case of sale of goods:

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

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In case of construction services:

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

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

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

In case of other Income:

Interest income is recognized using the effective interest method.

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

k) Employee Benefits

i) Defined Contribution Plans

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

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.

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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.

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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 Rs. 11.40 crores and a lease liability of Rs. 8.63 crores as on date of balance sheet.

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.

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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 loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the company reversed the impairment loss recognized earlier.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. The effective 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.

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Consolidated notes to the Financial Statements

PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Note No.4.1

Particulars	As at 31st March, 2021	As at 31st March, 2020
Carrying Amounts of:		
Land	3.60	3.60
Office Buildings	32.60	34.30
Plant and Equipment	20.80	23.49
Furniture and Fixtures	1.77	2.85
Computers	1.39	1.40
Office Equipment	2.84	3.74
Motor vehicles	16.91	13.96
Cranes	75.20	83.50
Temporary Sheds	9.80	9.22
	164.91	**176.06**
Capital Work-in-progress	**5.32**	**2.61**

Property, Plant and Equipment

Note No.4

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, 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
Additions	-	-	-	2.05	0.55	0.49	0.84	7.65	8.40	4.21	24.19
Disposals	-	-	-	0.69	0.20	0.13	1.26	1.53	1.78	6.57	12.16
As at 31st March, 2021	3.60	-	40.16	55.92	10.26	4.80	11.61	49.16	154.77	36.99	367.27
Accumulated Depreciation including accumulated Impairment loses											
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
Depreciation charge for the year	-	-	1.70	4.41	1.56	0.46	1.36	4.50	15.93	3.52	33.44
On disposals	-	-	-	0.36	0.13	0.09	0.88	1.33	1.01	6.46	10.26
As at 31st March, 2021	-	-	7.56	35.12	8.49	3.41	8.77	32.25	79.57	27.19	202.36
Net Block											
As at 31st March, 2021	3.60	-	32.60	20.80	1.77	1.39	2.84	16.91	75.20	9.80	164.91
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

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 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 Previous year were constructed on Land taken on Lease.

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Consolidated Notes to the financial statements

Right of use asset

Note No.4.2

Particulars	As at 31st March, 2021	As at 31st March, 2020
Right of use asset	7.17	9.09
	7.17	**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**
Additions	-	0.33	0.33
Disposals/adjustments	-	-	-
As at 31st March, 2021	**2.56**	**9.17**	**11.73**
(B) Accumulated Amortisation and impairment			
As at 31st March, 2019	-	-	-
Re-classification and Transition impact on account of adoption of Ind AS- 116	0.10	-	**0.10**
Amortisation expense for the year	0.03	2.18	**2.21**
Eliminated on disposal	-	-	-
As at 31st March, 2020	**0.13**	**2.18**	**2.31**
Amortisation expense for the year	0.03	2.22	2.25
Eliminated on disposal	-	-	-
As at 31st March, 2021	**0.16**	**4.40**	**4.56**
(C) Carrying amount			
As at 31st March, 2021	**2.40**	**4.77**	**7.17**
As at 31st March, 2020	**2.43**	**6.66**	**9.09**

Capital Work-in-Progress

Note No.5

Particulars	Amount
Carrying value - At Cost	
As at 31st March, 2019	**3.34**
Additions	0.21
Capitalised during the year	0.94
As at 31st March, 2020	**2.61**
Additions	2.93
Capitalised during the year	0.22
As at 31st March, 2021	**5.32**

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INTANGIBLE ASSETS

Note No.6

Particulars	As at 31st March, 2021	As at 31st March, 2020
Power Mech Brand	0.00	0.00
Computer Software	0.30	0.37
Goodwill	2.27	2.27
	2.57	**2.64**

Particulars	Power Mech Brand	Computer Software	Goodwill	Total
Gross Block				
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**
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31st March, 2021	**0.00**	**1.54**	**2.27**	**3.81**
Accumulated Amortisation				
As at 31st March, 2019	**0.00**	**1.08**	**-**	**1.08**
Amortisation expense for the year	-	0.09	-	0.09
On disposals	-	-	-	-
As at 31st March, 2020	**0.00**	**1.17**	**-**	**1.17**
Amortisation expense for the year	0.00	0.07	-	0.07
On disposals	-	-	-	-
As at 31st March, 2021	**0.00**	**1.24**	**-**	**1.24**
Net Block				
As at 31st March, 2021	**0.00**	**0.30**	**2.27**	**2.57**
As at 31st March, 2020	**0.00**	**0.37**	**2.27**	**2.64**

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Consolidated notes to the Financial Statements

INVESTMENTS (NON-CURRENT) Note No.7.1

Particulars		As at 31st March, 2021	As at 31st March, 2020
A. Investment in Equity Instruments			
(a) (i) Quoted - Trade (carried at fair value thorugh OCI)			
a) 24 Equity shares of Rs.10/ each in Reliance Power Limited *		0.00	0.00
(ii) Quoted - Non Trade (carried at fair value through OCI)			
a) 200 Equity shares of Rs.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 Associates (Carried at cost) :			
a) 332 (332) Equity shares of SR 1000 each in MAS Power Mech arabia		(8.77)	0.06
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		36.46	31.51
b) 50 (50) Equity shares of AED 1000 each in GTA Power Mech DMCC		0.04	0.04
c) M/S POWER MECH-M/S ACPL JV (Capital introduced Nil)**		0.82	0.52
d) PMPL-STS JV (Capital introduced Nil)**		0.67	0.57
e) PMPL-KHILARI Consortium JV (Capital introduced Nil)**		0.27	0.17
f) PMPL-SRC INFRA JV - Mizoram (Capital introduced Nil)**		0.28	-
g) PMPL-SRC INFRA JV - Hassan (Capital introduced Nil)**		-	-
h) PMPL-BRCC INFRA JV (Capital introduced Nil)**		-	-
Total Investment in Un-Quoted Equity Instruments	(b)	**29.77**	**32.87**
Total Investment in Equity Instruments	(A = a+b)	**29.77**	**32.87**
B. Investment in Mutual Funds - Quoted (Carried at fair value through OCI)			
a) 20,000 units of SBI Infra structure fund - I - Growth Rs.10/ each		0.04	0.02
Total Investment in Mutual Funds	(B)	**0.04**	**0.02**
Total	(A+B)	**29.81**	**32.89**
Aggregate amount of : Quoted investments -			
- At cost		0.02	0.02
- Market value		**0.04**	**0.02**
Aggregate amount of un-Quoted investments		**29.77**	**32.87**

* Amounts below 1 Lakh

** The Parent Company has become a venturer in joint ventures incorporated during the financial year 2018-19 and 2020-21. 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 net assets treated in accordance with "Ind AS- 28: Investment in Joint ventures and Associates".

Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	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 Rs.10/ each in Reliance Power Limited	0.00	-	0.00	-
b) 200 Equity shares of Rs.10/ each in Assam Company Limited	0.00	-	0.00	-
c) Investments in mutual funds 20000 units of SBI Infra structure fund - I - Growth Rs.10/ each	0.04	-	0.02	-
(ii) Using Equity method for Investments in Joint Ventures and Associates as per Ind As 28	29.77	-	32.87	-
	29.81	-	**32.89**	-

INVESTMENTS (CURRENT) Note No.7.2

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment in Mutual Funds - Quoted: (Carried at fair value through P&L)		
a) 2,50,000(Nil) units of Baroda Large & Mid Cap Fund	0.32	-
b) 16,82,808(Nil) Units of Union Corporate Fund Regular Plan- Growth Fund	2.04	-
Total Investment in Mutual Funds	**2.36**	-
Aggregate amount of : Quoted investments -		
- At cost	2.25	-
- Market value	2.36	-

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LOANS

Note No.8

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered Good				
a) Employee related advances	-	-	5.17	4.67
b) Loans to Others - GTA Power Mech FZE (Subsidiary to GTA Power Mech Nizeria, a JV)	-	-	0.55	0.55
Total	-	-	**5.72**	**5.22**

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.

OTHER FINANCIAL ASSETS

Note No.9

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
a) Security deposits with Govt. authorities and others	10.19	13.47	0.02	-
b) EMD with customers	59.79	82.86	-	0.05
c) Earmarked balances with banks held as margin money against LC and guarantees having a maturity period for more than 12months from the date of Balance sheet	65.15	44.22	-	-
d) Retention Money and Security Deposit with customers	125.55	147.70	162.43	164.30
e) Uncertified Revenue	-	-	401.12	410.20
Total	**260.68**	**288.25**	**563.57**	**574.55**
Less: Provision for doubtful receivables (Retention Money and Security Deposit with customers)	(3.34)	(3.34)	-	-
	257.34	**284.91**	**563.57**	**574.55**

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 manangement.

OTHER ASSETS

Note No.10

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered Good				
a) Advances for Capital goods	2.13	1.91	-	0.17
b) Mobilisation advances to Sub - Contractors	-	-	8.90	9.32
c) Advances to creditors against supplies	-	-	28.87	21.64
d) Advances to sub-contractors against works -Unsecured			337.80	353.95
e) Prepaid Royalty and other expenses	-	-	38.89	64.68
f) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	26.67	27.85
Works contract tax (TDS)	-	-	1.43	2.35
Sales Tax Refund Receivable	-	-	0.14	0.14
Custom Duty Receivable	-	-	0.02	0.13
Taxes paid under protest	-	-	0.54	0.54
g) Other advances	-	-	6.87	5.88
Total	**2.13**	**1.91**	**450.13**	**486.65**
Less: Provision for doubtful advances (Advance to sub-contractors against works)	-	-	(1.22)	(1.22)
	2.13	**1.91**	**448.91**	**485.43**

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.

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Consolidated notes to the Financial Statements

INVENTORIES

Note No.11

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Stores and spares	100.18	105.63
b) Construction Work-in-progress	14.49	20.70
Total	**114.67**	**126.33**

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, 2021 was ₹ 264.05 Cr (for the year ended 31st March, 2020: ₹ 323.91 Cr)

(iii) All the above inventories are offered as security in respect of working capital loans availed by the respective companies in the group from all the banks.

(iv) There are no inventories expected to be liquidated after more than twelve months.

TRADE RECEIVABLES

Note No.12

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	536.04	544.25
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables -credit impaired	-	-
Less: Allowance for doubtful receivables	(2.53)	(2.53)
Total	**533.51**	**541.72**

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, ₹ 95.06 Cr (as at March 31, 2020 : ₹ 137.09 Cr) is due from one of the Parent Company's largest customer. Further, an amount of ₹ 25.73 Cr. (as at March 31, 2020 : ₹ Nil 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 estimates by the management about their recoverability.

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CASH AND CASH EQUIVALENTS

Note No.13

Particulars	As at 31st March, 2021	As at 31st March, 2020
i) Balances with banks in Current accounts		
a. In Current accounts	12.04	25.52
ii) Cash on hand	1.65	1.71
iii) Fixed Deposits with original maturity period of less than 3 months	0.06	2.41
Total	**13.75**	**29.64**

Other bank balances

Note No.13

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Earmarked balances with banks held as margin money against LC and guarantees falls due for maturity within 12months from the date of Balance sheet	50.67	45.42
b. Earmarked balances with banks towards unclaimed dividends	0.02	0.02
Total	**50.69**	**45.44**

Note: Bank Deposits with more than 12 months maturity from the date of Balance Sheet was disclosed under "Other Financial Assets"

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SHARE CAPITAL

Note No. 14

a) Authorised Share Capital

Particulars	Equity	
	No's	INR
As at 31st March, 2019	26,000,000	26.00
Changes during the year	-	-
As at 31st March, 2020	26,000,000	26.00
Changes during the year	-	-
As at 31st March, 2021	26,000,000	26.00

b) Issued Share Capital

Equity shares of Rs.10 each issued, subscribed and fully paid

Particulars	No's	INR
As at 31st March, 2019	14,710,764	14.71
Increase/(Decrease) during the year	-	-
As at 31st March, 2020	14,710,764	14.71
Increase/(Decrease) during the year	-	-
As at 31st March, 2021	14,710,764	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 Rs.10/- each. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. 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, 2021		As at 31st March, 2020	
	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	3,864,942	26.27%	3,634,942	24.71%
S. Kishore Babu (HUF)	1,244,000	8.46%	1,244,000	8.46%
S. Lakshmi	3,728,626	25.35%	3,128,626	21.27%
S. Rohit	19,413	0.13%	849,413	5.77%
HDFC Small Cap Fund	1,003,126	6.82%	1,003,126	6.82%
	9,860,107	67.03%	9,860,107	67.03%

e) Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:

No Bonus shares were issued by the parent company during the period of five immediately preceeding financial Years.

f) No shares were issued by the parent company pursuant to a contract without payment being received in cash.

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OTHER EQUITY

Note No. 15

Securities Premium Reserve

Particulars	Amount
As at 31st March, 2019	**160.93**
Changes during the year	-
As at 31st March, 2020	**160.93**
Changes during the year	-
As at 31st March, 2021	**160.93**

General Reserve

Particulars	Amount
As at 31st March, 2019	**37.00**
Transfers during the year	-
As at 31st March, 2020	**37.00**
Transfers during the year	-
As at 31st March, 2021	**37.00**

Foreign Currency Translation Reserve Account

Particulars	Amount
As at 31st March, 2019	**0.76**
Changes during the year	1.29
As at 31st March, 2020	**2.05**
Changes during the year	(0.57)
As at 31st March, 2021	**1.48**

Retained Earnings

Particulars	Amount
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**
Add: Total comprehensive loss for the year transferred from statement of profit and loss	(44.25)
Less: Final Dividend for the Financial year 2019-20 proposed & paid during the year	1.47
As at 31st March, 2021	**690.74**

Summary of Other Equity

Particulars	As at 31st March, 2021	As at 31st March, 2020
Securities Premium	160.93	160.93
General Reserve	37.00	37.00
Foreign Currency Translation Reserve Account	1.48	2.05
Retained Earnings	690.74	736.46
	890.15	**936.44**

Minority Interest

Note No. 16

Particulars	Amount
As at 31st March, 2019	**8.15**
Changes during the year	(0.04)
As at 31st March, 2020	**8.11**
Changes during the year	(3.09)
Dividend paid	(1.49)
As at 31st March, 2021	**3.53**

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LONG TERM BORROWINGS

Note No.17

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
A. Secured				
i. Term loans				
a) From banks :				
i) Axis Bank	7.91	16.66	21.70	22.25
ii) HDFC Bank	0.65	1.64	0.99	1.26
iii) ICICI Bank	3.60	0.71	2.58	2.40
iv) Kotak Mahindra Bank	-	1.56	1.30	4.66
v) Yes Bank	0.65	0.17	0.48	0.20
vi) Ratnakar Bank	-	-	-	0.13
vii) Emirates Islamic Bank	0.52	0.53	0.49	0.37
b) From Others :				
i) HDB Financial Services	1.77	0.13	1.22	2.18
ii) TATA Capital	0.03	8.03	8.00	14.86
iii) Mahindra finance	0.73	0.21	0.58	0.12
Total (a)	**15.86**	**29.64**	**37.34**	**48.43**
B. Unsecured				
a) Deferred payment liabilities				
Due to suppliers on deferred credit basis	-	-	2.59	12.83
Total (b)	-	-	**2.59**	**12.83**
Total (a+b)	**15.86**	**29.64**	**39.93**	**61.26**

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 instalments.
4) Maturity pattern of above term loans (Non current) is as follows
Banks: 2022-23 – ₹ 10.32 ; 2023-24 -₹ 3.00
Companies: 2022-23 – ₹ 1.68 : 2023-24 - ₹ 0.86
5) No defaults were made in repayment of above term loans

OTHER FINANCIAL LIABILITIES

Note No.18

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
a) Retention Money & Security deposits recovered from Sub-Contractors	71.63	61.03	25.72	29.82
b) Current maturities of long-term debt (Refer Note No. 17)	-	-	39.93	61.26
c) Creditors for capital goods	-	-	2.15	3.00
d) Interest accrued and due	-	-	0.04	1.11
e) Interest accrued but not due	-	-	-	-
f) Unclaimed dividend	-	-	0.02	0.02
g) Employee related payments	-	-	46.80	44.54
h) Share application money refundable	-	-	0.11	0.11
i) Other Liabilities	-	-	40.81	36.84
	71.63	**61.03**	**155.58**	**176.70**
a) Lease liability as per Ind as 116 (Refer Note No. 50)	2.74	4.53	2.53	2.43
Total	**74.37**	**65.56**	**158.11**	**179.13**

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.

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PROVISIONS

Note No.19

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	1.16	1.68	0.47	0.49
- Leave Encashment (Unfunded)	3.67	2.02	0.84	0.52
Total	4.83	3.70	1.31	1.01

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 ₹ 14.19 Cr (Year ended March 31, 2020: ₹ 12.17 Cr) for provident fund contributions, and ₹ 1.43 Cr (Year ended March 31, 2020: ₹ 1.27 Cr) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

b. Defined benefit plans

The Group provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

(i) Balance Sheet

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Present value of obligation	11.27	9.68
Fair Value of plan assets	9.64	7.51
(Asset)/Liability recognised in the Balance Sheet	**1.63**	**2.17**

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Plan Obligation	Plan Assets	Deficit/(Surplus)
As at March 31, 2019	**6.73**	**7.39**	**(0.66)**
Current service cost	4.01	-	4.01
Past service cost	-	-	-
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**
Current service cost	2.67	-	2.67
Past service cost	0.07	-	0.07
Interest cost	0.64	-	0.64
Interest income	-	0.57	(0.57)
Actuarial gain arising from changes in experience adjustments	(1.22)	-	(1.22)
Actuarial gain arising from changes in financial assumptions	(0.17)	-	(0.17)
Contributions by employer	-	1.97	(1.97)
Benefit payments	(0.40)	(0.40)	0.00
Return on plan assets, excluding interest income	-	(0.01)	0.01
As at March 31, 2021	**11.27**	**9.64**	**1.63**

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(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Employee Benefit Expenses		
Current service cost	2.67	4.01
Past service cost	0.07	-
Interest cost	0.64	0.50
Interest Income	(0.57)	(0.55)
Net impact on profit before tax	**2.81**	**3.96**
Remeasurement of the net defined benefit plans:		
Actuarial gain arising from changes in Financial assumptions	(0.17)	(1.92)
Actuarial (gain)/loss arising from changes in Experience adjustments	(1.21)	0.88
Return on plan assets, excluding interest income	0.01	0.01
Net impact on other comprehensive income before tax	**(1.37)**	**(1.03)**

(iv) Assets

The major categories of plan assets as a % of the total plan assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Insurance policies	100%	100%

(v) Investment details

Particulars	As at 31st March, 2021	As at 31st March, 2020
Insurance Policies	9.64	7.51

(vi) Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at

Particulars	As at 31st March, 2021	As at 31st March, 2020
Discount rate	6.90%	6.79%
Salary escalation rate	3.00%	3.00%

(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 occuring 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, 2021
Salary Escalation - Up by 1%	13.03
Salary Escalation - Down by 1%	9.74
Withdrawal Rates - Up by 1%	11.90
Withdrawal Rates - Down by 1%	10.44
Discount Rates - Up by 1%	9.85
Discount Rates - Down by 1%	12.92

(vii) Maturity profile of defined benefit obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non current
Defined Benfit obligation	0.47	2.34	3.16

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DEFERRED TAX

Note No.20

The following is the analysis of deferred tax (Assets)/Liabilities presented in the Balance Sheet

Particulars	Components	
	As at 31st March, 2021	As at 31st March, 2020
Liability:		
Towards depreciation	-	-
Asset:		
Disallowances under Income-tax	6.85	6.32
On account of Unabsorbed Losses	12.44	-
Towards depreciation	2.27	1.85
MAT Credit entitlement	0.15	0.05
Total	**21.71**	**8.22**

Movement in Deferred Tax (Assets)/Liabilities

Component	As at 31st March, 2019	Credit to Statement of P&L	As at 31st March, 2020	Credit to Statement of P&L	As at 31st March, 2021
Deferred tax Liability / (Asset) in relation to:					
Depreciation	(2.53)	(3.79)	(6.32)	(0.53)	(6.85)
Expenses allowable under Income tax when paid	(3.11)	1.26	(1.85)	(0.42)	(2.27)
On account of unabsorbed losses	-	-	-	(12.44)	(12.44)
MAT Credit entitlement	(0.05)	-	(0.05)	(0.10)	(0.15)
	(5.69)	**(2.53)**	**(8.22)**	**(13.49)**	**(21.71)**

OTHER LIABILITIES

Note No.21

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
a) Mobilisation advances received from customers	22.65	5.82	53.71	47.80
b) Advances received from customers against supplies or works	-	-	15.80	7.20
c) Statutory Liabilities	-	-	39.38	36.23
d) Deferred government grants (Refer note)	0.32	0.56	-	-
Total	**22.97**	**6.38**	**108.89**	**91.23**

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.

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Note No.22

SHORT TERM BORROWINGS

Particulars	As at 31[st] March, 2021	As at 31[st] March, 2020
A. Secured		
1. Loans repayable on demand :		
a) Working capital loans from banks		
i) State Bank of India	125.37	138.85
ii) Standard Chartered bank	23.50	30.00
iii) Ratnakar bank	-	26.37
iv) Axis bank	2.96	0.73
v) IDFC First bank	39.66	23.22
vi) Punjab National bank	20.75	20.92
vii) Bank of India	27.18	24.47
viii) IndusInd bank	7.42	7.40
ix) Uinion bank of India	37.66	-
x) Bank of Baroda	44.47	-
xi) UCO bank	49.45	-
xii) Central bank of India	5.78	-
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	9.37	45.00
ii) Bank of Bahrain & Kuwait	59.96	60.00
iii) Oxyzo Financial Services Pvt Ltd	-	5.57
b) Short term loans :		
i) From Pennar Industries Limited	-	6.50
Total	453.53	425.60

Note:

a) Working capital loans from State Bank of India, Standard Chartered bank, Axis bank, IDFC First bank, Ratnakar bank, Punjab National bank, Bank of India, IndusInd bank, Union Bank of India, Bank of Baroda, UCO bank, Central bank of India 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 of the Parent Company in their personal capacities.

d) The above loans carries interest varies from 7.30 % to 10.30 %

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TRADE PAYABLES

Note No.23

Particulars	As at 31st March, 2021	As at 31st March, 2020
Dues to : Small and Micro Enterprises	0.11	0.35
: Other than Small and Micro Enterprises *	512.50	577.48
Total	512.61	577.83

* 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 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.

Particulars	As at 31st March, 2021	As at 31st March, 2020
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	0.11	0.35
(b) Interest due there on	0.02	0.04
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date Interest there on in terms of Sec 16 of the Act	0.23	-
(b) Interest paid along with such payments during the year	0.26	0.14
(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	0.02	0.04
4. Total amount of interest u/s 16 of the Act including that arising in earlier years, accrued and remaining unpaid at end of the year.	0.22	0.46

CURRENT INCOME-TAX(ASSETS)/LIABILITIES (Net)

Note No.24

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Income-tax	221.18	219.65
Less: Advance Income-tax and TDS	257.91	232.33
	(36.73)	(12.68)

Income-tax recognised in profit or loss

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Current Tax		
Tax expense in respect of current year Income	2.15	40.01
(Excess)/Short provision of current tax in earlier years	-	-
	2.15	40.01
Deferred Tax		
Deferred Tax Income in respect of Current year	(13.39)	(2.53)
MAT credit entitlement credit in respect of tax paid under provision of MAT	(0.10)	-
	(13.49)	(2.53)
Total tax expense recognised in profit or loss	(11.34)	37.48

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REVENUE FROM OPERATIONS

Note No.25

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
Contract receipts:		
Income from contracts and services	1,879.86	2,161.02
Other operating revenue :		
Crane hire charges received	4.22	3.66
TOTAL	**1,884.08**	**2,164.68**

OTHER INCOME

Note No.26

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest from banks and others	6.52	6.64
Interest on unwinding portion of Rental Deposits (at amortised cost)	0.05	0.09
Rent received	0.04	-
Profit on sale of assets	0.46	0.67
Fair value gain on current investments	0.11	-
Gain on exchange fluctuations	8.72	1.70
Sale of Duty credit scrip and deferment of govt. grants	0.27	0.25
Interest on Income tax refund	0.16	-
TOTAL	**16.33**	**9.35**

COST OF MATERIALS CONSUMED

Note No.27

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening Stock	105.63	84.00
Add:Purchases	258.60	345.54
	364.23	**429.54**
Less : Closing Stock	100.18	105.63
TOTAL	**264.05**	**323.91**

CHANGES IN INVENTORIES OF WORK -IN- PROGRESS

Note No.28

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening work-in-progress	20.70	8.73
	20.70	**8.73**
Closing work-in-progress	14.49	20.70
	14.49	**20.70**
Increase / (Decrease) in inventories	**(6.21)**	**11.97**

CONTRACT EXECUTION EXPENSE

Note No.29

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
Sub-contract expenses	916.99	1,026.80
Radiography charges	14.53	16.75
Royalty Charges	128.02	1.89
Hire charges	41.52	50.01
Rent at Project sites	16.92	20.23
Power and fuel	5.02	6.96
Insurance	3.89	3.80
Vehicles movement and other freight expenses	22.74	32.63
Repairs and maintenance : Plant and machinery	10.96	10.36
Other assets	2.67	2.92
Fuel and vehicle maintenance	44.45	36.24
Travelling expenses at projects	14.22	17.81
Wages paid to contract labour	1.77	3.77
TOTAL	1,223.70	1,230.17

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EMPLOYEE BENEFIT EXPENSE

Note No.30

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries and Wages	277.51	277.74
Remuneration to managerial personnel	0.05	5.25
Contribution to provident and other funds	15.62	13.44
Staff welfare expenses	26.24	24.41
Contribution towards group gratuity	2.81	3.96
TOTAL	322.23	324.80

FINANCE COST

Note No.31

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest paid to banks and others	66.66	57.78
Bank charges and BG commission	5.98	6.48
Loan Processing charges	5.11	5.55
Interest on Income-tax	0.91	2.44
Exchange fluctuations on deferred credit payment	-	1.06
Finance cost on lease liability	0.61	0.75
TOTAL	79.27	74.06

DEPRECIATION AND AMORTISATION

Note No.32

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation	33.44	37.13
Amortisation	0.07	0.09
Depreciation on Right-of-use assets	2.25	2.21
TOTAL	35.76	39.43

Refer note no 3(d) given under Significant accounting policies for method of providing depreciation.

OTHER EXPENSE

Note No.33

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
Rents - Office	0.01	0.22
Directors Sitting Fee	0.11	0.10
Payments to auditors		
Towards Statutory audit	0.14	0.14
Towards tax audit and taxation matters	0.01	0.01
Rates and taxes	5.63	4.25
Miscellaneous expenses	17.42	17.75
Provision towards doubtful debts and advances	-	3.94
CSR expenses	2.36	0.44
Loss on sale of assets	0.36	0.07
Loss on exchange fluctuations	-	0.11
TOTAL	26.04	27.03

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Note: 34

Categories of Financial instruments

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2021, 31st March, 2020 are as follows:

Particulars	Fair value		Carrying value	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Financial assets				
Measured at Amortised cost				
(i) Other financial assets	820.91	859.46	821.02	859.63
(ii) Loans and advances	5.72	5.22	5.72	5.22
Measured at FVTOCI				
(i) Investments in equity instruments and Mutual Funds	0.04	0.02	0.02	0.02
Measured at FVTPL				
(i) Investments in Mutual Funds	2.36	-	2.25	-
Measured at cost				
(i) Investment in Joint ventures & Associates	29.77	32.87	29.77	32.87
Total assets	**858.80**	**897.57**	**858.78**	**897.74**
Financial liabilities				
Measured at amortised cost				
(i) Borrowings (including current maturities of Long term borrowings)	55.79	90.90	55.79	90.90
(ii) Other financial liabilities	187.28	176.47	187.28	176.47
(iii) Lease liabilities	5.27	6.96	5.27	6.96
Total liabilities	**248.34**	**274.33**	**248.34**	**274.33**

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, 2021	31st March, 2020		
1) Investments in Quoted Mutual Funds	2.40	0.02	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.

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Note: 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 continous 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 48% of its trade receivables. All trade receivables are reviewed and assessed for default on a monthly basis. On historical experience of collecting receivables , credit risk is low.

The following table gives details in respect of dues from trade receivables including retentions and deposits and uncertified revenue.

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Turnover from top Customer	319.73	420.48
Dues from top customer	305.52	329.09
Turnover from other top 4 customers	378.89	493.55
Dues from other top 4 customers	65.21	122.36

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, 2021,March 31, 2020, 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:

(Amount in INR)

Particulars	Currency	As at 31st March, 2021	As at 31st March, 2020
Letter of Credit	USD	2.59	12.83

Since the group has not entered into any forward contracts, there is a risk of foreign currency fluctuations.

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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, 2021	As at 31st March, 2020
Net Foreign currency exposure in		
USD - US Dollars	12.57	12.95
SAR - Saudi Arabian Riyals	3.81	4.28
AED - Arab Emirates Dirham	13.65	10.02
BDT - Bangladeshi Taka	98.51	95.04
LYD - Libyan Dinars	1.21	4.01
OMR - Oman Riyals	4.91	(0.10)
	134.66	**126.20**

The unhedged exposures are naturally hedged by future foreign currency earnings and earnings linked to foreign currency.
The uncovered amount is subject to foreign currency fluctuations.

C. Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the group has availed credit limits with banks. The group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2021 and March 31, 2020. 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, 2021	As at 31st March, 2020
Equity	908.39	959.26
Short Term Borrowings	453.53	425.60
Long Term Borrowings (including Current maturities of Long term debt)	55.79	90.90
Cash and Cash Equivalents (including other bank balances)	(129.60)	(119.31)
Net Debt	**379.72**	**397.19**
Total Capital (Equity+Net Debt)	1,288.11	1,356.45
Gearing Ratio (Net Debt / Equity)	**41.80%**	**41.41%**

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Note	Particulars	31.03.2021	31.03.2020
37	**Contingent Liabilities and Commitments**		
A.	**Contingent Liabilities**		
	a) Claims against the company not acknowledged as debts - VAT	1.80	4.75
B.	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	0.49	1.95
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.	821.20	663.62
39	CIF value of Imports made by the Group during the year		
	a) Consumables & Spare parts	-	0.18
	b) Capital goods	0.78	3.84
40	Earnings in foreign exchange currency		
	a) Contract receipts (Projects executed outside India)		
	Abu Dhabi	69.42	63.86
	Bheramara	122.33	209.20
	Kuwait	4.42	48.17
	Libya	-	0.36
	IBRI	-	0.68
	Saudi	0.25	2.61
	Nigeria	26.27	111.68
	Oman	-	10.88
	b) 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)		
	Abu Dhabi	62.00	72.38
	Bheramara	131.02	155.31
	Kuwait	3.17	49.16
	Libya	0.06	0.01
	b) Foreign travel	0.00	0.06

42 **EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY**

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
a) Gross amount required to be spent by the parent company during the year	2.36	2.26
b) Amount spent during the year (Contribution paid to Power Mech Foundation/others)	2.36	0.44

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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%
PMPL-SRC INFRA JV -Mizoram	India	74%
PMPL-SRC INFRA JV -Hassan	India	60%
PMPL-BRCC INFRA JV	India	70%

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%

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	93.42%	848.63	91.94%	(44.04)
Subsidiaries				
Hydro Magus Private Limited	0.49%	4.49	0.93%	(0.45)
Power Mech Industri Private Limited	(0.18%)	(1.66)	(1.61%)	0.77
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 Ltd	0.07%	0.66	0.01%	(0.00)
Power Mech Projects Limited LLC	0.13%	1.23	14.74%	(7.06)
Power Mech Projects (BR) FZE	2.39%	21.75	(18.94%)	9.07
Power Mech Environmental Protection Private Limited	0.00%	(0.01)	0.02%	(0.01)
Joint Venture				
M/s. PMPL- M/s. ACPL JV	0.09%	0.82	(0.62%)	0.30
PMPL-KHILARI Consortium JV	0.03%	0.27	(0.21%)	0.10
PMPL-STS JV	0.07%	0.67	(0.22%)	0.11
PMPL - SRC INFRA JV (Mizoram)	0.03%	0.28	(0.59%)	0.28
PMPL - SRC INFRA JV (Hassan)	0.00%	0.00	-	0.00
PMPL-BRCC INFRA JV	0.00%	0.00	-	0.00
GTA Power Mech NIGERIA Limited	4.01%	36.46	(10.33%)	4.95
GTA Power Mech DMCC	0.00%	0.04	(0.00%)	0.00
Associate				
MAS Power Mech Arabia (MASPA)	(0.97%)	(8.77)	18.43%	(8.83)
Share of Minority	0.39%	3.53	6.45%	(3.09)
	100%	908.39	100%	(47.90)

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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	8.37	11.73	20.32	6.23	(0.66)	(0.16)	(0.50)	88%
2	Power Mech Industri Private Limited	INR	0.02	0.37	45.72	46.10	30.75	0.65	(0.12)	0.77	100%
3	Power Mech BSCPL Consortium Private Ltd	INR	0.01	1.29	84.72	86.02	0.00	0.04	0.05	(0.01)	51%
4	Power Mech SSA Structures Private Limited	INR	0.10	(0.00)	2.21	2.31	0.00	(0.00)	0.00	(0.00)	100%
5	Aashm Avenues Private Limited	INR	0.10	(0.00)	0.05	0.15	0.00	(0.00)	0.00	(0.00)	100%
6	Power Mech Environmental Protection Private Limited	INR	0.01	(0.01)	0.00	0.00	0.00	(0.01)	0.00	(0.01)	100%
7	Power Mech Projects (BR) FZE	NGN	3.60	112.98	53.46	170.04	599.10	48.14	0.00	48.14	100%
8	Power Mech Projects Limited LLC	Oman Rials	0.03	0.01	0.03	0.06	0.03	(0.05)	0.00	(0.05)	70%
Joint ventures											
1	M/s. PMPL - M/s. ACPL JV (Capital introduced Nil)	INR	0.00	1.04	17.16	18.20	59.70	0.57	0.20	0.37	80%
2	PMPL-STS JV (Capital introduced Nil)	INR	0.00	0.91	54.70	55.61	46.79	0.27	0.12	0.15	74%
3	PMPL-KHILARI Consortium JV (Capital introduced Nil)	INR	0.00	0.37	18.22	18.59	22.97	0.21	0.07	0.14	75%
4	PMPL - SRC INFRA JV (Mizoram) (Capital introduced Nil)	INR	0.00	0.38	7.99	8.37	56.19	0.55	0.17	0.38	74%
5	PMPL - SRC INFRA JV (Hassan) (Capital introduced Nil)	INR	0.00	0.00	14.77	14.77	12.19	0.00	0.00	0.00	60%
6	PMPL-BRCC INFRA JV (Capital introduced Nil)	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70%
7	GTA Power Mech NIGERIA Limited	NGN	3.00	372.58	359.25	734.83	654.98	50.92	0.00	50.92	50%
8	GTA Power Mech DMCC	AED	0.01	(0.01)	0.06	0.06	0.08	0.00	0.00	0.00	50%
Associates											
1	MAS Power Mech Arabia (MASPA)	SAR	0.25	(0.83)	3.30	2.72	0.48	(0.90)	-	(0.90)	49%

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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 – W/o S.Kishore Babu - S. Rohit s/o S.Kishore Babu - S. Kishore Babu (HUF) - S. Vignatha D/o S.Kishore Babu
iii) Companies 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) Lease Rent 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)	
e)	S.Vignata		0.12 (0.00)	
f)	Power Mech Infra Limited			1.95 (1.87)
ii) Remuneration Paid				
a)	S. Kishore Babu	- (5.25)		
b)	S.Rohit		0.30 (0.35)	
c)	Ajay Kumar	0.05 (0.03)		
iii) Donations paid				
a)	Power Mech Foundation			2.03 (0.44)

C) Balances outstanding as on 31.03.2021

i)	Due to Power Mech Infra Limited			0.20 (0.46)
	Rental Deposit with Power Mech Infra Limited			0.89 (0.89)
ii)	**Remuneration Payable** S. Kishore Babu	- (0.57)		
	Arbind kumar koul	- (0.23)		
	Ajay Kumar	0.00 (0.00)		
iii)	**Rent Payable** S. Kishore Babu	0.03 (0.06)		
	S. Lakshmi		0.01 (0.02)	
	S. Kishore Babu (HUF)		0.02 (0.03)	
	S.Rohit		- (0.03)	
	S.Vignatha		0.01 (0.00)	

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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 ₹ 1.43 Cr (As on 31.03.2020 ₹ 2.35 Cr) being the Works contract tax deducted by the customers under local sales tax laws and outstanding as on 31.03.21 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.

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 2020-21	Segment Assets as on 31.03.2021	Captial Expenditure for the year 2020-21
With in India	1,661.40	1,967.15	21.05
(Previous year)	(1,717.93)	(1,995.16)	(16.54)
Outside India	222.69	293.72	5.86
(Previous year)	(446.75)	(344.19)	(12.62)

49 **Calculation of Earnings per Share:**

Particulars	2020-21	2019-20
Basic and Diluted Earning per share		
No. of shares at the beginning of the year	14,710,764	14,710,764
Weighted average number of shares	14,710,764	14,710,764
Face value per share (in ₹)	10	10
Profit/(Loss) after tax attributable to equity share holders and after minority interest	(45.63)	131.26
Basic and Diluted Earning per share (in ₹)	**(31.02)**	**89.23**

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 ₹ 11.73 Cr (including previously classified as finance lease) and a lease liability of ₹ 9.39 Cr.

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) The following is the breakup of current and non-current lease liabilities		
Current liabilities	2.53	2.43
Non-current liabilities	2.74	4.53
Total	5.27	6.96
(ii) The following is the movement of lease liabilities		
Balance at the Opening	6.96	8.64
Additions during the year	0.33	-
Finance cost accrued during the year	0.61	0.75
Payment of lease liabilities during the year	(2.63)	(2.43)
Balance at the end	**5.27**	**6.96**
(iii) Maturity analysis of lease liabilities		
Less than one year	2.53	2.43
One to five years	2.74	4.53
More than five years	-	-
Total	5.27	6.96

(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, 2021	For the year ended March 31, 2020
Interest on lease liabilities (Refer Note 29)	0.61	0.75
Depreciation of Right-of-use assets (Refer Note 4.2)	2.25	2.21
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	2.63	2.43

(v) The impact on the profit for the year is not material.

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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 01.04.2020	5.87	1.22
Changes in allowance for expected credit loss		
- Provision for expected credit loss	-	-
- Reversal of Provision for expected credit loss	-	-
Write off as baddebts	-	-
Closing balance as at 31.03.2021	**5.87**	**1.22**

b) Movement in contract balances :

Particulars	31.03.2021	31.03.2020	Net Increase/Decrease
Contract Receivables			
Dues from customers	533.51	541.72	(8.21)
Contract assets			
Retention & SD amounts due from customers	284.64	308.67	(24.02)
Contract payables			
Due to Sub Contractors	285.16	325.84	(40.68)
Contract Liabilities			
Retention & SD amount due to Sub Contractors	97.35	90.85	6.50

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 ₹ 7,333 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 lockdown so imposed by the Govt of india impacted significantly the companies operations during part of the year. However the company recovered during the last 2 quarters of financial year from the econmic effects caused by shutdown because of Covid-19 and works at major sites are progressing well.

Though the company recovered from economic effects, the company continue to monitor possible effects which may further result from second wave of Covid-19 pandemic on carrying value of property plant & equipment , receivables(including retention money & security deposits) , Advances to vendors & other assets.

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's Registration Number: 003109S

K.S RAO & CO VIJAYAWADA INDIA CHARTERED ACCOUNTANTS

(GopiKrishna Chowdary Manchinella)
Partner
Membership Number:235528
UDIN: 21235528AAAABU6483

Place: Vijayawada/Hyderabad
Date:17.06.2021

For and on behalf of the Board

Power Mech Projects Ltd. Hyderabad

S.Kishore Babu
Chairman and Managing Director
DIN (00971313)

J Satish
CFO

Mohith Kumar Khandelwal
Company Secretary

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment of Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them in our Company is set forth below.

No.	Name of the proposed Allottee	Percentage of post-Issue paid-up Equity Share capital*^#
1.	[●]	[●] %
2.	[●]	[●] %
3.	[●]	[●] %
	Total	**[●]** %

**Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.*
^ Based on beneficiary position as on [●], 2023 and adjusted for Equity Shares Allocated in the Issue.
 # The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.

These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, will be included in the Placement Document to be sent to such proposed Allottees.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

Sd/-
Sajja Kishore Babu
Chairman and Managing Director

Date: October 18, 2023
Place: Hyderabad

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

Sd/-
Jami Satish
Chief Financial Officer

Date: October 18, 2023
Place: Hyderabad

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under this Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

Sd/-
Sajja Kishore Babu
Chairman and Managing Director

Date: October 18, 2023
Place: Hyderabad

I am severally authorized by the Board of Directors of the Company, vide Board resolution dated October 18, 2023, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Sd/-
Sajja Kishore Babu
Chairman and Managing Director

Date: October 18, 2023
Place: Hyderabad

POWER MECH PROJECTS LIMITED

Registered and Corporate Office
Plot No.77, Jubilee Enclave Road
Opposite Hitex, Madhapur
Hyderabad 500 081
Telangana, India
Telephone: +91 40 3044 4418
Email: cs@powermech.net
Website: www.powermechprojects.com
CIN: L74140TG1999PLC032156

Company Secretary and Compliance Officer:
Mohith Kumar Khandelwal
Plot No.77, Jubilee Enclave Road
Opposite Hitex, Madhapur
Hyderabad 500 081
Telangana, India
Telephone: +91 40 3044 4418
E-mail: cs@powermech.net

LEAD MANAGER

IIFL Securities Limited
24th Floor, One Lodha Place,
Senapati Bapat Marg, Lower Parel (West),
Mumbai 400 013,
Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

K.S. Rao & Co., Chartered Accountants

54-19-4B, Ground Floor, 2nd Lane
Jayaprakash Nagar
Vijayawada 520 008
Andhra Pradesh, India

INDIAN LEGAL COUNSEL TO THE ISSUE AS TO INDIAN LAW

J. Sagar Associates
Vakils House
18 Sprott Road, Ballard Estate
Mumbai 400 001
Maharashtra, India

INTERNATIONAL LEGAL COUNSEL TO THE LEAD MANAGER AS TO INTERNATIONAL LAW

Dentons US LLP
2000 McKinney Avenue
Suite 1900
Dallas, Texas 75201
United States

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

(Note: The format of the Application Form included herein below is for reference and for the purposes of compliance with applicable law only, and no Bids in this Issue should be made through the sample Application Form. The Company, in consultation with the LM, will identify Eligible QIBs and circulate serially numbered copies of the Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in this Issue should be made only upon receipt of serially numbered copies of the Preliminary Placement Document and the Application Form, and not on the basis of the indicative format below.)

POWER MECH™ Growth Unlimited	**APPLICATION FORM** Name of Bidder: ________________________ _______________
POWER MECH PROJECTS LIMITED (*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*) **Registered and Corporate Office**: Plot No. 77, Jubilee Enclave Road, Opposite Hitex, Madhapur, Hyderabad 500 08 Telangana, India **Contact Person:** Mohith Kumar Khandelwal, Company Secretary and Compliance Officer **Telephone**: +91 40 3044 4418 | **Email**: cs@powermech.net **Website**: www.powermechprojects.com **CIN:** L74140TG1999PLC032156 | **LEI:** 3358009YJKJYYTZ5VA59 | **ISIN:** INE211R01019	Form No: - ________________________ _____________________ Date: ____________________________

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ [●] MILLION UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY POWER MECH PROJECTS LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 4,085.44 AND OUR COMPANY MAY OFFER A DISCOUNT OF NOT MORE THAN 5% ON THE FLOOR PRICE, IN TERMS OF REGULATION 176(1) OF THE SEBI ICDR REGULATIONS AND AS APPROVED BY THE SHAREHOLDERS ACCORDED THROUGH A SPECIAL RESOLUTION PASSED AT THE ANNUAL GENERAL MEETING DATED SEPTEMBER 28, 2023.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) which are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act") or the securities laws of any state of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 198 and 206, respectively, in the accompanying preliminary placement document dated October 18, 2023 (the "PPD").

ELIGIBLE NON-RESIDENT QIBs CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019, ("FEMA RULES"). ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME AND SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED UNDER THE FEMA RULES. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
POWER MECH PROJECTS LIMITED
Plot No. 77, Jubilee Enclave Road, Opposite Hitex,
Madhapur, Hyderabad 500 081
Telangana, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the Promoters or Promoter Group or

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others _________________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "*Application Form*" under Issue Procedure section of the PPD.
** Sponsor and Manager should be Indian owned and controlled.*
***Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

persons related to the Promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with IIFL Securities Limited (the "**LM**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Lead Manager; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Lead Manager; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Telangana at Hyderabad (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and the National Stock Exchange of India Limited (together, the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("**RBI**") and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections entitled *"Notice to Investors"*, *"Representations by Investors", "Issue Procedure"*, *"Selling Restrictions"* and "*Purchaser Representations and Transfer Restriction*"" of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Lead Manager, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Lead Manager or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the Lead Manager, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Lead Manager; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Lead Manager; and (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1€) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States (as defined under Regulation S) and are purchasing Equity Shares in an "offshore transaction" as defined in, and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.** We confirm that we have read and agree with the representations, warranties and agreements contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" of the PPD.

BIDDER DETAILS (in Block Letters)	
NAME OF BIDDER*	
NATIONALITY	
REGISTERED ADDRESS	
CITY AND CODE	
COUNTRY	

TELEPHONE NO.		FAX. NO.	
EMAIL ID			
LEI			
FOR ELIGIBLE FPIs**	**SEBI FPI Registration Number:**	**For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ Ics/IFs**	**SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for SI-NBFCs / IRDAI Registration details for ICs**

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the Lead Manager.*
***In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the Lead Manager will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER BY 3.30 P.M. (IST), [●], 2023, [●]	
Name of the Account	POWER MECH PROJECTS LIMITED – QIP ESCROW ACCOUNT
Name of the Bank	RBL Bank Limited
Address of the Branch of the Bank	Ground Floor, MSR Block, Krishe Sapphire, Survey No 88, Hitech City Main Road, Madhapur, Hyderabad-500 081
Account Type	Escrow Account
Account Number	409392939494
LEI Number	3358009YJKJYYTZ5VA59
IFSC	RATN0000209
Tel No.	022-43020600
E-mail	escrowops@rblbank.com

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "POWER MECH PROJECTS LIMITED – QIP ESCROW ACCOUNT". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS																									
Depository Name (Please ✓)	National Security Depository Limited									Central Depository Services (India) Limited															
Depository Participant Name																									
DP – ID	I	N																							
Beneficiary Account Number										(16 digit beneficiary account. No. to be mentioned above)															

The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the Lead Manager shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	
Date of Application	

ENCLOSURES ATTACHED

Attested/ certified true copy of the following:
- ☐ Copy of PAN Card or PAN allotment letter
- ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF

Signature of Authorised Signatory (may be signed either physically or digitally)**		☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank ☐ Copy of notification as a public financial institution ☐ FIR ☐ Copy of IRDAI registration certificate ☐ Intimation of being part of the same group ☐ Certified true copy of Power of Attorney ☐ Other, please specify

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the Lead Manager..

(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or electronic form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

(4) The duly filed Application Form along with all enclosures shall be submitted to the Lead Manager either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.