

Date: 05.09.2024

To  
The Corporate Relations Department  
BSE Limited,  
Dalal Street,P.J,Towers,  
MUMBAI- 400001

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

Dear Sir/Madam,

**Sub: Submission of 25<sup>th</sup> Annual Report as per Regulation 34 (1) of SEBI (LODR)Regulations, 2015**

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

In terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, we are enclosing herewith, the annual report of our Company along with the notice of the 25<sup>th</sup> Annual General Meeting.

The annual report is also uploaded on the website of the Company at [www.powermechprojects.com](http://www.powermechprojects.com)

This is for your information and necessary records.

**Regards**  
**For Power Mech Projects Limited**

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

Encl:A/a

## POWER MECH PROJECTS LIMITED

AN ISO 14001:2015, ISO 9001:2015 & ISO 45001:2018 CERTIFIED COMPANY

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

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

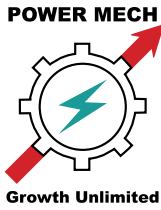


JAS-ANZ



M4570910IN





# POWER MECH PROJECTS LTD



Building on  
a legacy.  
Creating the future.

ANNUAL REPORT 2023-24

Disclaimer:

This document contains statements about expected future events and financials of Power Mech Projects Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

# Building on a legacy. Creating the future.

Power Mech Projects Ltd. celebrates a significant milestone, marking 25 years of successful operations since its inception in 1999. Over the past quarter-century, Power Mech has remained steadfast in its commitment to sustainable growth and market expansion, catering to a diverse customer base both in India and abroad.

Our journey has been characterized by strategic diversification in pursuit of new segments of business, maintain market leadership and a relentless pursuit of growth. From our roots in the power sector, where we have played a pivotal role in the power plant construction and operation of coal and gas-based power plants, we have expanded our horizons to include new opportunities in infrastructure, railways, irrigation, drinking water schemes, metro works, steel plant construction, petrochemicals, mine side facilities and the latest foray into mining operations. This diversification has not only strengthened our resilience but has also positioned us to capitalize on emerging opportunities in a rapidly evolving market, and the National Infrastructure Pipeline(NIP) initiative is the game changer for major improvement in business outlook.

In response to the global shift towards renewable energy, Power Mech has diversified its business portfolio into other emerging sectors. This strategic timely decision has not only strengthened our resilience but has also positioned us to capitalize on emerging opportunities in these sectors. Customer reach and meeting the bench marks of the project deliverables has been the cornerstone of sustained customer confidence and is the foundation of our relentless journey in meeting the goals of our valued customers, with a robust supply chain management and most importantly developing a strong HR base of professionals, specialists, capability centres, acquiring need based capital assets and a tight control on Project and Construction management functions and more importantly managing the contract management functions with customers with needed remedies in place. Leadership development having domain expertise has been one of the important goals of the company to facilitate organisational growth matching business growth.

As we look to the future, Power Mech remains committed to our core values of business innovation, sustainability, and customer satisfaction. We are confident that our strong foundation, coupled with our ability to adapt to changing market dynamics, will enable us to continue to create value for our stakeholders and contribute to the growth of India's economy. Company has also chartered a future course of sustained growth in pursuit of its core values and most importantly to deliver on share holders expectations. With many new businesses bringing in more value addition , it is only expected that the Company's next 25 years also will lead to greater market reach and growth.



## Vision

To provide services with:

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

## Mission

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

## Values

- Passion
- Diligence
- Excellence
- Continuous Learning
- Safety
- Quality



### ORDER BACKLOG

TOTAL

₹ **57,793**  
CRORES\*

### ONGOING PROJECTS

DOMESTIC **110**

O&M **46**

INTERNATIONAL **18**

### HR BASE

TOTAL EMPLOYEES

**10,535**<sup>#</sup>

### ASSET BASE

(CRANES & OTHER  
CONSTRUCTION EQUIPMENT)

**500+**

\* As on 12<sup>th</sup> August, 2024 and execution considered only upto 30<sup>th</sup> June, 2024.

# As on 30<sup>th</sup> June, 2024



# Chairman's Message



## Dear Shareholders,

It is with great pride and thoughtful reflection that I present the Annual Report for our Silver Jubilee year, 2023-24. Reaching a milestone of twenty-five years is significant for both individuals and institutions alike, and yet it seems like only yesterday that we began this extraordinary journey. As I share this 25th annual report, I am filled with immense gratitude and a strong sense of accomplishment.

We currently find ourselves in one of the most favorable periods in our history. The National Infrastructure Pipeline (NIP) investments have sparked a wave of industrial growth, offering us unprecedented opportunities. We are strategically positioned to take full advantage of the growing economy, especially in the power and infrastructure sectors. The future looks promising, and we are ready to embrace the opportunities ahead.

As we review the highlights of our company's performance, I am pleased to report a year marked by record-breaking achievements, significant growth, and unwavering potential.

### Record Revenue and Profit

Our company has reached new heights in execution, revenue, and profit. The total income for the financial year 2023-24 reached an impressive ₹ 4,234.4 crore, reflecting a remarkable 17% increase from the previous year. We are confident that this positive momentum will continue in the years to come. EBITDA increased to ₹ 523.81 crore, and PAT remained strong at ₹ 248 crore. The improvement in EBITDA and PAT margins to 12.37% and 5.87%, respectively, from the previous year's 11.62% and 5.78%, underscores our effective project execution and full revenue realization.

### Strong Growth in Key Segments

Our O&M business continues to show robust growth, with revenue increasing by 18% from ₹ 930 crore in FY 23 to ₹ 1,109 crore in FY 24. Similarly, the ETC segment has also performed well, with revenue increasing by 14% from ₹ 606 crore to ₹ 692 crore. Other key segments, including Civil, Railways,

Roads, Water Projects, and MDO, also experienced significant growth, with revenue rising impressively by 18% from ₹ 1,995 crore to ₹ 2,352 crore.

### Highest Ever Order Inflow

Our company achieved its highest-ever order inflow of ₹ 39,197 crore, with contributions across power and non-power sectors, including railways, civil works, and MDO. Orders worth ₹ 5,344 crore were secured from the power sector, ₹ 3,415 crore from the non-power sector, and ₹ 30,438 crore from the MDO, ensuring a strong and diverse order book.

### Order Backlog

As of March 31, 2024, the order backlog stands at ₹ 57,053 crore, including MDO. Excluding MDO, the core business areas have seen a 26% growth in order backlog, increasing from ₹ 13,733 crore in FY23 to ₹ 17,362 crore in FY24. This growth and the significant increase in order bookings underscore our strong performance across our business areas.

### Power Sector Business

#### Erection, Testing, and Commissioning (ETC)

**Business:** Since 2005, the ETC business, particularly in coal-based power plants, has been a cornerstone of our growth. This 19-year journey has established Power Mech as a leading provider of services, meeting the growing demands of increasing capacity. Over the past 25 years, Power Mech has been instrumental in the erection, testing, and commissioning of approximately 70,000 MW of coal-based plants in the domestic market and 9262MW of Coal and gas-based plants globally.

The separation of upcoming power plant orders into main plant and Balance of Plant (BOP) contracts presents opportunities for Power Mech to leverage its construction expertise and establish a strong presence in the BOP business. This trend offers significant growth potential in both project execution and O&M segments, positioning Power Mech to capitalize on the increasing demand as more thermal plants come online.





## Chairman's Message

"MDO business is poised to drive sustainable revenue and profitability growth over the next 25 years, aligning with national infrastructure goals and creating long-term shareholder value."

**Operation & Maintenance (O&M) Business:** The power sector continues to be a key driver for the company, even as we diversify into other fields. Our success in expanding our presence in the O&M business is particularly noteworthy, with this segment growing at a CAGR of 14% over the last five years, reaching ₹ 1,109 crore in revenue, up from ₹ 566 crore. This segment now represents 26% of our business, contributing significantly to our growth with higher margins, lower capital requirements, and quicker turnover cycles.

Our expertise in complex control room operations is evident as we successfully operate large plants across various locations, including eight power and captive power plants in Singareni, Tuticorin, Raichur, Ghatampur, Nellore, and Nigrie. Today, Power Mech is performing the O&M of 42,000 MW of power plants globally, including coal-fired, combined cycle, and hydro power plants.

We have also made significant strides in the overseas O&M space, gaining strong momentum in recent years. Our first overseas Comprehensive O&M contract in Nigeria, initiated two years ago, has been renewed for another two years. We have also secured a Boiler, Turbine, and Generator maintenance contract for the 2 x 660 MW Maitree STPP in Bangladesh, for two years. Overseas O&M has achieved impressive growth of around 45% in FY 24 compared to FY 23, and we are well-positioned to handle the anticipated growth in this segment over the next decade.

"I am also delighted to let you all know that our first overseas Comprehensive O&M contract in Nigeria that we have taken two years ago has been renewed for another two years."

### Infrastructure Business

**Railways and Metro:** The company has successfully completed major railway projects, including the 37 KM Gudivada-Machilipatnam track doubling, and is currently engaged in a dozen projects across the

country. Government support for railway projects, including metro systems, is significant, with a total outlay of ₹ 13.62 lakh crore under the NIP scheme, offering vast opportunities for growth in this segment. With our experience in executing metro projects, including the construction of maintenance depots, we are well-positioned for substantial growth in this area.

**Roads and Highways:** The Government of India has prioritized the development of roads and highways, and Power Mech remains focused on leveraging opportunities in this sector. We are currently working on 147 km of ongoing road projects, with approximately 90% of the work already completed. With substantial government budget allocations for road infrastructure development, we anticipate continued but selective growth in this segment.

**Water Distribution and Wastewater Treatment:** Power Mech is making significant progress in executing drinking water schemes under the Jal Jeevan Mission (JJM), aiming to provide 5.44 lakh Functional House Tap Connections (FHTCs) across over 3,000 villages in Uttar Pradesh by 2024-25, with 3.14 lakh connections already completed, amounting to ₹ 1,484 crore out of the total project value of ₹ 2,723 crore. Additionally, our involvement in water treatment management under the AMRUT scheme highlights our dedication to enhancing urban infrastructure. Investments in this sector offer significant opportunities for expansion and growth. Our timely diversification into this sector has yielded positive results, contributing to increased margins and overall growth.

### Mine Development and Operation (MDO)

This year has been momentous for our MDO business. After winning the first coking coal MDO contract from CCL in February 2020, we secured another large (4 MTPA) coking coal MDO contract in July 2023. Together, these MDOs will take our total mining capacity to 9 MTPA when they reach peak capacity

in FY 27. Following a ramp-up, they are expected to contribute ₹ 2,000 crore in revenue to our topline in FY 27, providing sustained business income for the next 25 years.

We are ready to begin operations at our Kotre Basantpur Pachmo (KBP) MDO, having successfully secured all necessary permissions to start mining activities, with plans to commence by the fourth quarter of FY 25. Regarding our second MDO, Tasra, we have already excavated and supplied 187,000 MT in FY 24 and plan to supply the projected quantity of 1.2 MTPA in FY 25.

“MDO business is poised to drive sustainable revenue and profitability growth over the next 25 years, aligning with national infrastructure goals and creating long-term shareholder value.”

As our company celebrates its 25th anniversary, we look forward to the next quarter-century a period likely to bring significant changes, though our core values will remain steadfast. These changes will naturally unfold under the next generation of leadership, aligned with the company's long-term vision.

My deepest gratitude goes out to all who have supported both me and the company through years of challenges and triumphs. Your contributions have been invaluable, and I will be forever grateful.

To our shareholders, board members, employees, customers, vendors, and business partners your unwavering support and trust are the foundation of our success. Together, we will continue building a brighter future for our company and the communities we serve.

Thank you for your continued confidence in our journey.

**S. Kishore Babu**

Chairman and Managing Director

# Contents

## Company Overview

At the helm of leadership 9 The Journey of 25 years 10 A Global Powerhouse 12  
Established Track Record 14 Performance highlights 15 Performance over the years 16  
Health Safety and Environment 18 Corporate Social Responsibility 19  
Company Information 20 Our Offices 21

## Statutory Reports

Management Discussion and Analysis 22 Business Responsibility and Sustainability Report  
45 Notice 82 Directors' Report 100 Corporate Governance Report 126

## Financials Statements

Standalone Financials 145 Consolidated Financials 218

## INVESTOR INFORMATION

### CIN

L74140TG1999PLC032156

### BSE Code

539302

### NSE Symbol

POWERMECH

### AGM Date & Time

27<sup>th</sup> September, 2024; 10.00 AM (IST)

### AGM Mode

Video Conferencing ('VC') / Other  
Audio Visual Means ('OAVM')

Please find the online version of this Report at:

<https://www.powermechprojects.com/investor-relations/>

Or simply scan to download





**Sajja Kishore Babu, CMD**

Founder of the Company, holds a Bachelor's degree in Mechanical Engineering. Possesses 37 years of experience in the power and infrastructure sector. Able administrator and dynamic leader. Serves on the Board of subsidiary and joint venture companies.



**Sajja Lakshmi**  
Non-Executive Director

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



**J P Chalasani**  
Additional Director  
(Appointed effective 26-07-2023)

40+ years experience in the Indian infrastructure industry. He is the CEO of Suzlon Energy Limited. Previous associations include NTPC, Reliance Power. Punj Lloyd and others.



**M Rajiv Kumar**  
Non-Executive Director

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



**Vivek Paranjpe**  
Independent Director

B.Sc (Honors), Fergusson College, Pune, Post-Graduate from XLRI Jamshedpur, Gold medalist. More than 45 years of industry experience in various leadership roles in India and abroad. Some of the key strategic senior positions held by him were Director, HR Operations, Asia Pacific Region, for Hewlett Packard at Singapore, and Group President HR, for Reliance Industries Ltd.



**Lasya Y**  
Independent Director

Post-Graduate in Management from ISB, MS in Electrical and Computer Engineering from the University of Texas. She has 16 years of experience in IT Project management & delivery, client engagement, IT strategy, business development.



# We took the first step in 1999 ...

- Incorporation of the Company
- Foray in Power Sector Business

1999

2002-04

- First ETC of 1X63 Tph and 2X165 Tph AFBC Boilers, 20.85 MW & 55 MW, Raigarh, BHEL
- First AMC of 655 MW Combined Cycle Dual Fuel IPP Power Plant, Paguthan, GPEC

2007-09

- Private Equity into Power Mech
- First major international work in Libya, 2X157 MW Erection of 2 Gas Turbines, BHEL
- First ETC of 1X500 MW Boiler & Auxiliaries, Mejja, BHEL
- Erection of Structural, Steam Generator & Auxiliaries of 3 Boilers for India's two UMPP



2017-24

- First O&M project (Public Sector) - Singareni Collieries
- Completed international projects at Shuqaiq, KSA & Bheramara, Bangladesh
- Prestigious project Infra Development, Med Tech Zone, AP
- Diversification - iron ore material handling & associated works
- Entry into cross country laying of pipelines
- Strategic foray into Railway, Roads, Rural Electrification, Irrigation, Water Projects, Mining Development & Operations (MDO), Dam with pressurized irrigation system for separation of water

2014-16

- Listing in BSE & NSE, subscribed by 38 times
- Major O&M of 4X600 MW at Jharsuguda, Vedanta
- Started manufacturing facility at Noida
- Entry in Steel Sector, Erection & Fabrication work
- MTPA & 2.7 MTPA, Nagarnar (NMDC) & Angul (JSPL)
- First FGD Work 500 MW, Vindhyachal, GE
- Entered UAE, Bangladesh, Oman, Saudi Arabia, Bahrain & Nigeria

2010-12

- Major orders in Super Critical Projects, Erection, Structural Fabrication work, Sepco, Adani, BGR, CLP
- First major Civil Work 2X520 MW, (Vizag, HNPCL), BHEL
- Entry in Industrial Sector Mechanical & Piping work in Refineries (Dahej, ONGC & Paradeep, IOCL)
- First major Erection of Gas Turbine & Civil Work, 4X100 MW, Yemen, Marib, BHEL
- Hydro Power O&M and Mini EPC

... We're going full throttle in 2024!



## A Global Powerhouse – Power Mech’s Overseas Expansion

Power Mech has firmly established itself as a global powerhouse, successfully navigating international markets and delivering projects across the power, water and oil & gas sectors. Over the past nine years, we have achieved a remarkable milestone of completing 9,262 MW of projects overseas, primarily in the Middle East where we have a strong presence. This extensive experience, encompassing 15 contracts across GCC countries, has solidified our reputation and capabilities in this critical market.

Our commitment to Operation and Maintenance (O&M) services has gained significant momentum, particularly in the Middle East, Africa, and Bangladesh. The Dangote project in Nigeria has been a catalyst for our growth, showcasing our expertise and laying the foundation for future opportunities. We have secured long-term O&M contracts for a 400 MW captive power plant in Nigeria and a 2 x 660 MW Maitree project in Bangladesh, further expanding our footprint in these regions. Also, the O&M contract in Nigeria happens to be our first combined cycle power plant O&M contract with desk operation and our first overseas O&M contract with desk operation. Our O&M services now cover 1,783 MW of installed capacity across UAE and Nigeria, with contracts ranging from 1 to 4 years, many of which are eligible for renewal, ensuring sustained revenue growth.

Based on our current pipeline of projects and anticipated new contracts for 2024 - 25, we expect the O&M business to achieve a revenue growth of 20%, potentially reaching ₹ 200-250 crore. This significant growth is a testament to our expertise, reliability, and strategic partnerships in the overseas market.

The overseas O&M segment is poised to grow with a CAGR of 25% for the next 5 years as we see more power utilities in the region looking at outsourcing their O&M needs. With a skilled workforce of over 1,200 engineers, supervisors, and specialists, we are well-equipped to handle diverse O&M needs, including gas turbines, RO plants, steel plants, and desalination facilities. Our ongoing contracts in Emirate Steel and RO plants in Abu Dhabi, alongside

our strategic entry into non-power sectors like steel and desalination, demonstrate our versatility in the industrial sector and commitment to long-term growth. Notably, our contracts for Emirate Steel cover a long-term period of three years, while our RO plant maintenance contracts in Abu Dhabi, covering two plants with capacities of 150 MGD and 200 MGD, further solidify our presence in the region. These long-term contracts, with options for renewal, provide a stable revenue stream for our export O&M business.

Looking ahead, we see tremendous potential in the installation and operation of desalination plants, an area we are actively exploring through potential joint ventures. Our strategy is to build experience and qualifications, positioning Power Mech as a key player in this critical sector. With a strong organizational setup centered in Dubai and an established presence across three continents, we expect the share of our overseas market business to see significant growth in the coming years.



● Existing Geographies ● Exploring New Geographies





# Established Track Record

**28.98**

**lakhs MT**

Erection works executed till now

**71,537 MW**

Engaged in aggregate unit capacity of the O&M & AMC

**9,262 MW**

Commissioned in Overseas Market

**2.57 lakhs MT**

Structural fabrication works completed

**70,000 MW**

Engaged in capacity addition of BTG and BOP works so far

**546 Kms**

Executed / under execution of Natural Gas Cross Country Pipeline

**15 Lakhs sq.ft.**

Completed Infrastructure development work related to Medical Technology Park in just 12 months at Vizag, AP

**756 TKM**

Commissioned Railway Over-head Electrification works including TSS, S&T, TWS and OHE depots

**25.92 Lakhs m<sup>3</sup>**

Concreting works carried out at various projects

**11.8 Lakhs inch mts**

of piping and 3.1L inch Dia of welding of various materials at single project, Dangote, Nigeria

**220 Kv GIS, 132 Kv AIS & Lines**

Commissioned 220Kv GIS, 220Kv & 132Kv AIS & 132 Kv T/L works. And 33/11 Kv Substations along with associated 33 Kv and 11 Kv Lines.

# Performance Highlights

**EBIDTA**  
(FY 2023-24)

**524** (₹ Cr)

**ORDER INFLOW**  
(FY 2023-24)

**39,197** (₹ Cr)

**TOTAL INCOME**  
(FY 2023-24)

**4,234** (₹ Cr)

**PROFIT AFTER  
TAX (PAT)**  
(FY 2023-24)

**248** (₹ Cr)

**ORDER BACKLOG**

**57,793\*** (₹ Cr)

As on 12<sup>th</sup> August, 2024

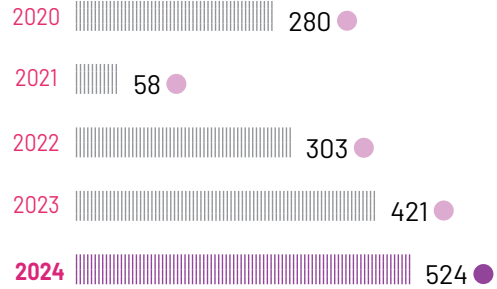
\* Including MDO orders of ₹ 39,677 Crs and execution considered upto 30<sup>th</sup> June, 2024



# Powerful Performance over the years

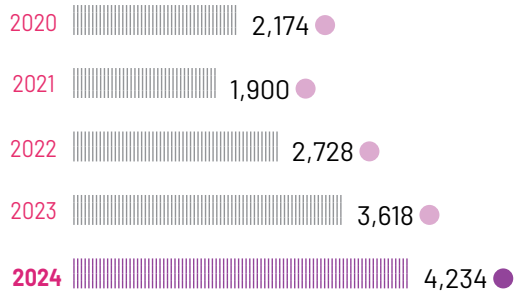
## EBIDTA

₹ in Cr

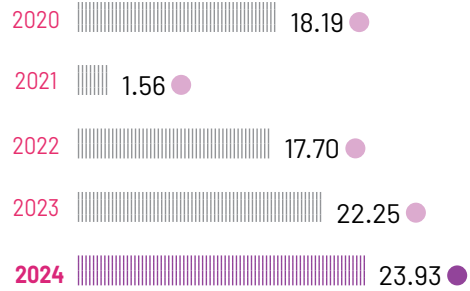


## Total Income

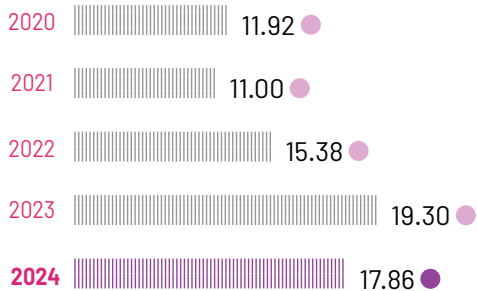
₹ in Cr



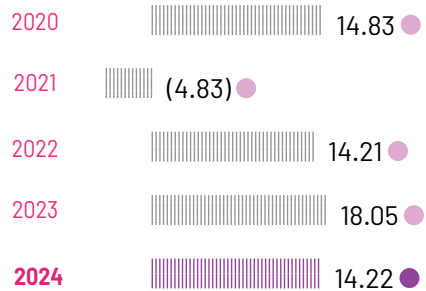
## Return on Capital Employed (%)



## Asset Turnover (x)

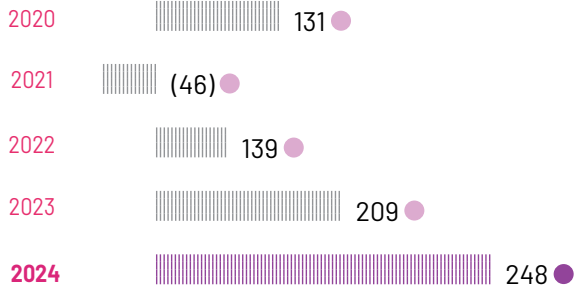


## Return on Equity (%)

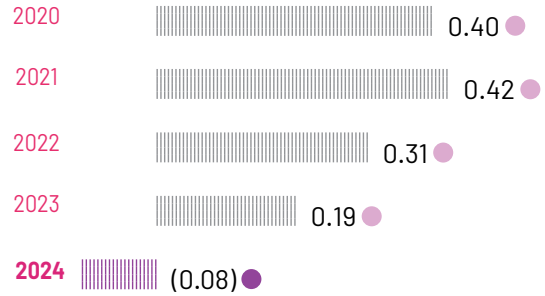


**PAT**

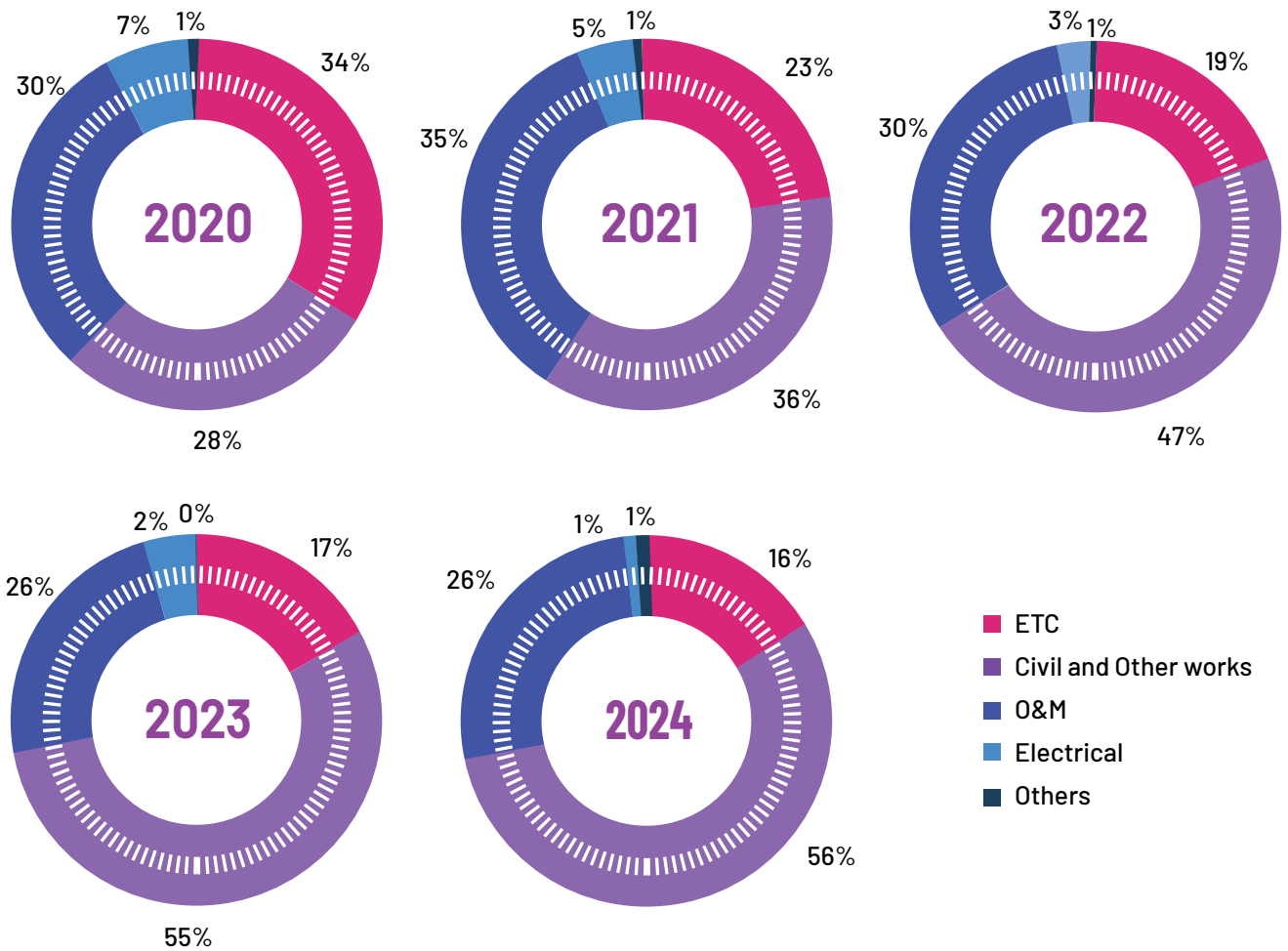
₹ in Cr



**Net Debt Equity (x)**



**Total Income Mix**





## Health Safety and Environment

### Commitment to Safety, Health, and the Environment



At Power Mech Projects, we believe that an organization's true measure of success extends beyond its performance metrics to its commitment to a comprehensive Health, Safety, and Environment (HSE) policy. Safety is not just an obligation for us; it is a core responsibility that guides every aspect of our operations. Our leadership prioritizes safety in the workplace, ensuring that it is embedded in the very fabric of our company culture.

Given the complex nature of our projects, involving heavy machinery, a large workforce, and intricate lifting operations, safety is paramount. We recognize that maintaining a safe working environment requires meticulous planning, proactive measures, and a strong safety culture.

To ensure the safety of our employees, we invest in the best safety equipment, provide comprehensive training, and enforce rigorous safety protocols. From the planning stages to the execution of our projects, safety is a top priority.

Beyond workplace safety, we prioritize the well-being of our employees and their families. We provide free medical aid, essential medicines, and periodic health check-ups. Emergency services and safe living conditions are also essential components of our employee welfare programs.

Environmental stewardship is another cornerstone of our HSE policy. We understand the critical importance of protecting the environment for future generations. As a responsible corporate citizen, we actively promote a plastic-free work environment and strive to minimize our environmental footprint. Our commitment to environmental sustainability is evident in our tree-planting initiatives and efforts to create green spaces around our site offices.

By prioritizing safety, health, and the environment, Power Mech demonstrates its dedication to creating a sustainable and responsible business.

## Corporate Social Responsibility

# Driving a Positive Change



The Power Mech Foundation, established in 2010 by our Chairman, Mr. Sajja Kishore Babu, serves as the cornerstone of our Corporate Social Responsibility (CSR) initiatives. As the philanthropic arm of Power Mech Projects Ltd., the Foundation is dedicated to making a lasting impact on the communities we serve.

Guided by our belief that giving back is a fundamental duty, we have focused our CSR efforts on three key areas:

**Education:** Investing in educational initiatives to empower individuals and communities.

**Healthcare:** Improving access to quality healthcare services for all.

**Community Development:** Addressing social issues and fostering sustainable development.

Through our Foundation, we have successfully implemented numerous projects, including the construction of schools, shelters, and healthcare facilities. These initiatives have not only improved the quality of life for countless individuals but have also contributed to the overall development of the regions we operate in.

We are committed to serving all, regardless of their social or economic background. Our beneficiaries include vulnerable populations such as abandoned infants, neglected orphans, street children, individuals with disabilities, and those in need of medical assistance.

By investing in these areas, we aim to create a more equitable and sustainable future for all. The Power Mech Foundation is more than just a charity; it is a testament to our commitment to social responsibility and a beacon of hope for those in need.



# Company Information

## Board of Directors

Mr. Sajja Kishore Babu	Chairman & Managing Director
Mrs. Sajja Lakshmi	Non-Executive Director
Mr. Motihari Rajiv Kumar	Non-Executive Director
Mr. Vivek Paranjpe	Independent Director
Ms. Lasya Yerramneni	Independent Director
Mr. Jayarama Prasad Chalasani	Independent Director (w.e.f 26.07.2023)
Mr. N Nani Aravind	Chief Financial Officer

## Audit Committee:

Mr. Jayarama Prasad Chalasani	Chairman
Mr. Motihari Rajiv Kumar	Member
Ms. Lasya Yerramneni	Member

## Nomination and Remuneration Committee

Mr. Vivek Paranjpe	Chairman
Mr. Jayarama Prasad Chalasani	Member
Ms. Lasya Yerramneni	Member

## Stakeholder's Relationship committee

Mr. Motihari Rajiv Kumar	Chairman
Mrs. Sajja Lakshmi	Member
Ms. Lasya Yerramneni	Member

## Corporate Social Responsibility Committee

Mr. Sajja Kishore Babu	Chairman
Mrs. Sajja Lakshmi	Member
Ms. Lasya Yerramneni	Member

## Investment Committee

Mr. Jayarama Prasad Chalasani	Chairman
Mr. Motihari Rajiv Kumar	Member
Ms. Lasya Yerramneni	Member

## Risk Management Committee

Mr. Jayarama Prasad Chalasani	Chairman
Mr. Motihari Rajiv Kumar	Member
Mr. Sajja Kishore Babu	Member

## Registered & Corporate Office

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

## Statutory Auditors

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

## Secretarial Auditors

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

## Cost Auditors

**M/s. M P R & Associates**  
Cost Accountants  
#6-3-349/15/17, Flat No.301,  
3rd Floor, Sri Sai Brundavan Apts,  
Behind Sai Baba Temple, Dwarakapuri Colony,  
Punjagutta, Hyderabad-500 082, Telangana

## Bankers

State Bank of India  
Punjab National Bank  
IDFC First Bank Limited  
Axis Bank Limited  
Bank of India  
UCO Bank  
Bank of Baroda  
Union Bank of India  
IndusInd Bank  
Central Bank of India  
Bank of Bahrain and Kuwait  
Bandhan Bank Limited  
Karnataka Bank Limited

## Registrar & Share Transfer Agent

**Kfin Technologies Limited**  
Selenium Tower B, 6<sup>th</sup> Floor,  
Plot 31-32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad - 500 032.

# Our Offices

## INDIA OFFICES

### Eastern Region

Unit No. 3-6A, 6<sup>th</sup> Floor, PS Magnum, VIP Road  
Opp Haldiram, Kaikhali, Kolkata, West Bengal - 700052.  
Tel: 9038040277, E-mail: kolkatta@powermech.net

### Western Region

402, Swastik Pride, D.K. Sandumargh, Chembur (E) Mumbai,  
Maharashtra - 400071.  
E-mail: mumbai@powermech.net

### Central Region

Old Nanda Colony, Kamptee Ta la ka, Koradi Post,  
Nagpur District, Maharashtra - 441111.  
Tel: +91 9131180822, E-mail: nagpur@powermech.net

### Northern Region

H-113, Sector-63, 3<sup>rd</sup> Floor, Gautam Budh Nagar,  
Noida, Uttar Pradesh - 201307.  
Tel: +91 1 204021744, E-mail: delhi@powermech.net

## SUBSIDIARY COMPANIES AND JOINT VENTURES

### Hydro Magus Private Limited

H-113, Sector-63, Gautam Budh Nagar,  
Noida, Uttar Pradesh - 201307.  
Tel: +911-204021744, E-mail: info@hydromagus.com

### Power Mech Industri Private Limited

Plot #8, Block-A, Sector 80, Phase-II,  
Noida, Uttar Pradesh - 201301.  
Tel: +91 9560095987, E-mail: info@pmindustry.com

### Power Mech Environmental Protection Private Limited

Plot No.77, Opp: Hitex, Jubilee enclave,  
Madhapur, Hyderabad, Telangana - 500081.  
E-mail: cs@powermech.net

### Power Mech BSCPL Consortium Private Limited

Plot No. 77, Jubilee Enclave Road,  
Opp: Hitex, Madhapur, Hyderabad - 500081.

### Power Mech SSA Structures Private Limited

Plot No. 77, Jubilee Enclave Road Opp: Hitex,  
Madhapur, Hyderabad - 500081.

### Aashm Avenues Private Limited

Plot No. 77, Jubilee Enclave Road, Opp: Hitex,  
Madhapur, Hyderabad - 500081.

### KBP Mining Private Limited

H. No. BIJ0050021903R2, Gandhi Building Bijulia,  
Ramgarh Cant, Ranchi Jh - 829122.

### Energy Advisory And Consulting Services Private Limited

Plot No.1-98/25/34, PT-56/8 & 56/9, Jubilee Enclave,  
Madhapur, Hyderabad, Telangana - 500081.

### PMTS Private Limited

1-98/35/34, PT-56/8 & 56/9, Jubilee Enclave,  
Madhapur, Hyderabad - 500081, Telangana, India  
Phone: 040-30444423, E-Mail: info@pmts.co.in

### Kalyaneswari Tasra Mining Private Limited

Flat No-.602 Block-B, Panchratna Heights, Kanke Road  
Ranchi-834008, E-mail: info@ktrmpl.co.in

## INTERNATIONAL OFFICES

### MAS Power Mech Arabia

Building No: 2351, Zipcode:12621  
2351 Makkah Al Mukarramah  
Branch Road-Assulimanuyah  
Unit No: 04 Riyadh 12621-8145  
Kingdom of Saudi Arabia

### GTA Power Mech FZE

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

### GTA Power Mech NIGERIA Limited

Abel-Abu Point, Ebute - Igbogbo Road,  
Ikroodu, Lagos - 104101  
Federal Republic of Nigeria  
Tel:+234-8168265887  
E-mail: pd@gtapowermech.com

### Power Mech Projects (BR) FZE

Lekki Free Zone, Lekki Coastal Road,  
Ibeju-LekkiLagos, Nigeria  
Tel:+234-7085043290  
E-mail: nigeria@powermech.net  
Email: sankarkolli@powermech.net

### GTA Power Mech DMCC

PO Box : 634389, AA1 Tower Mazaya  
Business Avenue, Dubai, UAE

## UAE

### Power Mech Projects Ltd

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

## ABU DHABI

### Power Mech Projects Ltd

PO Box: 29915, 5<sup>th</sup> Floor, Office no: 539 Al Ghaith Tower,  
Hamdan Street, Abudhabi, UAE.  
E-mail: uaehr@powermech.net

## OMAN

### POWER MECH PROJECTS LIMITED LLC

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

## BANGLADESH

### Power Mech Projects Limited

Ka-66, Moushumi Villa (5<sup>th</sup> Floor, Flat no.5B2), Kuril,  
PS-Bhatara. Dhaka-1229



## Management Discussion and Analysis

### Indian Economy & Industry Overview

Indian economy has overcome the hurdle and successfully emerged from setbacks due to the COVID-19 pandemic and since 2022 has been on the path of sustained growth. The Indian economy progressed with the momentum built in 22-23 to 23-24 despite huge challenges. Maintaining macroeconomic stability presents challenges, and has minimal impact on India's economy. Both the RBI and World Bank are optimistic about the growth prospects of the country based on the previous sustained growth over 3 years. It is also a fact that in the last two years, global geopolitical conditions have also deteriorated with the conflict not ending in Ukraine and the ongoing conflict in West Asia. The latest uncertainties in our neighbourhood especially Bangladesh can be a cause of concern.

India has been quite successful in the energy security of petroleum products for the country with a lot of cheap imports from Russia despite conflict situations and also not the benign approach of Western countries regarding India's ongoing trade relationship with Russia with its conflict in Ukraine. With more imports of Crude and gas inputs for the energy basket which has greatly helped in controlling the inflation and the after-effects of any upward increase in the import bill of crude oil from West Asia. The sustenance of GDP growth in the last 3 years from 21-22 to 23-24 and the latest GDP projections as estimated by RBI is 8.2% compared to 7% in 22-23 and 8.7% in 21-22. There was increasing activity in the manufacturing sector with a growth of 9.9% with reduced input prices. There was growth in the GST collection and issuance of e-way bills. The services business has emerged much stronger in the post-pandemic period with greater input of technology and digital content and transforming the service delivery in the country.

There is also the expected private Capex upcycle that has been aided by government capital expenditure. The government's sustained focus on capital expenditure on many segments led by the infra sector both from the Union Government and also the State Governments have fuelled economic growth. The Union Government Capex going up from ₹ 4.4 lakh cr to ₹ 9.8 lakh cr from 2020 to 2024 with an estimated planned investment in Capex in 2025 at ₹ 11.11 lakh cr. The total private capex in the year 2023-24 was about ₹ 8.7 lakh cr. India is at the forefront of investments in infrastructure which constitutes 3.4% of GDP from highways, railways, ports, energy sector, urban development and digital connectivity. These investments have created jobs and boosted the economy, and also enhanced the overall business environment through initiatives such as the National Infrastructure Pipeline (NIP), Gati Shakti

dashboard, and promise to further strengthen India's position as a global manufacturing and logistics hub.

There is also a greater need for more digitalisation, decarbonisation and climate resilience with a focus on quality, Artificial Intelligence, EV charging, space infrastructure etc. Public-private sector partnerships help achieve objectives by bridging financing gaps, improving innovation, and increasing efficiency in project execution. There is also a substantial reduction in fiscal deficit from 6.7% to a manageable level of 4.9% of GDP and expected to drop to 4.5% in the next year. The revenue generation has seen growth with the GST collection having gone up 18% to achieve a total GST collection of ₹ 20.18 lakh cr. The nominal GDP has reached ₹ 332 Lakh cr. (USD 4 Trillion) and with sustained growth of about 7% in the coming years India will become the third largest economy reaching ₹ 415 Lakh cr. (USD 5 trillion) by 2027.

India witnessed robust Foreign Portfolio investments (FPI) in 23-24 that helped in funding the current account deficit and aided the RBI in building adequate forex reserves. Net FPI inflows stood at ₹ 3.660 lakh cr. (USD 44.1 billion) against net outflows in the preceding two years. Net FDI inflows, part of the global decline, decreased from USD 42.0 billion in 22-23 to 26.5 billion in 23-24. There are comfortable foreign exchange reserves and a stable exchange rate with Indian Rupee has been one of the least volatile currencies amongst its emerging market peers in 23-24. India has witnessed a contraction in the years 2023-24, with exports estimated at ₹ 64.469 lakh cr. (USD 776.68 billion) and the overall imports are estimated at ₹ 70.948 lakh cr. (USD 854.8 billion).

India continues to hold the tag of the fastest-growing economy amongst the large economies in the World and above the many assessments made by domestic and other international institutions. This is despite many large economies that have been impacted by the higher inflation in America and Western Europe and the lower economic growth expected in China. Both Emerging market economies and Advanced economies achieved higher growth in 2023, and all major economies have surpassed the pre-Covid-19 pandemic levels, with growth being diverse across countries. Countries like India and China have attained GDP levels of 20% higher in 23-24 compared to 2019-20 levels. USA witnessed continued growth momentum, with economic activity remaining subdued in the Euro area. The impact of geopolitical conflicts and the impact of monetary policy tightening has an impact on the economic performance of countries, with economic shock resulting from Russia - Ukraine conflict with inflation affecting advanced economies. There is growth resilience in global economic

activity. The escalation of the Red Sea crisis amid heightened geopolitical tensions in the Middle East led to supply chain disruptions causing a lot of concern to global trade affecting commercial shipping, leading to an increase in global shipping costs. The geopolitical risks remain high. Subsequently, the supply chain pressures have eased and energy and food prices have faded out, with the decline of inflation across countries after peaking in 2022-23.

India is also playing a leading role as the voice of the South and despite a highly conflicting global environment owing to the wars in West Asia and Eastern Europe and a tense border situation with our Northern neighbour, India has dexterously steered the policy initiatives in economic management, maintaining supply chains, ensuring energy security and also maintaining growth in the exports. The continued initiatives in getting new technology inputs for economic growth are being vigorously pursued to help the economic growth of the country. The inflation has also affected many major Powers and India has managed to control the inflation for the year at 6.8% when compared to 8.7% in the previous year

Various economic indicators and many institutions including RBI and also IMF have predicted that India's economic growth will be maintained as the fastest-growing economy of large economies with an estimated growth of 7% in the next 5 years mainly driven by capital investments and also huge investments happening in the infrastructure segment. For the last couple of years major growth initiatives have come with sustained investments related to Government spending in the Infra sector, and the expected outlay for the year 24-25 is expected to be around ₹ 11.11. lakh cr with continued thrust on Roads (₹ 2.78 lakh cr), Railways (2.62 lakh cr) and the plan to invest in the development of three economic corridors and also modernisation of ports. The continued focus on the Gati-shakti program is expected to drive the business in the area of Energy, port connectivity, and logistic efficiency with a reduction of freight costs of Road and Rail transportation. And also, higher capital spending can lead to significant economic benefits, job creation and consumption. The higher private investments are now expected to add to the growth story in the areas of metals, minerals, and also in energy sector.

### Power Mech's Business Overview

Power Mech has completed 25 years of its incorporation since its inception in 1999, and this is a momentous achievement of company's operations for the last 25 years and striving to provide sustainable growth and market access for its services in serving diversified customer profiles both in India and abroad. The motto had always been to align with the market and "Go to market approach" aligning with the market dynamics,

and always looking at the ways and means of advancing growth, customer reach, better market penetration using the strategy of diversification, consolidation and growth and also having an eye on the balance sheet deliverables in enhancing shareholder value and market capitalization and customer satisfaction with a robust supply chain management to provide timely inputs. The dynamics of market change and changed business environment have always been the focus of grasping what is happening in the market on new investments and its portfolios. It has been a journey of being the first mover advantage in new areas of investments which can be synergized with the expertise and experience gained to enter new markets and also spread the customer base. The company has developed the confidence in providing end to end services of project management, construction management, and O&M encompassing all aspects of site execution in terms of different areas of work specialization related to Civil, Structural, Mechanical & Piping installation, commissioning of the plant and the post-commissioning phase for expanding the O&M profile in ensuring seamless approach to business growth and also customer satisfaction. This is also matched by the requisite need for organization restructuring, creating specialized expertise and the ability to become a single point service provider in all areas of site and project execution not only in the power sector but expanded into other areas extensively into infrastructure space of Railways, Transmission and Distribution, Roads, Metro works, petrochemicals, process plants, steel plants, mining and development of mine side facilities.

The company initially focused on the power sector but has expanded to provide services for installation, commissioning, operation, and maintenance. It has successfully established a niche market in other diversification areas by leveraging its expertise gained in the power sector. This is one of the main reasons for the growth of the company in attaining a business share of 40% in the non-power sector and the power sector still plays a major role in the company's operation. India's power needs of continuously building up capacities to bridge the shortage in power mainly were the main focus from 2002 onwards based on the new Electricity Plan, with Coal being the mainstay of energy sufficiency to attain adequate electricity generation and Power Mech has played a leading role working in about 70000 MW of coal and gas-based plants and also about 71537 MW capacity of O&M in power plants across the country over the last 25 years. The transformation of investments in the coal-based plants beginning from 2002 onwards, where the average capacity addition for 2002-07 was only 1800 MW per year, the acceleration started from 2007 and in the next 5 years up to 2012 the capacity expansion per year reached 8200 MW to bridge the huge gap in the energy requirement of electricity, and this further went up many fold to 16000 MW per year



from 2012 to 2017. This journey of 15 years from 2002 has been momentous and game-changing for the growth of Power Mech to establish itself as a leading player in providing service and cope with the huge capacities getting added year after year.

The year 2015 was a significant year for climate action as the COP 15 agenda and the agreement reached with most of the countries mandated a drastic cut in investments in fossil fuel-based energy and a huge focus on the push for renewable energy of Hydro, Nuclear, Wind, Solar, Biogas etc, and this move was in the best interest of guarding against climate change impact in arresting more greenhouse emissions. This had its impact on reducing the Coal-fired plants capacity addition and it had brought down the annual addition to 3250 MW between 2017 and 2023. This was the period of major changes happening in the market where Power Mech was deeply entrenched and also part of its growth story in establishing itself as a leading service provider both in the installation and Operation and maintenance of Coal-fired power plants, and this propelled the company to have almost more than 85% of its business coming from Power sector both in India and abroad. In about 15 years of unbroken capacity addition of fossil fuel in coal, the curtains finally came down from 2017 onwards, which was a major change for many service companies catering to the power sector business including Power Mech. It was a matter of huge concern and also internal discussions the company internally had from 2015 onwards on the path to be followed to manage the change happening with the expected reduction in the outlook for the Coal based power generation. Power Mech has been working with all the changes taking place in the energy sector and has always tried to align with the market dynamic and also changed business avenues, but always keeping the focus both on growth and profitability.

With increased awareness of the long-term impact of fossil fuels and the many international commitments reached by COP 15 (Conference of Parties), and the latest COP 28 these international obligations on climate change mandate the commitments for the ultimate objective of net zero emissions and traversing this path has many challenges amidst the energy security provided particularly for this country with Coal as the main source of energy security and also Oil being imported in huge quantity. COP 28 mandates that emissions to reduce by 7% every year, the agreement is to add 11000 GW of Renewables by 2030 by 117 countries and also improve the efficiency of Renewables.

Power Mech is also aligning its business anticipating these changes for better climate control. This calls for more focus on other segments including non-power business, infra works of Railways, Metro works, Roads, mining, manufacturing etc. There are huge challenges to face and also align the business model in the coming years

factoring in the reduced profile of Coal being considered as a dirty fuel impacting the spread of greenhouse gases. This road of Coal input being reduced still a long way to go, as India's energy security for sustained growth is based on the present Coal based capacity of 218 GW and keeping in view the huge growth in planned addition of Renewables to reach the total installed base exceeding 500 GW by end of this decade also calls for stable grid operation which can only be provided by the adequacy of base load operation with Coal-fired plants. This requirement calls for a balance between the need for a consistent power supply from thermal plants and the significant capacity expansion of renewable energy in the coming years.

The preceding two decades were also the period of capacity and technology enhancement with higher rating thermal units of 660 MW to 800 MW of supercritical type having higher steam parameters and also involving major improvement needed in metallurgy and materials when compared with the lower steam parameters of sub-critical units up to 500 MW to 600 MW coupled with much shorter execution cycles with Private sector playing a major rule in the capacity addition of coal-based plants. Again, Power Mech played a leading role in taking the lead in supercritical coal-based plants of unit capacity of 660 MW/800 MW taking up the work at Mundra for Tata Power & Adani Power and Reliance Power at Sasan and has a reference base of 23 units of 660 MW/800 MW units and became a lead service provider for fast-track implementation of many supercritical units across the country.

Power Mech has always since its inception strived to enhance its presence in this segment both for gas and coal-fired plants. With the growth of the IPP sector and its business model of undertaking post-commissioning of the plants with more outsourcing than in-house manning of large plants with huge manpower bases and the necessity of establishing large townships, the IPP players preferred the outsourcing model of operating and maintaining the power plants. Again, Power Mech was the first mover in this segment using its expertise in the service related to the main plant work of Boiler and Turbine and also the Balance of plant areas of work. This has helped the company in achieving greater penetration of O&M segment which today contributes to 26% of top line and also the bottom line of more than 35% contributing immensely to the overall growth in the margin profile employing over 11000 headcounts. Power Mech has also mastered the O&M related to the complex control room operation needing very high-end operation skills and many large plants are being operated at Singareni, Tuticorin, Raichur, Ghatampur, Nellore, Nigrie etc in undertaking more complex O&M job for about 8 power and captive power plants, to provide complete O&M service. The Company has reached a capacity base of working in about 71537 MW

of plants across the country. This is a continuation of the forward integration of the niche space established in the installation of new coal and gas-fired units since 2002 and has engaged in various installation and site construction works capacity addition of the main plant and Balance of plant works in about 70000 MW across the country in the last 20 years.

It is now well established that Power Mech made a lot of strides in expanding the business into the export market mainly into Bangladesh, Middle East, Africa spreading across three continents in about 12 countries. The opportunities made available in the energy, oil and gas, and desalination areas have been well established and the company has commissioned the plants having a total capacity of 9262 MW of mostly gas-based plants, Oil and also Coal-fired plants. The experience gained in the installation service and the references established with the customers has now enabled the company to spread to work in the O&M space in Bangladesh, the Middle East and West Africa which has enabled the company to reach a revenue of more than ₹ 200 cr per year and significantly contributing to the O&M segment of the business and also the bottom line.

As brought out earlier, the changeover of the business profile was triggered by the COP 15 climate change actions from mid-2015 and there was clarify on the fact that business could shrink for curtailing fossil fuel growth with an emphasis on Renewables and this called for drastic change in the business profile to maintain growth and profitability. Between 2017 and 2024 have been years of change for major diversification into non-power segment in undertaking works related to the infrastructure of Roads, Railways, Technology parks, Metro and Railway maintenance depots, Rural electrification, Irrigation and drinking water schemes, Iron ore and coal handling plants, cross country pipelines, Steel plant construction works and also establishing a manufacturing facility at NOIDA and a new shop to be established in Hyderabad. The company also graduated into undertaking turnkey/EPC works in many areas including cross-country pipelines, Railway work on track laying and electrification, Material handling, Drinking water schemes, and Transmission and Distribution networks. The journey in this direction needed a diversified customer base other than power-centric business with a new customer base of Railways, NHAI, NHDPL, BMRCL, RVNL, IVRCL, IOCL, HPCL stakeholders of Jal Jeewan Mission in various states, Irrigation departments of states, Power grid corporations, Discoms of states, Iron ore, Coal, steel companies like CIL, NMDC, SAIL, JSW, JSPL. The company also established its relationship with leading industrial houses like Vedanta group, Adani Enterprises, JSPL, ThyssenKrupp, and RIL for the growth opportunities made available in various sectors related to power, steel, mineral and coal handling, O&M of plants, petrochemicals, cross country pipelines.

All these diversification measures have been sustained over the last 10 years in the areas of infrastructure, Railways, Metro works, Irrigation and Drinking water schemes, Pipeline works, material and mineral handling, Mining works of Coal, Substation and Electrical distribution systems needing work specialization in the areas of Civil, Structural fabrication & erection, Electrical and Instrumentation, Piping works and all types of installation jobs. In many of these projects, engineering interface has been bridged by strengthening the engineering base in the organization for coordination and also establishing specified groups for Construction and Project Management functions through Standalone Business Units (SBUs). Today company is driving the diversified business with 12 Strategic Business Units (SBUs) both in domestic and international segments for various business areas with a focused and also decentralized approach of reaching out to Customers and Vendors in integrating both the Project Management and Construction management functions and supported by strong supply chain mechanism and organization setup both for site services, equipment and product supplies, material and various commodity supplies consumable supplies etc.

Independent capability centers support the operational groups supported by HR, IT-enabled services, Business Development, Finance, Quality, Safety, Facility engineering, Engineering and supply chain management. The constant refrain has been in strengthening the organization base, updating the skills and knowledge of the teams to provide leadership at various levels to adapt to the changing needs of industry and market.

The company has established the specialized groups for catering to the highly skill based Operation and Maintenance business. The project execution teams in different areas of work of Civil, Structural fabrication, erection, Project Management specialists, various construction specialized jobs, and O&M for all aspects of site work have been adequately developed to meet the huge manpower needs and the skills covering headcount of 11000 in various project sites and Headquarters. The supply chain and the PRW (Piece Rate Worker base) of specialized working level workers strength stands over 20000 headcount as per the need to provide a wide range of specialized services through our various vendors for all areas of work being carried out at various project sites. As of date with a total headcount of both direct and indirect basis, Power Mech employs about 30000-32000 engineers, supervisors, technical, specialized workers, various other labour categories and supporting teams to ensure that the manpower needs are adequately met to meet the demand needs of site execution and also achieve the targeted goals of project delivery needs across all sectors of business.

## 1. Power sector Business

As stated above, Coal is the mainstay of sustained electricity generation for the country, it continues to play a major role even after the advent of renewable power being given the lead role in fighting climate change. The renewable power basket has been growing since the COP 15 guidelines came into existence, but the changeover will certainly take time considering the reliability of the power supply being served by the Fossil fuel in Coal and to some extent gas. With the present installed base of 443 GW, the role of renewable power has gone up to 143 GW and other segments like Hydro contributing 47 GW and Nuclear about 8 GW. The present Coal-based capacity at the end of 2023-24 stood at 218 GW. It is expected that with increased emphasis on Renewable, the total renewable power including Hydro and Nuclear along with Solar and Wind power can exceed 500 GW from the present 200 GW. CEA the nodal agency for overall integrated planning of power generation has stated that with the total installed base of >800 GW, by 2030-32 the coal-based plant capacity would go up to 300 GW from the present 218 GW and gas would contribute an additional 25 GW. This calls for a total capacity addition of about 80 GW in the next 6 to 8 years for coal-based plants. With existing ongoing projects of about 25 GW under implementation by many Developers mostly in the state sector and Adani group, Vedanta. There is still a wide gap in the need for thermal plants. Many utilities led by NTPC, DVC, NLC, SJVN, THDC, RRVUNL, UPVRNL, MAHAGENCO, MPGCL, RRVUNL, HVPNL, and Adani Power are planning more capacity additions and working on new tenders for awards. For the last of over 12 months, orders have been finalized based on EPC contracting, mainly on BHEL for about 13840 MW involving about 88000 cr. of EPC and supply contracts. Adani Power also has initiated action for the development of 5760 MW at Mahan, Raigarh, Mirzapur, and Raipur, and site works have already been started at Mahan 2x800 MW in the State of MP. Adani Groups is planning a huge enhancement in the installed base from the present 15250 MW. It is possible many of the stressed projects under the NCLT process can also add to the capacity addition of Adani Power based on the stressed plant's successful bidding done by Adani Power.

It is important to understand the new and renewed push for Thermal power, and this comes in the backdrop of serious apprehensions of grid instability with a major role to be played by the Renewables capacity addition of 500 GW mainly driven by Solar and Wind power apart from Hydro, Pumped storage and Nuclear power. With many

of the Developers and Utilities mentioned above firming up plans for the capacity addition of more coal-based plants, it is expected that there can be need of 30000 MW to 40000 MW of additional ordering addition with a total investment of more than ₹ 2.5 lakh cr. to be implemented in the next 6 to 8 years. In all as per the latest inputs from the Ministry of Power, the total investments in Coal based investments can go up to ₹ 6.67 lakh cr. These ordering actions are mainly to ensure that grid imbalance scenarios are avoided by 2030 and that more thermal power plants are to be hooked up to the grid to provide both base load operation and also day and night operation need to balance the priority to be provided for the renewable power.

There are other areas where capacity enhancement is being planned in the nuclear segment, the present capacity is also planned to be augmented from about 8200 MW to about 23000 MW with about 21 Nuclear Reactors of unit capacity 700 MW each and there are possibilities of more nuclear power plants which can be established with Russian collaboration similar to the works going on at Kudankulam. An additional investment is planned for this capacity augmentation with an investment of more than ₹ 150000 cr.

To balance the day-night operation enhancement by 2030 pumped storage-based Hydro power plants are being developed to help in better grid management of power generation and its distribution with development of more pumped storage systems.

All these coal-based units would be based on Ultra supercritical technology and BHEL as a PSU is expected to greatly be benefitted with more growth in its order booking. Perhaps conscious of the fact that certain limitations are expected in huge jump in orders, many of the Developers are also looking to segregate the ordering into main plant and Balance of Plant to bring many new players for the execution of the Critical Balance of plant of works needed for the power plants. It is possible for Power Mech as a leading service provider for project execution can position itself in getting into the BOP business with its inherent value-added services of site execution with in-house capability in the construction of most of the plant works. These developments of more ordering happening in the thermal plants can be very good opportunity for the growth of Power Mech both in the execution front and also O&M segment when more plants would get commissioned.

Adani Power with planned investment in 5780 MW completion in the next 3 to 4 years, Power

Mech here again is confident of playing its role in many of the Adani Power plants installation works and also civil works. Already Mahan plant of 2x800 MW Power Mech is executing main plant works, and more orders are expected from this group with new opportunities of tendering for Raigarh, Raipur, Mijapur and the newly acquired stressed asset of 2x660 MW Amarkantak project.

With recent ordering done for EPC and other works of Thermal plants for about 13840 MW of value of about ₹ 88000 cr. mainly on BHEL, there can be about ₹15000 - 20000 cr of opportunities for various site works from these orders received from BHEL and the future orders to be planned by various Developers including NTPC to the tune of about 30000 mw in the next 18 months, with an investment of ₹ 2.5 lakh cr, the various service segments of business for site execution can be around ₹ 50000 cr. based on scope of contracting with or without materials. There is substantial scope to enhance the order booking for the thermal plants in the installation, Civil, and structural for Power Mech in the next 2 to 3 years. Being a leading service provider in this area with a reference of having association in more than 70000 MW to date, Power Mech would continue to play a major role in its contribution to the installation of new power plants which would be helpful for its business growth.

## 2. Non-Power sector Business:

The major impetus for the growth in Power Mech's business outlook in the last 5 years had also been due to the new initiatives of the Central Government based on the National Infrastructure Pipeline (NIP) launched in 2019 under a massive investment of ₹ 111 lakh cr. which is leading to major transformation in the development of both Urban and Rural sectors in various segments. Power Mech took the lead in opportunities made available in various areas like Drinking water, improving the infrastructure of Schools across the country, massive push for the expansion of the Rail and Road network, and Metro works across many cities. The annual Central Government budget for capital expenditure for various schemes led by Roads, Railways, drinking water, Bharat net connectivity across all villages, and Urban development has reached a value of ₹ 10 lakh cr. in the current year from about 4 lakh cr in 2019. The government also planning 3 new freight corridors to improve the logistics across the country.

Power Mech had been able to use its market reach by forging relationships based on consortiums or Joint Ventures, which had substantially improved order booking over the last few years. This was

further given a push in entering new business areas related to Mining, mine-related infrastructure works, cross-country pipelines, Steel plants, Mineral processing and mineral handling and coal handling opportunities. There are many key segments in the Non-Power sector where in massive investments are being planned. The steel sector both in the public and private sector based on the assessment of the Ministry of Steel is planning to double up the steel capacity from 161 mt to 300 mt by the end of the decade with an estimated investment of ₹ 10 lakh cr, NMDC is planning to double up the iron production and the associated mine side facilities to augment the Iron ore production capacity to 100mt with an investment of ₹ 60000 cr, Coal India Ltd (CIL) and with more privatization of Coal mining the production of Coal is planned to be augmented to more than 1200mt in the next few years. There are also huge investments being planned for the augmentation of Aluminum capacity by Private players like Aditya Birla and Vedanta Group which will provide a lot of opportunities for mineral processing and its material handling and associate works. A new refinery with an investment of ₹ 60000 cr is expected to come up at Bina in MP and Hindalco is making a planned investment of ₹ 15000 cr in its Aluminum and Bauxite related expansion works in Orissa.

Other major investments in the Infra space are expanding the Dedicated Freight Corridors (DFCs) in 3 corridors of Coastal corridor of Kharagpur to Vijayawada, East-West Corridor from Kharagpur to Palgar (Maharashtra), and North-South corridor from Itarsi (MP) to Vijayawada comprising of about 4300 kms of Railway Freight corridors with an investment of ₹ 2.0 lakh cr.

Since implementing diversification measures starting in 2015, the Company has shifted its focus away from the declining power sector business, which began in 2017. It has been concentrating on expanding its presence in the non-power sector, including areas related to railways, roads, metro works, drinking water projects, irrigation, water schemes, cross-country pipelines, steel plants, and new works related to coal and iron ore. Non-power sector business is also growing over the years and in synergizing the execution capability of working in various areas related to Civil, Structural, ETC works and O&M in power sector works, the same is getting replicated in the non-power sector and this has also helped the company to optimally use its resources and capital equipment and the more important HR base of specialized skills in areas of Project and Construction management with the upgrade being done creating capability centers and consistently developing HR strengths of the

company and also the need-based construction equipment augmentation. It is noted that Power Mech can achieve 2.5 to 4lakh m3 of concreting works related to Civil works, and with its niche base of executing ETC work where it can achieve between 1.5lakh to 4lakh mt per year. With a total HR base of both direct and indirect recruits, the total HR base has expanded to about 30000-32000 at present spreading across many segments of site execution and also Operation and Maintenance. One of the key areas the Organization is focusing on and augmenting the engineering base for undertaking EPC-related jobs for the large-sized opportunities being made available both in the Power and Non-Power sectors.

With the above scenario on the sustained investments being made predominantly by the Government Sector and Private sector also now planning huge investments It is expected that the opportunity size for working on new tenders and enquires can go up to ₹ 50000 to ₹ 70000 cr per year in the next couple of years and this should enable the company to maintain the growth momentum on a sustained basis

## Sectorial Business Outlook and Opportunities

### A. Operation & Maintenance

For the last 5 years, one of the major business segments for growth and sustenance on the bottom line of Power Mech is mainly due to the sustained efforts being put up to enhance the O&M profile of the company enabling it to become a major player in the country as an outsourcing hub for the leading power producers both in the private sector and also state sector. This initiative which is well entrenched in the Western countries as a concept, took some time to make this model of outsourcing the O&M operations to a specialized agency. The initiative was mainly due to the advent of the Private sector in the development of Coal-based power plants after the Electricity Act 2003 was passed. The advantages of outsourcing include full integration into the operation and maintenance (O&M) of power plants for both recurring maintenance needs and long-term O&M practices. Outsourcing to an external agency can be more cost-effective than handling these tasks in-house, which could result in higher O&M costs for the owner. The O&M business has grown with a CAGR of 14% since the last 5 years and has reached a revenue of ₹ 1109 cr from ₹ 566 cr and has a business share of 26% and immensely contributing to both the growth of the company and also generating higher margin with low capital needs and very quick turnover cycle time. The order booking for the last year had been very good in the O&M segment with a total order

inflow of ₹ 2707 cr and this has greatly improved the order backlog in the O&M segment to ₹ 2197 cr compared to ₹ 600 cr at the end of 22-23. This was mainly on account of greater penetration in taking up more jobs in the Coal based plants both in the Utility and Captive segments and also for the first time making a major order of ₹ 681 cr related to the drinking water schemes of the works being carried out by the Company in UP under Jal Jeewan Mission. It has different segments of revenue for O&M spread across various sectors in Power, Refineries and Petro Chemicals, steel plants and infrastructure space of water, mining, and the company continues to look for new ways and greater penetration of market to remain as a leader in this field for outsourcing support in the industry. As of date the bulk of the O&M business is centred in the Coal based plants and headway has been made in the refinery and petrochemical segment in Nigeria, and with the latest entry into water management, the company is also entering the infrastructure segment of O&M opportunities being made available. It is important to note that almost one-third of HR resources are deployed in the O&M segment of the business for revenue and more value-added services. In the process, the Company is enhancing its services to guarantee KPIs (Key Performance Indicators) to ensure the various parameters set by customers in benchmarking the performance in the high-end O&M skills. This commitment to KPIs is a major initiative the company has taken to ensure the highest levels of customer satisfaction for the Critical O&M business and at the same time enhance the skill base of the Company. The Company is working on KPI-based O&M practices in many plants at present to provide better service to customers which can greatly improve the availability and better output from the plants for revenue generation. Down the line, O&M business is poised to grow and reach out to other segments in metals, minerals, drinking water and infra-related works, urban transportation of Metro networks etc.

It is also important to state the company is enhancing its profile in undertaking many Plants under centralized control room operation which is a quantum jump in its capacity and expertise to undertake comprehensive O&M operations which also includes the sophisticated control room operation and committing to work to meet customer-centric benchmarks. The company is making greater strides in the export market for O&M operations both in the Middle East and West Africa, Bangladesh and recent market penetration made in these markets can contribute to almost 20% of overall O&M business and opens up of opportunities to the Middle East and African

market. The new need for more capacity addition in Thermal plants to meet the stable grid management needs by the end of this decade can further add to the O&M business in the coming years.

### 1. O&M Power sector

The coal and gas-based plants capacity at the end of 23-24 stands at 243 GW compared to 237 GW a year before. The company has established a strong base in the IPP sector and is now establishing its mark in the state sector taking up O&M jobs and the latest entry into 2x800mw Raichur power plant, SCCL in Telangana, Ghatampur for NLC. This validates the urgency with which the state-controlled Utility sector is also taking the outsourcing route for O&M management. The existing plants being operated in the IPP sector are the backbone of the Company's growth in the O&M business. Out of the total installed base of Coal and Gas based plants of 243GW, the Private sector contribution is about 81500 MW. It is to be noted that the Captive sector which is mostly in minerals, metals and petrochemicals constitutes about 78000mw of the installed base, which is not part of the grid system mainly catering to the captive power requirements. This segment also is getting the required focus from the Company in undertaking many O&M works including the long-term AMC (Annual Maintenance contracts). Power Mech has reached a market penetration of 71537 MW in the O&M business encompassing the huge market available both in the Utility and Captive sectors, which has a combined installed base of 322 GW. The captive power base of 78000 MW major installation is in metals, minerals, Petrochemicals and Cement. The Company has bagged the largest O&M cum Rehab contract with Vedanta group of Meenakshi with capacity of 2x150 MW+2x350 MW of value 685 cr. which has both the long-term O&M and also Rehab works to be done. Other major jobs taken in the power sector related to O&M works are for the newly commissioned Ghatampur 3x660 MW power plant in UP for NLC of ₹ 264 cr. GMDC Akrimota plant for O&M and Spares for ₹ 116 cr, 400 MW Captive power plant for Dangote Oil Refinery in Nigeria for ₹ 105 cr and the KPCL Raichur 2x800 MW for ₹ 163 cr.

An important feature is the aggressive approach to the growth of O&M in Power sector opportunities including the Captive segment in the industry sector. With about 25000mw of Coal based plants under implementation

and new ordering being done on a sustained basis, it is expected that the capacity addition in the thermal plants is going to pick up in the coming years. All these investments can add to about 8000 to 10000mw per year after reaching the lowest capacity addition in FY22-23. Taking into account the ongoing power plant works and capacity additions going to happen, it is expected to reach 300GW of Coal based plant installation by 2030-32. With the energy requirement of electricity going up month after month, inevitably, generation capacity is also augmented to meet the peak power demands which are expected to go up from the present 250/260GW to about 350GW by 2030. It is also interesting to note that stressed assets of about 12000 MW are being brought back through the NCLT route for implementation and its completion in catering to the short-term needs of augmenting coal-based capacity. For the total capacity addition of about 80GW, NTPC has clear plans for 26GW and the balance has to come from State Utilities the private sector, including the stressed assets. With an enhanced yearly capacity of coal-based plants addition up to the grid capacity, with the new outsourcing model of O&M, all areas of O&M related to repair, maintenance, shutdowns, retrofits and more importantly the long-term AMC contracts will form a regular feature both with State sector and also Private sector plants.

Another important development in terms of the operation philosophy of coal-based plants will be to change over to meet the demanding needs of day-night operation to give more space for Solar and Wind power during the day time. This calls for day and night operation mode which has to be configured with most of the Coal-based plants under operation and also new coal-based plants to come up into the grid in the coming years. This calls for new O&M practices and Standard Operating Procedures (SOPs) in place to operate the plants for the altered grid management needs. This is also expected to increase the scope of O&M operations with possibly leading to higher O&M costs to the Plant Owners. With more integration and retrofit of FGD systems to reduce flue gas emissions, the scope of O&M also would go up wherever the FGD systems are retrofitted to the old plants. The total planned retrofit of FGD packages is planned for 169GW and the present status of retrofit is about 10GW. With additional auxiliaries in the system both for the new plants and the old plants, it is obvious the need of more O&M



budgets to cater to maintain the availability of power plants with FGDs also fitted for planned generation for the entire country.

With many of the ongoing AMC jobs coming for renewals as per the completion time, it is also expected that the O&M growth story to remain in the coming years with not only renewals of the old contracts, but also the huge opportunities being made available with the new capacity additions being planned to reach a target of 300gw by 2030-32 from the present 218 GW. Based on the recent trends and actions initiated even by the PSUs and State sector, it is expected that many of the new additions in coal capacity would follow the outsourcing model of AMC on a long-term basis which has a cost advantage to the Developer and new opportunity for O&M players like Power Mech.

## 2. O&M in Non-Power Sector

The case of non-power sector O&M also has an important role in the growth of the overall O&M business of the company in various areas related to Steel Plants, Petrochemicals, Refineries, Mineral processing, mining, minerals, drinking water schemes etc. The company has already made its presence in this segment with many O&M works being carried out for Tata Steel, JSPL, RIL, Vedanta, NMDC etc. There are already clear plans to increase the capacity of many areas of production in Coal, Iron ore, Petrochemicals, and Refining. The scope of O&M can be enhanced, apart from the captive power base on various metal and process industries. A beginning has been made in undertaking many process side of O&M works for the Refining, Aluminum Steel and Iron ore industry, and there is scope to expand this profile. In the case of export jobs being done in the Middle East, Power Mech has established its presence in the O&M sector across many countries having earlier established its presence for the installation works in many petrochemical-based and Oil & Gas sector industries in West Asia, Nigeria. A notable breakthrough is the major O&M work taken for the newly installed Dangote Oil Refinery in Nigeria. There is more scope to be exploited in the non-power sector and using the expertise that is fully developed in the power sector and replicate the same.

In another segment which we are executing the drinking water schemes for about 1969 villages in UP is valued at ₹ 2723 cr which is under various stages of execution. Already

about 3.14 lakh connections of , drinking water scheme provisions have been implemented out of total 5.44 lakh connecions. In all the villages and the households that have been provided with piped drinking water provision, there is a separate work scope for undertaking the O&M for the next 10 years based on the progressive completion of the water supply schemes to villages and the additional scope on this work valued at about ₹ 681 cr has come for implementation from the current year onwards. This O&M work on a long-term basis offers sustained revenue once all the villages are fully integrated with the drinking water connections. As a part of sustaining the water availability, Power Mech also is undertaking the Operation and Maintenance of all the pipes, equipment, pumps and various distribution schemes needed for reliability availability and supply of water to every household covered in the scheme under the contract for the O&M portion of the work. This long-term water supply scheme for domestic needs for the next 10 years is a major milestone in undertaking O&M in the non-power sector.

There are other opportunities of O&M for Urban transportation system and the Company is making efforts to enter the O&M of Metro rail networks and more Metro networks coming many cities, there can be scope for entering the O&M in this segment and these needs for tie ups with the players who are specialized in this field.

## 3. O&M - Overseas Business

Since the major thrust in the Export business mainly caters to the opportunities made available in the Middle East, later in Bangladesh and West Africa, over the last 8 years, Power Mech has to its credit of completing about 9262 MW in overseas market. This was done by working on 15 contracts across GCC countries, Bangladesh, Nigeria. The company has established a strong presence in UAE with Its Regional HQ located in Dubai. The service business was very bullish for installation works during the pre-Covid period and post-Covid there had been less investments happening for new plants and projects. With an installed base of having worked in about 9262 MW in export jobs, Power Mech has its presence well established. Headway has been made in the O&M business as part of the forward integration to the installation services Power Mech has established in the Middle East, Africa with a major job of long-term O&M for

the 400mw Captive power plant in Nigeria and also in Bangladesh for the maintenance service contract for the 2x660mw Maitree project.

Power Mech presently mainly caters to many shutdown jobs and also provides specialized manpower needs for various maintenance jobs in the Middle East. With the earlier presence well established for the new unit's installation and the familiarity with the customer base is further enhanced to penetrate the O&M business of mostly gas-based combine cycle power plants. Power Mech execution in Nigeria is about 400 MW and in Bangladesh about 1950 MW. With experience of working on Gas Turbines in the installation business of 33 MW to 400 MW unit capacity of makes from General Electric, Siemens, Mitsubishi and Alstom, the Company has a well-organized set-up in place for the Middle East and Africa operations in providing services for different Gas Turbine makes both for new unit installation and also the after-market services related to O&M services. Power Mech has an HR base of 1200 engineers, supervisors, and specialist groups for undertaking various O&M works across the 3 continents in the Middle East, West Africa and Bangladesh having achieved a revenue of ₹ 215 cr in 2023-24. This O&M business is expected to grow in the coming years in getting better market penetration of installed base in all these countries. The company has made strides in entering into the non-power-based plants of Steel Plants, RO plants and has an ongoing contract with Emirate steel plant of 3.5 MTPA in providing manpower on a long-term basis for about 3 years and also undertaking the RO plant maintenance on a long-term basis in Abu Dabhi of two plants of 150mgd and 200mgd RO Plants. These long-term contracts with the option of renewing the same can provide sustained revenue for the Export O&M business. For the Dangote 400 MW captive gas-based power plant the initial O&M contract has been renewed for another two years.

With a manpower strength of more than 1200 headcount in diversified specialized groups, catering to the O&M needs of higher rating Gas Turbine of 400 MW H class unit capacity, RO plants, steel plants, and Desalination plants the Company is well positioned to explore and execute many areas of O&M jobs for manpower supply, Capital overhauls, repair and also shutdown works and also AMC contracts, which can offer sustained revenue

growth and also earning for the growing export O&M business. It is expected based on the jobs in hand and new jobs to be undertaken for the years 2024-25, it is expected the O&M revenue can exceed ₹ 200-250 cr with revenue growth of 20%, The diversified geographical spread across the Middle East, West Africa, Bangladesh with a long-term presence of Power Mech service profile on the installation segments and now expanded to O&M segment, can facilitate better revenues for the expanding O&M business in the Export market.

Power Mech entered short and long-term contracts for providing O&M services and present the contracts being executed have a tenure of 1 to 4 years many of these contracts are eligible for renewals at the end of the contract period thus providing sustainable order booking opportunities and also growth in the order backlogs for the O&M business It is possible that the O&M business to double up the next few years based on the long term contracts being entered and also many maintenance and repair works being undertaken on regular basis with a strong well-established organization set up centred in Dubai. Power Mech has been able to enter the long-term O&M contracts of working in about 1783 MW of installed base for the plants in UAE and Nigeria

## B) Industrial Construction

The installation services of mechanical works in various segments related to Power, Minerals and Metals, the Oil and gas sector, steel plants, cross-country pipelines, and Industrial projects offer a wide range of opportunities which contributed to about 17% revenue generation and about 36% of order backlog at the end of 23-24. The sustained business has been spread over more than 2 decades which has also established Power Mech's preeminent position as a service provider for the new installation units having contributed to about 70000 MW of Main Power Plant and Balance of Plant works for the Coal based power generation with 546kms of natural gas cross country pipe lines, 2.57 lakh mt of structural fabrication and nearly 29 lakh mt of erection works in many segments needing installations services. Power Mech is a leading service provider for the plant installation works of coal-based power plants apart from other segments of work. The Industrial construction work is spread both in the power sector and also non-power sector related to Mineral and Metals, cross-country pipelines, Oil and Gas sector. With a relook on the coal-based power plant installation bases,

and huge investments being planned in minerals, metals, steel sector, Iron ore and Coal mine side facilities, it is expected that there can be greater business potential for the Industrial construction business of the company in the following segments

### **1. Coal-based Erection, Testing and Commissioning (ETC) Business**

The ETC business has been the mainstay of the Power Mech's business profile for more than 20 years. The company's growth from 2005 onwards was mainly due to the strong organization base established towards the growing needs of the Coal-based plant construction including the technologically advanced super critical thermal sets of 660 MW to 800 MW. The company has completed about 23 sets of Supercritical units and a huge number of installed-base of Sub critical Boiler and TG units in the range of 120 MW to 600 MW spread across the country. At present the work is going in about 5 projects at Buxar, Monnet Ispat, Barh, Mahan, and Talchar related to about 6750 MW of plant capacity addition mainly in the Boiler and Turbine and related piping works. The lower investments were the main reason from 2017 onwards for the lower capacity addition of coal-based plants for about 6 years from 2017 to 23. This was the follow-up due to the national and international obligations in arresting greenhouse gas emissions. However as stated earlier with more emphasis on renewable power to reach at least 50% power generation with an installed base of exceeding 500GW by the end of the decade, there are more opportunities that can be expected for the Coal based plants. The main objective is to have a minimum capacity of at least 300 GW of coal fired plants to provide reliable power when the renewable power base exceeds 500 GW and with more Solar and Wind power and the Hydropower being related to the storage capacity of dams based on the adequacy of rains, there can be uncertainties in meeting the increasing power needs, and this will need to enhance the existing capacity of 218 GW needs to more than 300 GW. Utilities and IPPs have been tasked to aggressively pursue the ordering of new coal-based plants as stated above, with about 26000 MW of order to be expedited on priority and the Government also has plans for new Pit Head stations with a planned capacity of about 30000 MW. It is to be seen how these new mega-sized plants each plant capacity of 5000 MW would come up for development at pit head stations in

Orissa, Chattisgarh, Jharkhand having a total installed base of 30000 MW. Apart from the new greenfield and brownfield power plants coming up for implementation, needing huge investments, there is an aggressive plan to bring back for implementation of the stressed projects which were not commissioned owing to the Developers going bankrupt leading to liquidation under the NCLT process, the Government is keen to bring back these stressed assets which have potential to add up to 12000 MW. As of date many of these stressed projects have been allocated to the new Developers in projects like Monnet Ispat (1050 MW) Atherna (1200 MW), and Meenakshi (1000 MW). The projects of Amarkantak 1320mw and KSK Mahanadi (3600 MW) the bids have been called, and the resolution process is under way to award to new Developers based on the competitive bidding process. Power Mech has already captured the opportunities made available from Vedanta group for 1000 MW Meenakshi Power near Nellore and 1200 MW Atherna Power plant coming up at Singatarai-Chattisgarh.

As stated, earlier BHEL had a huge order flow in the last 18 months related to about 13840 MW with major orders coming from NTPC, Adani, DVC, and NLC with a total value of about ₹ 88000 cr. For the 3 projects of Mahan, Raigarh, Mirjapur, Adani Power has placed the supply order on BHEL and the services order for site works is being awarded separately. The total service orders on installation works from BHEL alone can be expected to be around 15000 cr for the mechanical & Civil portion of work on the main plant and the balance of the plant based on the orders available with BHEL. The NTPC's share of new capacity addition is about 26000 MW out of the total country's plan to add 80000 MW by 2030-32. NTPC has already about 9500 MW under various stages of implementation, with about 8600 MW under the tendering process and another 8600 MW to be awarded in about one year. The 17200 MW of new NTPC plants undergoing tendering and also new tenders to be called the expected investment is estimated to be around ₹ 125000 cr. and this can throw up new opportunities for the plant construction in ETC business of about 10000 cr. Also Neywali Lignite Corporation (NLC) is planning capacity enhancement both in the power generation from 4000 MW to 12000 MW and also the mining capacity of lignite and coal from 50 MTPA to 100 MTPA

by 2030. NLC envisages a capital investment of ₹ 1.25 lakh cr to achieve these objectives.

The new initiative in augmenting thermal capacity in the next 6 to 8 years is to build up base capacity to maintain grid stability with Renewable power capacity exceeding 500 GW. Based on the new initiative on the Pithead stations of about 30000 MW under consideration to establish, it can take some more time to identify various sites for pithead operation and also tie up the Developers and also investments which needs an investment of nearly ₹ 2.5 lakh cr.

It should be seen that the ongoing FGD retrofit for emission control needs to be more aggressively pushed by the Government and the Developers for faster implementation including ordering needs of the balance of 64000 MW to ensure that all the identified FGD retrofits of about 169000 MW are completed for its commissioning in the next two to three years. It is expected that in this FGD area of work, there can be better progress on the ongoing jobs the Company has taken with Adani Power for the orders placed on Power Mech.

The ETC business of thermal plants can certainly have more opportunities in the next two to three years for finalization of orders and its implementation in the next 3 to 6 years and that should substantially enhance the Industrial construction business related to new Coal based power plants.

## 2. Minerals, Coal and material handling & Steel

### Minerals and Material handling

India is planning huge capacity addition in many of the areas related to base metals of Steel, Aluminum Zinc and also augmentation of coal mining capacity. India has huge reserves of Coal, Iron ore Bauxite with Coal being the main energy input for the Coal-based power plants and also for Steel production and Coking coal as input. India has the resources of Coal, Iron ore and Bauxite and all these are needed for energy production and also primary metals like steel and Aluminum. The coal reserves are around 328 BT (As per CIL: Annual Report), the iron reserves are at 22 BT and the Bauxite reserves are at 3500 MT.

Most of the opportunities are for the capacity enhancement being planned major for PSUs like CIL, NMDC and also Private players in Vedanta, Hindalco etc. The major works

involved in this segment are related to mine-side mining work and the related ore crushing, screening and transportation needs for mechanized material handling. This type of material handling is also needed for the new steel plants coming up in the country. Also, the material handling scope of work is an integral part of the Coal-based power plants. Since there are going to be huge investments in all these sectors, the need for mechanized material handling including EPC solutions to provide a total solution can be the basis of capacity augmentation of mine side facilities being taken by many of the mining companies, and also steel and Aluminum plants. It is to be noted that CIL with its present production of about 775 MTPA, has plans of investments related to First Mile Connectivity, Rail Infrastructure, mechanized coal handling etc involving an investment of ₹ 62800 cr. CIL has plans to enhance Coal production capacity from 775 MTPA to 1300 MTPA by 2034-35 and its immediate plans are to archive a production capacity of 1000 MTPA by 25-26. This increased capacity planning can have opportunities for all mine side material handling works on an EPC basis.

NMDC is planning to enhance its Iron ore mining capacity and its handling to 100 MTPA doubling its existing capacity and its plans to make capital investments of about ₹ 60000 cr. in the next 5 to 6 years. Hindalco is planning to enhance its production capacity in the Aluminum industry with an investment of about 24000 cr. and they are planning to enhance the capacity of Aditya Aluminum plant works in Orissa with additional mining and material handling capacities for Bauxite.

As we know very well Coal Handling plants (CHPs) are part of the Thermal power plants. The path of enhancing the coal-based power plants from the present 218 GW to more than 300 GW is being aggressively pursued by the Government and has mandated all the developers and generating companies to aggressively pursue the ordering of plant and equipment to EPC players. The huge capacity additions in the Thermal power plants with Coal as the fuel should offer a lot of opportunities for undertaking the construction contracts of Coal handling plants. These plants for new orders of about 50 to 60 GW can result in EPC opportunities for the Coal handling side of about ₹ 30000 cr.

Power Mech is already working in various Coal Handling plant construction works at Khurja

2x660 m, Yadadri 5x800 MW and Iron ore handling plant at Kurmitar. Power Mech has already started working as an EPC construction partner to undertake projects related to mine processing, and material handling including Iron ore crushing, screening and mechanized material handling and this needs forging partnerships with major technical partners like Thyssenkrupp, Flsmidth, and other players in following all the mine side works for Coal, Iron ore etc and also discussing with many private players like Vedanta, Hindalco to work as construction partners for these type of works. These new opportunities both in equipment and piping erection as well as steel works related to supply, fabrication and erection should provide a lot more opportunities to work in this segment with a partnership approach to provide EPC solutions based on consortium or Joint Venture basis to enhance the opportunities and also increase the market profile based on the huge investments being planned by mining, steel, and Aluminum companies. Material handling works in power plants can offer better opportunities while undertaking main plant installation works and this synergy the efforts and vital asset base and also manpower base to gainfully deploy for new coal-based power plants

### Steel Business

With an installed base of about 161 MTPA and an annual production reaching nearly 140 MTPA India is the second largest producer of steel in the world and with the growing demand expected to meet the expected GDP growth of 7% in the coming years, it is also expected that the Steel capacity needs to be augmented from the present 161 MTPA to about 300 MTPA which can have an annual production of about 250 to 270 MTPA and this capacity is needed in the next 6 to 8 years to meet the growing steel demand

Steel investments are picking up with all the major players in the field like SAIL, JSPL, Arcelor Mittal and others ramping up planned investments. The government has firm plans to enhance the overall steel capacity from the present 161 MTPA to 300 MTPA by the end of decade and SAIL, JSPL, and IISCO are also planning enhancing capacity additions of their plants with SAIL having plan to start the works at Bokaro for 5 MTPA, IISCO at Burnpur for about 4.5 MTPA and also at Rourkela in enhancing material handling capacities. SAIL is planning to double its capacity from 25 MTPA to 50 MTPA in the next 5 to 6 years. JSPL is

planning to put up a green field steel plant of 5 MTPA capacity in Oman under the Vulcan steel venture. Power Mech has been working in steel plants in many packages mainly for the ETC business and also for undertaking mostly the steel structures fabrication and erection and has the background of works, related to Coke Oven plant, Pellet plant, material handling works, Blast Furnace at JSW Dolvi, Vijayanagar Plant, JSPL Angul.

The major opportunity for ETC business is related to the structural works of fabrication and erection, plant equipment works needed for various packages related to Blast Furnaces, Sintering Plants, Coke Oven plants, Pellet plant, Hot Strip Mill, Captive Power Plant, Lime and Raw material handling works, many related material handling works of Iron ore, coke, etc, Rolling Mills, Steel Melt shop, Billet plant, Raw water intake pumping system Plate and wire rod rolling mills etc. A steel plant offers huge opportunities for structural, mechanical equipment and piping works. One of the options to enhance the value addition is to enter into Joint Ventures, or Consortium to work with technology players both in the Country and outside. There can be lakhs of tons of installation services opportunities both in equipment, Piping, Structural works backed by Civil works.

Steel capacity enhancement needs huge investment and is capital intensive to the extent of ₹ 6000 cr per one MTPA of steel production and with planned investment to almost double up the capacity by 2030-32 it is estimated that based on the present prices, the total investment can be about ₹ 9 to 10 lakh cr of investment to double up the existing capacity of about 161 MTPA.

### C) Infrastructure Construction

Power Mech with continuous diversification measures for the last 10 years has been successful in entering into the larger infrastructure segment of business and this called for the expertise to develop and work with complex Civil and structural works. The entry and working on the Civil side of the project working was both a necessity and an avenue to synergize plant construction work both in the power sector and also in the non-power sector. As it is seen customers are increasingly looking for a total solution of providing project services during the execution phase with end-to-end solutions starting with Civil, Structural, Mechanical equipment & Piping and Electrical works also. The Civil scope of work along with its engineering and

execution is the first major challenge for executing any project and the faster implementation of this area of work generally contributes to better project execution and for timely completion of most of the projects. While undertaking large projects in power plants and other infra projects, it is seen that multi-area expertise brings a lot of comfort to the customer to work with contractors like Power Mech and this also contributes very well both for the top line and bottom line and there are significant project execution opportunities in undertaking both the Project and Construction management functions for multi-area works starting with Civil works as a multiservice approach beneficial to customer supply chain plans. This is particularly very important for timely completion of large power projects and also industrial projects. In many of the projects with multi-service profiles, it becomes prudent to undertake Civil works along with other works for better project execution and also gainfully use the common site infra inputs to reduce establish costs and project management costs. Power Mech is working on about 8 power projects and about 23 civil and infrastructure projects where Civil works are being executed either on a standalone basis or as part of the overall plant requirements to integrate with Structural and Mechanical works. The order backlog related to Civil works now constitutes about 45% of the total order backlog by the end of FY 23-24. The Company has spread its wings in many areas not only in the Power sector for the construction works but also in the infrastructure side related to irrigation canals, Roads, Railway track doubling & maintenance depots, mine side material handling works, irrigation dam projects, medical college construction.

Power Mech has built up the capacities for various infrastructure works over the last 10 years in terms of organization built-up, establishing strong PRW vendor support and also the capital investments needed for undertaking execution of Civil and concreting works. Today the organization has established a strong HR base of engineers, supervisors and variour workers to man the various Civil works, and has been able to get a strong foothold in various civil works for Thermal Power Plants, Railway and Metro projects, Roads, Drinking Water projects, Mining projects, Irrigation and Dam projects. The company has established the capacity to undertake between 2.5 lakh to 4 lakh m<sup>3</sup> of concreting work in all the segments so far working for Civil works.

The impetus into this business is also due to the huge investment mainly due to the National Infrastructure Pipeline (NIP) on the massive investments taking place in the last 5 years as

part of ₹ 111 lakh cr. investment to bring out a major change in the infrastructure landscape of the country to improve connectively of Roads, Railways, Metro networks, Drinking water schemes, building new Airports, Waterways, Industrial and Technology parks and huge investments being planned in Renewable energy needs.

The segment-wise analysis of the opportunities is as under:

#### 1. Civil Works – Power Sector:

The opportunity in this sector is picking up again with more focused urgency to add Thermal capacity to the grid. the dynamics of Coal based plant additions have been brought out above as part of energy security and bring stability to the grid system across the country and at the same facilitate the growth of the energy out from the renewable segment. This can be a short-term measure to work in the next 6 to 8 years keeping in view the demand for reliable power and the county's abundant coal reserves. Power Mech's foray into Civil Works was a well-thought-out strategy in broad basing the service profile of power plant execution as a single-point service provider. This approach has been found to benefit both the EPC contractors/developers like BHEL, Land T, Doosan, Adani Power, NTPC etc, where the customer interface is expanded with the contractors who can provide wider service support for project construction in undertaking both Civil, Structural and Mechanical works.

In the preceding year, Civil works have been taken from Vedanta Group for Singatarai 2x600 MW project and Mahan 2x800 MW. BHEL is presently the sole EPC contractor with new orders awarded on an EPC basis excluding the supply orders received from Adani, which is about 9320 MW. Adani Power which had placed orders on BHEL for main plant equipment of 4520 MW for the new projects at Mahan, Raipur, and Mirjapur, the Developer has imitated actions for in-house tenders for the Civil works of these plants and Power Mech has already been awarded the main plant civil works at Mahan, and the Civil package tenders will follow for award in this year for other projects. This should create Civil works opportunities of about ₹ 10000 cr. to be tendered in the current year and next year. The projects BHEL that have a turnkey role are Lara, Talchar, Singruli, Talabira, Yamunagar, and Kodarma. It is also expected to expedite the EPC ordering in about 8600

MW for tendering and as such these new tenders awarded by NTPC will also provide opportunities to work in the Civil works for Power plants.

## 2. Railways and Metro

Railways have been given a huge push in the NIP investments of ₹ 111 lakh cr. with a total outlay of about ₹ 13.62 lakh cr. Railways over the years have already completed the two Dedicated Freight Corridors (DFC), and have new plants 3 more Freight Corridors are getting launched East West DFC, North-South DFC and East Coast DFC. Out of the 724 projects identified the allocation for new lines and gauge conversion and Capacity augmentation is about 6.87 lakh cr from about 525 projects. These investments and projects are meant to improve Railway connectivity, gauge conversions, new lines implementation, improve the infrastructure for maintenance depots and workshops, renovation and expansion of Railway Station Works of 450. Railway electrification is almost complete. As a continuation of this initiative, with new Amrit Bharat Station Scheme, has been launched for the development and modernization of Railway stations with another 1318 stations selected for redevelopment. The current year's investments in the Railway capital allocation is about ₹ 2.62 lakh cr and the higher levels of capital expenditure are to be continued in the coming years to make Indian Railways a medium for better freight traffic and also commuting of the public. One of the important goals of huge capital investments in Railways is to reduce the logistic cost with faster movement of goods and passenger traffic with freight traffic to achieve 50 kms/hour and passenger traffic with high-speed train services of achieving 135 to 180 kms/hour.

Metro projects have become the most essential requirement of urban commuting for many cities. As of date, about 22 Cities are covered across the country and 5 more light Metro networks are being developed in 5 Cities with an investment of ₹ 20000 cr. and further enhancement of Metro connectivity is being planned for another 22 cities up to tier 3 city levels. With an immediate new route of about 1065 km across many cities including Metro lite networks.

The business opportunities in the Metro networks are in undertaking the works of Maintenance Depot construction where the

Civil works are typical to the conventional civil works the company has been carrying out and these works can be carried out without much of an urban interface in open areas identified for the rolling stock maintenance. As each of the city networks need one or two maintenance depots with an investment of ₹ 300 to 500 cr, the opportunity size for the maintenance depots for the new metro projects in various cities can be about 10000 cr.

Both Railways and Metro investments have been good opportunities for construction and with hundreds of projects coming across the geographical spread and security of payments, it has been a good diversification measure undertaken by the company. With over 7 years of experience in undertaking Railway work has helped the company to fix many of the issues on project and construction management functions, resource management, outsourcing and also forging relationships for making an entry into the sector with other qualified parties.

There is also scope to undertake station works for metro networks at the elevated level and also at zero level for suburban railways, and this needs to be pursued with new partnerships to get qualified.

The company has successfully commissioned the 37 kms of Gudivada- Machilipatnam with track doubling work, including, bridges along with signaling and overhead electrification along with station building works, staff quarters including pre-engineered buildings. This is an important milestone after getting into Railway diversification and the experience gained has been useful in undertaking new works. About 13 projects are under various stages of progress related to Railway track work, Railway yard works, Repair shop, Maintenance depots for Metro and Railway works, RUBs, Road works, FOBs Major and Minor Bridges etc valued at ₹ 2417 cr.

## 3. Roads and Highways:

The interest of the company in entering into this area was on account of huge investments, taking shape and Government funds for new projects across the country. As part of the Civil and infrastructure growth initiative, it was a continuation of the forward integration in the infrastructure space for enhancing the business outlook of the company and in the last few years has been undertaking many projects on Joint venture basis with other

players and also acquiring its qualification requirements.

As we know Government as part of improved connectivity and also in reducing the logistics cost for faster movement of goods and movement of people had embarked on new initiatives. In the last 10 years, the has been substantial growth in the road networks in various segments across the country. The purpose is economic corridor development, inter corridor and feeder roads development, National corridor efficiency improvement, and Coastal and Port connectivity. As part of this initiative the National Highway network has expanded by 60% to 1.46 lakh kms, the length of 4 laned National High ways has increased by 2.5 times from 18387 kms in 2014 to 46179 kms. The average pace of National Highway construction has risen to 28.3 km /day from a baseline of 12.1 km/day in 2014. The rural road connectivity has gone up to 3.74 lakh kms having 99% rural connectivity.

The total allocation as per the NIP plan of ₹ 111 lakh cr, the portion related to Roads is about ₹ 21 lakh cr and the investments have been going at a brisk pace since its launch from 2019. The budget allocation for 23-24 was ₹ 1.99 lakh cr and the current year of 23-24 is about ₹ 2.78 lakh cr. The continued huge allocation for this important infrastructure development can continue to bring in many opportunities in the coming years. NHAI is playing a major role in this segment of infra development with the current year allocation of ₹ 1.68 lakh cr. Bharatmala Pariyojana is undertaking many projects with about 25 greenfield high-speed corridors that have been envisaged and about 20 are completed. Other schemes for enhancing the connectivity in establishing Multimodal Logistic Parks(MMPL) 35 nos in various cities across the country and some progress has been made in this area and also establishing Way Side Amenities(WsAs) at every 40 km along the National High way road network with about 600 WsAs being developed, and more ambitious scheme of using the NHAI network to develop Optical Fibre Cable network (OFCs) as the next generation of networking connecting key cities across the country, An initial plan has been launched for about 1900 kms.

Power Mech continues to focus on the opportunities in the Road sector involving about 147 kms of work. The Khammam Kodad Road project of 35 km is being executed for

Adani Infra. About 90% of the works have been completed on the Road projects being executed.

#### 4) Water Distribution and Waste Water Treatment

Power Mech has been doing well in executing the ongoing drinking water schemes under the Jal Jeewan Mission (JJM). The budget allocation made under the NIP plan of ₹ 3.6 lakh has been making rapid progress since 2019. The Functional House Tap connection (FHTC) planned for completion by 24/25 has made significant progress in reaching out to about 78% of 19.24 cr rural house Holds. This is a village-centric model of development with highly distributed utility service working at the village level to work with the local stakeholders in identifying water sources, mechanisms for its treatment fit for drinking water by the public, and implementation of the entire scheme under a joint initiative from the State and Central Governments. The local governments are the main focus in implementing this scheme across lakhs of villages. As the scheme is well funded and also has good payment terms for better delivery management, the investments in this sector have been quite fruitful in achieving progress. As of date, the penetration of rural households is about 78% which has gone up from the Aug 2019 which was only 16.75%.

Power Mech is executing this scheme in UP in districts of Meerut, Bulhandshahr, Etawah and Pratapgarh involving in providing 5.44 lakh FHTCs and at the end of 23-24 about 3.14 lakh FHTCs have been completed with work completion of ₹ 1484 cr of work based on the estimated value of ₹ 2723 cr. The drinking water scheme is a specific program for achieving 100% drinking water provision in all the villages and based on the balance connectivity to be done in some of the states, there is scope to pursue in areas related to balanced drinking water schemes to be awarded in many states.

The wastewater projects are part of AMRUT for Urban improvements related to Sewage Treatment, in treating and reuse urban sewage water. For water supply, rejuvenation of water bodies, wastewater, collection and treatment the scope for investment by the Government is about ₹ 2.79 lakh cr and for water supply and sanitation is about ₹ 47382 cr.



#### D. Mine Development and Operation (MDO)

The MDO initiative is part of Government policy to ensure that the nation's mineral resources are developed keeping in view the mineral inputs needs in various sectors related to Energy, Iron and Steel and Aluminum. This also brings in Private partnerships in ensuring investments for long-term return. Coal is an important input for power generation for thermal power, and also other user industries in the metal industry particularly related to steel production. India is endowed with plenty of coal mainly of thermal coal used for power plants of about 361 billion Tons (BT), and other important coal is of Coking coal needed for the coking coal input needed for the steel plants. The total deposits of coking coal is about 46BT spread across many states in the Eastern Part and to some extent in the Western part of the country. The Lignite reserves of about 45 BT are located in the states of Tamil Nadu, Gujarat and Rajasthan. The non-coking coal component of Coal mainly used in power plants is about 326 BT. MDO operations have become a major initiative of business diversification for Power Mech to create sustained business potential over the next 25 to 30 years. This is based on winning two MDO contracts, one at Kotre Basantpur of 5 MTPA meant for thermal coal to be supplied to CIL subsidiary CCL in Jharkhand State which was awarded in 2021 with a total value of ₹ 9294 Cr over a period of 25 years. The other mine which was allocated to Power Mech in 2023 with total value of ₹ 30438 Cr, was based on bidding done by Steel Authority of India Ltd (SAIL) meant for Coking coal with a capacity of 4 MTPA for a period of 28 years and this mine has provision for the Coal Washery also. Power Mech is undertaking the development of these two mines having a peak capacity of 9 MTPA. Taking into account the investment needed for these MDO projects the focus is in ensuring the investments and execution of these mines. Already based on the start of mining operations started using dumpers and excavators with initial commercial operations of coal being sold to CCL and SAIL. The development of both the mines are in progress with planned investments and also implementation.

At present with the investment cycle in full swing for these two mines, more focus is on bringing out these two mines for its operational readiness in various stages. Even though there are many opportunities for MDO opportunities to expand with more capacity, at present company is focusing on these two projects

Kotre Basantpur MDO Project (KBP) project aggregating a contract value of ₹ 9,294 Cr over the contract period of 25 years has been

awarded to the consortium of Power Mech and AMR India where Power Mech is the consortium leader with 74% equity and AMR India is holding balance 26% equity. A special purpose vehicle (SPV) – M/s. KBP Mining Private Limited has been formed to undertake the project. AMR India Ltd, a two decades old Company has been engaged in contract mining involving operations like removal of overburden, mining of coal. The SPV will have the material handling expertise of Power Mech in project development and the technical expertise of AMR India in the field of greenfield mining project development particularly in over-burden removals. The MDO contract will primarily comprise mine infrastructure development, removal of overburden and extraction of coking coal, processing, crushing and transportation of coal up to Washery of CCL, carrying out R&R activities and any other activities incidental to mining as per the project document at Kotre Basantpur Pachmo Open Cast Mining Project (OCP) located in Ramgarh and Bokaro Districts, Jharkhand. The project has total coal extraction of approximately 105 million MT with an annual capacity of 5 million MT and overburden removal during the project period is over 539 MBCM. The concession period is 25 years including two years of development period with an option of extending for another 10 years with the consent of both the parties (with this the total contract period will extend up to 35 years). The total estimated coal extraction over 25 years is estimated at 104.9 million Tons (MT) The Mine Development work has been in full swing both on the development side in obtaining many clearances and meeting many obligations as required with the MDO contract, but also the physical works development has also been progressing in different areas for the mine side work. One of the key advantages of Power Mech in the development of this mine is the in-house expertise being used for the various site activities and also ensuring the phased investments in the development works, ordering of equipment, and consultancy tie-up to ensure that the most suitable mining equipment and mine side handling works are properly implemented.

#### The progress of Kotre Basantpur Mining Project:

Compliance of Forest Clearance-Stage-II: Release order issued for handover of 564.16 Ha notified forest land on 25.07.2024 from the State Forest Department. Land possession for R&R and MDO colonies: The land for the R&R Colony (5.04 acres out of 49.42 acres) and MDO Colony (14.42 acres out of 51.891 acres) identified by CCL handover to KBPMPL for possession of the same. Mine Approach Road: The physical survey of the land falling under the approach road is under process.

Socio-Economic Report/R&R Plan Approval: Coordinating with district authorities for conducting the Grama Sabha in Ramgarh District for approval of the R&R Policy of CCL. Seam Opening Permission: Seam Opening permission was obtained from the Coal Controller Organization on 10.07.2024. Nala Diversion Report: The draft report is submitted to the Water Resource Department on 24.07.2024 for their final review and after receipt of their final consent, the same report will be submitted for approval. Electricity Connection: The electricity Load sanction received for 1.45 MVA on 16.11.2023 from JBVNL and the official process for ROW permission/ NOC issuance by the forest Dept. under process. Further, DVC also agreed to supply 2 MVA power initially and the RFP also floated by them for 33kv, 2 MVA Substation and 33 kV transmission and for avoiding the forest land the re-surveying of the transmission line route. Crusher System: The LOA is issued to M/s Larsen & Toubro Limited for the required crusher systems at the end of July 2024. HEMM: The required heavy equipment for the projects is under process and the same will be made available before starting the box cut which is planned to start from the End of Oct-24. CSR: The CSR activities are for the mine surrounding areas Planned in the nearest villages.

Tasra MDO Project: This project has been awarded as Mine Development & Operation (MDO), located in Jharia Coal Fields, Dhanbad, Jharkhand, by Steel Authority of India Ltd (SAIL) for an estimated contract value of 30,438 cr. over the contract period of 28 years including development period of 2 years. The MDO contract will primarily comprise mine infrastructure development, removal of overburden and extraction of coking coal, crushing, transportation, setting up Coal Washery of 3.5 MTPA capacity, supply of steel grade coking coal to SAIL, carrying out R&R activities and other activities incidental to mining as per the project document. The project has a total coal extraction reserve of 96.78 MT with an annual capacity of 4 MTPA and overburden removal during the project period is over 535.29 MBCM.

The project has been awarded to a consortium of Power Mech and PC Patel Infra, wherein Power Mech is the consortium leader with a 74% equity stake and PC Patel Infra will hold a 26% stake. A special purpose vehicle (SPV) Kalyaneswari Tasra Mining Private Ltd (KT MPL) is formed to execute the project. PC Patel has been in the mining sector for over a couple of decades and has rich experience in handling different kinds of mining contracts. This mine has all statutory approvals in place and it is a ready to mine project.

The status of mine development & the commercial

status of mining and the revenue generation are under:

Production of the coal: The production of the coal till July 24 is 3.01 lakhs tons and the corresponding Over Burden(OB) removal is completed of 3.73 lakhs cubic meters. Revenue Generation: The mining fee against the coal production and dispatched to SAIL has started from Mar-24. Till now invoices submitted against the coal dispatched to existing Washery as per the directions of SAIL. Heavy equipment mobilization is completed as per the initial stage requirement of the project. The various mining equipment of ₹ 46 Cr. value are available in the project.

Environmental Clearance for Washery: Based on the EC recommendation for Terms of Reference (TOR) received on 16.03.2024 from MoEF & CC, the public hearing is conducted on July 24, further steps are under process and Environmental Clearance (EC) approval is expected by Sep-24. Washery & Railway siding: Design Consultants for railway siding and washery works are appointed. The Feasibility Study report of the Railway siding is submitted Railway Department for necessary approvals and the same are under progress. The Washery preliminary designing works are under progress. R&R Colony: Phase-1 R&R Colony building construction on the 4.5 acres are under progress and in this out of 47 nos quarters 45 no's roof slab completed and reaming works are in progress. Land acquisition: The land acquisition for the mine pit area and R&R colony is in progress for 210.53 acres and 41.14 acres respectively. The same public hearing was completed in Jul-24 and further steps are in process for obtaining the required approvals for land acquisitions as per the project requirements. Mining infrastructure works: The site offices establishment, Heavy machinery workshops and site store work are completed. CSR Activities: CSR activities for the mine's surrounding areas are in progress.

India's energy needs in power generation are mostly met by the thermal coal for the present installed base of 218 GW which is expected to go up to around 300 GW in the next 6 to 8 years. The coal requirement for the increased use of Thermal power generation has to be met by enhancing the mining capacity. Coking coal is an important input for the steel plants and with steel capacity getting ramped up, there is a need to increase the availability of Coking Coal to the Steel plants.

## E. Overseas Business

The present scenario of the global economy is influenced by the ongoing conflicts in the Middle

East and Eastern Europe. Even though as of date the conflict in Gaza is localized, because of increased tensions amongst the adversaries, there are chances of spreading this conflict on a wider scale which can affect the entire Middle East and the repercussions it can have on the global economy. The importance of secure oil supplies can be of paramount importance for India's energy security and also economic growth. The growth in the energy sector and other investments need to be seen in this context for the GCC area. The latest developments in Bangladesh of change in the political landscape can also impact the investments and growth initiatives in that country. As is known Bangladesh is considered as a growing economy with a lot of investments in the power and energy sectors and Indian companies are also playing a role in its development. It is only to be expected that looking into the economic imperatives and ongoing growth momentum, it is only expected that Bangladesh's economy can continue to grow with stability fully established.

Power Mech has its presence in many countries outside India with the Gulf Region being a major source of opportunities in the last 10 to 12 years. There was substantial growth of market and opportunities in the Gulf Region before COVID-19 and the company had its presence in many of the countries in the GCC area of Saudi Arabia, Oman, Bahrain, UAE, and Kuwait. As all these countries had oil and gas as the main energy source and with the expertise built in undertaking gas-based power projects in the country, it was quite a successful entry to work in the Middle East for the last 10 years. The company has worked with many developers and EPC companies in the GCC area. The company has been able to make major headway in the power sector and the captive power market and also Coal-fired plants in the GCC area, West Africa and Bangladesh and has a reference base of 9262 MW including a Coal-fired plant of 1320 MW in Bangladesh. The break up working in various projects commissioned in different geographical segments are GCC & Middle East of 6912 MW, Nigeria 400 MW, and in Bangladesh of 1950 MW Gas and Coal-fired plants. The company has established a permanent office in Dubai to cater to the Middle East market. In O&M segment also the company has established its presence in all the geographical areas of GCC, Nigeria and Bangladesh.

The follow-up to the overseas business in undertaking the installation of Gas-based plants has now been expanded to undertake O&M jobs of 1 to 3 years in Nigeria, the GCC area, and Bangladesh with about ₹ 300cr of work on hand

working for 1720 MW of installed base. The O&M profile enhancement is a major advancement for the company to enter the export market This is expected to enhance in the coming years and also working to meet the international standards of Operation and Maintenance needed for the gas-based power plants working on combined cycle mode and Co-Generation mode.

The present focus is more on the O&M side for quick turnover and also a better bottom line with many of the projects coming for renewals. There has been slower growth in the Middle East on new investments in gas based power needs and many of the countries are planning to enhance Renewable Power based on Solar power as part of the COP2028 mandate.

Other investments are coming up in the Middle East to enhance the steel capacity and major Indian players like JSPL and ESSAR are planning to put steel plants with green energy inputs these new steel plants are planned for steel use in the Gulf area and also for the export market. JSPL is planning a 5mtpa plant at DUQM with an investment potential of ₹ 28,220 cr. (USD 3.4 Billion) under Vulcan Steel. Essar Steel is also pursuing to start the work on a low-carbon steel plant in Saudi Arabia with a total investment of ₹ 37,350 cr. (USD 4.5 billion) Nigeria and Bangladesh are on a growth path with a lot of investments in the energy sector of Oil, Gas and Power.

So far, the Company has completed 26 Gas turbines and 13 Steam turbines in the GCC area of the Middle East. This has given a strong foothold as a reliable service provider for plant owners and EPC contractors. Most of these plants are gas-based combined cycle plants. The Company has made good inroads into these Regions establishing itself as a renowned Power Plant, Industrial Plant Construction and Operation and Maintenance Company. In the short span of the opening of the office in Dubai, the Company established a market presence in Saudi Arabia, Kuwait, Oman, Bahrain, and UAE and further expanded the business into Bangladesh and West Africa by undertaking power plant installation works in Nigeria. The undertaking and its successful completion in various Countries across the Gulf region also helped the Company enter the O&M segment of the business. This has led the Company to win O&M contracts in the Power, Diesel, Oil & Gas and Petrochemical Sectors in GCC and Africa with reputed clients such as Dubai Electricity and Water Authority (DEWA), Sharjah Electricity and Water Authority (SEWA), Abu Dhabi Oil Refining Company (ADNOC), Dangote Group etc. The Company is expecting a strong O&M order inflow from these regions.

The focus in the overseas job at present is to enhance the O&M profile of the company for its quick turnaround and also better margin realization. The total installed base of more than 300 GW in the MENA Region and the new focus is in West Africa with particular emphasis on Nigeria which has an installed base of 16500 MW and with increasing investments in the Oil and Gas sector for its energy needs, with an overall reference base of having worked in many projects in the Middle East and West Africa, Power Mech has established a strong customer reach and the present O&M initiative is contributing to the bottom line of the company.

In the case of Bangladesh, given the changed political scenario and change of Government and very uncertain situation, the Company will carefully assess the situation and accordingly take any business initiative needed in this country.

## F. Electrical Business

Electrical side of the business was part of business diversification to enter the opportunities related to huge investments as part of investments in the Transmission and Distribution systems and further expanding into the Railway Electrification and the continuous enhancing the capacity and capability can also fit into many areas of using the same for much larger EPC solutions in various areas needing Electrical integration

Power Mech has been working in this segment of the business for the last 8 years and has established its presence in various segments related to Transmission & Distribution, Substations, Railway way overhead Electrification, Signaling & telecommunication, BOP packaging for Power plants, mineral processing, material handling etc and also entering into the Operation and Maintenance of Distribution networks, Railway and Metro works.

Power transmission and distribution is perhaps as important as power generation in ensuring supply and distribution to the end users. India's Power Transmission & Distribution network is the 3rd largest network in the world. The current power transmission network system is undergoing continuous strengthening further to match the installed generation capacity is now 443 GW power and this can reach 800 GW by the end of the decade with more focus on Renewable Power. The other important challenge is also to meet the cyclical loads related to peak generation requirements which are going up every month to meet the enhanced power needs. The power transmission line network length is increasing to meet the capacity addition on the renewable side.

The power transmission and distribution sector is

now receiving its due attention with investments from the Central & State Governments in the form of a higher share of allocated expenditure through various schemes such as Revamped Distribution Sector Scheme (RDSS), Design Build Finance, Own Operate & Transfer etc.

Power Mech has built expertise in EPC Projects of Power transmission & distribution, EHV substations, Railway electrification, Signalling & Telecommunication etc. The Electrical business vertical has a separate team of expert engineers who have extensive work experience in EPC Projects. Power Mech has developed a strong in-house Design & Engineering capability including Local & Global supply chain management and a highly experienced project management team to deliver projects on time as per customer-specific requirements. Moreover, this division has a wide range of clientele duly collaborated with Central & State Government bodies and has huge business opportunities.

The Government of India is focusing more on last-mile connectivity to provide 24 hours quality power supply to all the residents, agricultural pump sets and strengthening of the existing Power Transmission & Distribution network connectivity across the Nation under different schemes.

## Growth Opportunities

There are many growth opportunities in this sector taking into account various schemes and plans the Government is implementing as of date.

### 1. RDSS Projects

The Govt. of India planned for the implementation of Revamped Distribution Sector Scheme – A reforms based & results linked scheme to improve the quality & reliability of power supply to all consumers through a financially sustainable and operationally efficient distribution sector with an investment of ₹ 3.03 Lakh Crores to reduce the AT&C losses. It is a fact that India is in the higher bracket of T&D losses of nearly 19% even when compared to many other developing countries.

### 2. Railway Overhead Electrification Works:

The Current 25 kV Overhead Electrification line needs to be converted into 2X25kV Overhead Electrification along with Signal & Telecommunication works to run high-speed trains as desired by Indian Railways. Considerable work on railway electrification has been done and at the same time Government is planning an expansion of the Railway line with electrification into more areas not linked so far to serve both the common public

and also improve the freight traffic to reduce the logistic cost. The latest plan of the Government is to have 3 more economic Freight corridors spanning about 40000 kms needing about ₹ 10 lakh cr investment. These investments can also bring in opportunities for Electrification works along with the new lines Lot of tenders are in the pipeline. Power Mech has already made headway and presently executing 3 major works involving both the Railway Civil works, and also electrification in Maharashtra, Chhattisgarh States.

### G. Optical Fibre Cable Works (OFC):

As part of the various COP (conference of parties) international agreements being continuously pursued since 2015 with the latest commitments based on COP28 agreements reached in the recently held Dubai meet, there is increasing emphasis on the goals to reach Net Zero Emission targets for all the countries as part of COP agreements. India has its policy on net zero emissions of achieving the same by 2070 keeping in mind the development goals and also the energy security and its needs for various sections of society. The global initiative is to achieve a 50% reduction in emissions by 2050.

Government of India has formulated policies in this direction to ramp up renewable sources of energy to about 500 GW by 2030 and also has approved a policy of Green Hydrogen capacity to build up to 5 MTPA by 2030 which calls for massive investments in Electrolyser technology and production of Electrolyser equipment. To cater to the need of about 5 MPTA of Green Hydrogen (H<sub>2</sub>) there is a need to Ramp up the Electrolyser capacity. Indian Government has come out with a clear Green H<sub>2</sub> policy initiative with the aim of Infrastructure development for Electrolyser capacity addition up to 60-100 GW, with about 125 GW of matching Renewable power generation capacity to supply power to the Electrolyser, needing total investments of nearly ₹ 8 lakh cr. Incentive schemes have been launched to accelerate the capacity addition to producing green Hydrogen. The company is also working on a new initiative to enter into the Green Hydrogen segment of business as many opportunities are in the pipeline. New tenders have been issued by SCIL and MRPL and it is expected on similar lines more opportunities are expected to mature with the focus on shifting into green H<sub>2</sub> in many fields related to Petro Chemicals, Refineries, Steel, Metals and also Urban transportation.

As part of the Company initiative initial action has been taken to explore the possibility of Electrolyser business and in this direction, a visit was made by the Senior officials of the company to assess the technology and its application with a visit to

Portugal and discussions held with FUSION FUEL a company which has innovated the Electrolyser technology and also has established Turnkey solutions for green H<sub>2</sub> production in Portugal and Spain using Solar power. The practical application has been established to run Green H<sub>2</sub> fuelled Buses for urban transportation and also use Green H<sub>2</sub> to be blended in Rotary Kilns of Cement plants to improve combustion and reduce Carbon emissions. Portugal and Spain being located in the Southern part of Europe have better Solar power generation capacity and the ecosystem is being configured to use more Solar power for green H<sub>2</sub> production and its application in various segments of Industry.

Company is examining this model being followed in Portugal and Spain and the feasibility exists for its usage and its application in similar and other fields and this can be pursued based on the initiative taken.

### H. Green Hydrogen and Electrolysers

As part of the various COP (conference of parties) international agreements being continuously pursued since 2015 with the latest commitments based on COP28 agreements reached in the recently held Dubai meet, there is increasing emphasis on the goals to reach Net Zero Emission targets for all the countries as part of COP agreements. India has its policy on net zero emissions of achieving the same by 2070 keeping in mind the development goals and also the energy security and its needs for various sections of society. The global initiative is to achieve a 50% reduction in emissions by 2050.

Government of India has formulated policies in this direction to ramp up renewable sources of energy to about 500 GW by 2030 and also has approved a policy of Green Hydrogen capacity to build up to 5 MTPA by 2030 which calls for massive investments in Electrolyser technology and production of Electrolyser equipment. To cater to the need of about 5mpta of Green Hydrogen(H<sub>2</sub>) there is a need to Ramp up the Electrolyser capacity. Indian Government has come out with a clear Green H<sub>2</sub> policy initiative with the aim of Infrastructure development for Electrolyser capacity addition up to 60-100GW, with about 125 GW of matching Renewable power generation capacity to supply power to the Electrolyser, needing total investments of nearly ₹ 8 lakh cr. Incentive schemes have been launched to accelerate the capacity addition to producing green Hydrogen. The company is also working on a new initiative to enter into the Green Hydrogen segment of business as many opportunities are in the pipeline. New tenders have been issued by SCIL and MRPL and it is expected on similar lines more opportunities are expected to

mature with the focus on shifting into green H2 in many fields related to Petro Chemicals, Refineries, Steel, Metals and also Urban transportation.

As part of the Company initiative initial action has been taken to explore the possibility of Electrolyser business and in this direction, a visit was made by the Senior officials of the company to assess the technology and its application with a visit to Portugal and discussions held with FUSION FUEL a company which has innovated the Electrolyser technology and also has established Turnkey solutions for green H2 production in Portugal and Spain using Solar power. The practical application has been established to run Green H2 fuelled Buses for urban transportation and also use Green H2 to be blended in Rotary Kilns of Cement plants to improve combustion and reduce Carbon emissions. Portugal and Spain being located in the Southern part of Europe have better Solar power generation capacity and the ecosystem is being configured to use more Solar power for green H2 production and its application in various segments of Industry.

Company is examining this model being followed in Portugal and Spain and the feasibility exists for its usage and its application in similar and other fields and this can be pursued based on the initiative taken.

### Financial Review:

#### Analysis of the Profit and Loss statement:

Revenue: The Company has reported a total income of ₹ 4,234.4 Cr during the FY 23-24, whereas during the FY 22-23 the reported total income was ₹ 3,618.19 Cr. Contract revenue from O&M business has gone up to ₹ 1,109.41 Cr from ₹ 929.59 Cr increased by 18%, revenue from Erection, Testing and Commissioning (ETC) has increased from ₹ 605.91 Cr to ₹ 692.43 Cr increased by 14% & Electrical business has decreased to ₹ 52.63 Cr from ₹ 69.46 Cr reduced by 24% of the total contract revenue. Also, the contract revenue from Civil & others including railway, water projects and MDO has gone up to ₹ 2,352.18 Cr from ₹ 1,995.48 Cr increased by 18% due to increase in civil & other order book. The reported hire & other income is ₹ 27.75 Cr during the year as against ₹ 17.01 Cr during the preceding financial year.

The Operation & Maintenance revenue pie has contributed 26% of the overall contract revenue. Similarly, Erection, Testing and Commissioning (ETC) has contributed 16%, Electrical Business has contributed 1% and Civil & others including railway, water and MDO projects contributed 56%

of the total contract revenue. Whereas during the preceding FY 22-23 the revenue contribution from Operation & Maintenance Business was 26%, Erection, Testing and Commissioning (ETC) business was 17%, Electrical Business contribution was 2% and from Civil & others including railway and water projects contribution was 55% of the total contract revenue.

With the change of order book mix the revenue profile has undergone change. The revenue from operations increased by 17% from ₹ 3,601.19 Cr to ₹ 4,206.65 Cr.

Other Income: The Company has reported other income of ₹ 27.75 Cr in FY 23-24 and ₹ 17.00 Cr in FY 22-23. This mainly consists of interest on fixed deposits with various banks, foreign exchange fluctuations etc.

#### Expenses:

Raw Material Cost: The cost for FY 23-24 is at ₹ 625.36 Cr and ₹ 519.43 Cr in FY 22-23, increased by 20.39% over the previous year on account of growth in revenue. This represents for 14.77% of total income in FY 23-24 against 14.36% of total income in FY 22-23, due to change in revenue mix.

Contract Execution Expenses: Expenses for the FY 23-24 is at ₹ 2,448.82 Cr and ₹ 2,092.82 Cr in FY 22-23, the same is increased by 17.01% over the previous year cost, attributable to growth in business. This represents for 57.83% of total income in FY 23-24 as against 57.84% of total income in FY 22-23, due to change in business mix.

Employee Cost: Employee Cost for the FY 23-24 is ₹ 572.79 Cr as against ₹ 542.83 Cr during FY 22-23. This represents for 13.53% share of the Company's total income in FY 23-24 against 15.00% of total income in FY 22-23. The variance in employee cost is mainly due to increase in operations and business mix.

Depreciation: Depreciation on fixed assets for the year stands at ₹ 44.04 Cr & the same is increased by 2.61% over the previous year cost.

Finance Cost: Cost for the year is ₹ 93.93 Cr, increased by 4.9% over the previous year. This represents for 2.22% share of the Company's total income in FY 23-24 against 2.47% of total income in FY 22-23.

Corporate Tax: The tax expense of the Company for the financial year 23-24 is ₹ 133.91 as against ₹ 72.66 Cr during the previous year.

## Analysis of the Balance Sheet

### Source of funds

Total Capital Employed: The total capital employed including minority interest increased to ₹ 2,231.81 Cr as on 31st March, 2024 from ₹ 1,751.83 Cr as on 31 March, 2023. This is mainly due to increase in net worth on account of profits earned during the year, allotment of new shares through QIP made during the year.

Net Worth: The net worth of the Company excluding minority interest increased by 44.14% from ₹ 1,275.38 Cr as on 31 March, 2023 to ₹ 1,838.00 Cr as on 31 March, 2024 due to profit earned during the year and allotment of new shares made during the year. The Company's equity share capital comprising 1,58,08,146 equity shares of ₹ 10/- each.

Debt: Borrowings of the Company decreased by 17.55% from ₹ 475.13 Cr as on 31 March, 2023 to ₹ 391.75 Cr as on 31 March, 2024. The debt-equity ratio of the Company stood at 0.21 in FY 23-24 compared to 0.37 in FY 22-23.

### Application of Funds

Fixed Assets: Fixed assets of the Company increased from ₹ 449.02 Cr as on 31 March, 2023 to ₹ 526.08 Cr as on 31 March, 2024 on account of additions to the fixed assets during the year under the head Cranes, Plant and Machinery and Motor vehicles to support execution of various new projects.

### Key financial ratios

Particulars	FY 23-24	FY 22-23	Change
Debtors turnover (days)	90	91	(1.11)%
Inventory turnover (days)	11	15	(26.66)%#
Interest coverage ratio	5.11	4.22	21.09%
Current ratio	2.04	1.58	29.11%\$
EBIDTA / Turnover (%)	12.37%	11.62%	6.45%
Debt equity ratio	0.21	0.37	(43.24)%*
Return on equity (%)	14.22%	18.05%	(21.22)%
Return on capital employed (%)	23.93%	22.77%	5.09%
Book value per share (₹)	1163	855	36.02% @
Earnings per share (₹)	162.13	141.26	14.77%

# Inventory turnover days have decreased due to enhancements in the supply chain, resulting in faster delivery of inventory and more effective utilization of on-site inventory with minimal holding levels

\$ The current ratio has improved due to an increase in turnover, leading to higher receivables, retention, and work-in-progress, plus an increase in cash and bank balances, including unutilized QIP funds lying with banks.

\* The Debt-to-Equity Ratio has improved, driven by the equity infusion from the QIP during the year.

@ The Book Value per share has risen during the year, attributable to the QIP funds raised and the profits earned during the year.

Investments: Investments of the Company increased from ₹ 35.74 Cr as on 31 March, 2023 to ₹ 36.24 Cr as on 31 March, 2024 on account of profits during the year in associates and joint ventures.

### Working capital management

Current Assets: Current assets of the Company increased from ₹ 2,481.40 Cr as on 31 March, 2023 to ₹ 2,893.81 Cr as on 31 March, 2024 due to increase in trade receivables, retention money, uncertified revenue, and cash and bank balances. The current and quick ratios of the Company stood at 2.04 and 1.96 respectively in FY 23-24 compared to 1.58 and 1.49 respectively in FY 22-23.

Inventories: Inventories includes raw materials, work-in-progress and finished goods decreased by 20.94% from ₹ 147.34 Cr as on 31 March, 2023 to ₹ 121.82 Cr as on 31 March, 2024.

Receivables: Trade receivables increased from ₹ 893.51 Cr as on 31 March, 2023 to ₹ 1,039.65 Cr as on 31 March, 2024. The increase is mainly due to increase in revenue from operations and revenue mix. The Company debtor turnover cycle is 90 days of turnover in FY 23-24 compared to 91 days in FY 22-23.

Margins: The EBIDTA margin of the Company increased to 12.37% from 11.62% and PAT margin of the Company increased from 5.76% during FY 22-23 to 5.90% during FY 23-24.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

[Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

The present report has been formulated in accordance with the SEBI Guidelines for Business Responsibility and Sustainability Reporting (BRSR). Its principal aim is to enhance transparency by showcasing how businesses generate value through active contributions to a sustainable economy. The report serves to emphasize our steadfast dedication to fostering sustainable development and creating enduring value for our stakeholders.

### SECTION A: GENERAL DISCLOSURES

#### 1) DETAILS OF THE ENTITY

S. no.	Particulars	Response
1.	Corporate identity Number (CIN) of the Entity	L74140TG1999PLC032156
2.	Name of the Entity	Power Mech Projects Limited
3.	Year of incorporation	1999
4.	Registered office address	Plot No.77, Jubilee Enclave, Opposite: Hitex, Madhapur, Hyderabad, Telangana-500081.
5.	Corporate address	Plot No.77, Jubilee Enclave, Opposite: Hitex, Madhapur, Hyderabad, Telangana-500081.
6.	E-mail	cs@powermech.net
7.	Telephone	040-30444418
8.	Website	www.powermechprojects.com
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	₹ 15,80,81,460
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Nageswara Rao Balusupati Executive Company Secretary Contact: 040-30444418 Email: bnrao@powermech.net
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on Standalone Basis, unless otherwise specified.
14.	Name of assurance provider	None
15.	Type of assurance obtained	Not Applicable

#### 2) PRODUCTS/SERVICES

##### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
	Construction	Roads, railways, utility projects	100%



**17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% of total Turnover contributed
	Construction of utility projects	42103	100%

**3) OPERATIONS****18. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	-	06	06
International	-	03	03

**19. Markets served by the entity:**

a) Number of locations

Locations	Number
National (No. of States)	21
International (No. of Countries)	06

b) Contribution of exports:

What is the contribution of exports as a percentage of the total turnover of the entity?	Nil
--	-----

c) Type of Customers

A brief on types of customers Power Mech Projects Limited is a prominent Business-to-Business (B2B) company specializing in the delivery of comprehensive solutions within the power and infrastructure sectors. The company's primary focus is on providing specialized engineering and construction services to a diverse clientele, including government agencies, public sector undertakings, private corporations, and industrial enterprises.

Power Mech offers a wide range of services, encompassing:

**Power Plant Construction:** The company specializes in the design, engineering, and construction of new power plants or the expansion of existing facilities.

**Equipment Installation:** Power Mech installs critical components within power plants, such as turbines, generators, and boilers, ensuring efficient and reliable operation.

**Maintenance and Overhaul:** The company provides comprehensive maintenance and overhaul services to maintain the optimal performance and longevity of power plant equipment.

**Civil Works:** Power Mech undertakes civil engineering projects associated with power plant construction, including the development of roads, bridges, and other infrastructure.

Through its expertise and commitment to quality, Power Mech has established itself as a trusted partner to businesses and organizations seeking reliable and efficient solutions for their power and infrastructure needs. The company's focus on B2B relationships ensures that its services directly address the specific requirements of its clients, contributing to their success and growth.

A brief on types of customers

Power Mech Projects Limited is a prominent Business-to-Business (B2B) company specializing in the delivery of comprehensive solutions within the power and infrastructure sectors. The company's primary focus is on providing specialized engineering and construction services to a diverse clientele, including government agencies, public sector undertakings, private corporations, and industrial enterprises.

Power Mech offers a wide range of services, encompassing:

**Power Plant Construction:** The company specializes in the design, engineering, and construction of new power plants or the expansion of existing facilities.

**Equipment Installation:** Power Mech installs critical components within power plants, such as turbines, generators, and boilers, ensuring efficient and reliable operation.

**Maintenance and Overhaul:** The company provides comprehensive maintenance and overhaul services to maintain the optimal performance and longevity of power plant equipment.

**Civil Works:** Power Mech undertakes civil engineering projects associated with power plant construction, including the development of roads, bridges, and other infrastructure.

Through its expertise and commitment to quality, Power Mech has established itself as a trusted partner to businesses and organizations seeking reliable and efficient solutions for their power and infrastructure needs. The company's focus on B2B relationships ensures that its services directly address the specific requirements of its clients, contributing to their success and growth.

#### 4) EMPLOYEES

##### 20. Details at the end of the year of financial year:

a) Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
	Permanent (D)	3578	3533	98.74%	45	1.26%
	Other than Permanent (E)	1103	1094	99.18%	9	0.82%
	Total employees (D + E)	4681	4627	98.85%	54	1.15%
Workers						
	Permanent (F)	7368	7308	99.19%	60	0.81%
	Other than Permanent (G)	0	0	-	0	-
	Total workers (F + G)	7368	7308	99.19%	60	0.81%

b) Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
	Permanent (D)	1	1	100%	0	-
	Other than Permanent (E)	0	0	-	0	-
	Total employees (D + E)	1	1	100%	0	-
Differently Abled Workers						
	Permanent (F)	0	0	-	0	-
	Other than Permanent (G)	0	0	-	0	-
	Total workers (F + G)	0	0	-	0	-

**21. Participation/Inclusion/Representation of women:**

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	2	33.33%
Key Management Personnel*	3	0	-

\*Key Managerial Personnel includes Managing Director, Company Secretary and Chief Financial officer.

**22. Turnover rate for permanent employees and workers:**

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	27	27	27	42	42	42	31	31	31
Permanent Workers	27	27	27	42	42	42	36	36	36

**5) HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)**

**23. Names of holding / subsidiary / associate companies / joint ventures:**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Hydro Magus Private Limited	Subsidiary	88.10	No
2.	Power Mech Industri Private Limited	Subsidiary	100	No
3.	Power Mech BSCPL Consortium Private Limited	Subsidiary	51	No
4.	Power Mech SSA Structures Private Limited	Subsidiary	100	No
5.	Aashm Avenues Private Limited	Subsidiary	100	No
6.	KBP Mining Private Limited	Subsidiary	74	No
7.	Energy Advisory and Consulting Services Private Limited	Subsidiary	100	No
8.	Power Mech Environmental Protection Private Limited	Subsidiary	100	No
9.	Power Mech Projects LLC	Subsidiary	70	No
10.	Power Mech Projects BR FZE	Subsidiary	100	No
11.	MAS Power Mech Arabia	Associate	49	No
12.	GTA Power Mech Nigeria Limited	Joint Venture	50	No
13.	GTA Power Mech DMCC	Joint Venture	50	No
14.	PMTS Private Limited	Subsidiary	100	No
15.	Kalyaneswari Tasra Mining Private Limited	Subsidiary	74	No

## 6) CORPORATE SOCIAL RESPONSIBILITY (CSR) DETAILS

24.

S. No.	Requirement	Response
1.	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
2.	Turnover (in Crs.)	4,059.46
3.	Net worth (in Crs.)	1807.08

## 7) TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Re-remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Re-remarks
Communities	Yes	0	0	None	0	0	None
Investors (other than shareholders)	Yes	0	0	None	0	0	None
Shareholders	Yes	0	0	None	0	0	None
Employees and workers	Yes	0	0	None	0	0	None
Customers	Yes	0	0	None	0	0	None
Value Chain Partners	Yes	0	0	None	0	0	None

All the policies/mechanisms are available on the Company's intranet

**26. Overview of the entity’s material responsible business conduct issues:**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy Management	Risk	Energy management emerges as a critical material issue for Power Mech Projects Limited, a key player in infrastructure construction within the power sector. Given their specialization in power generation and infrastructure development, the company's operations inherently involve significant energy consumption. In this context, effective energy management is essential to ensure operational efficiency, minimize environmental impact, and control costs. Inadequate energy management practices pose various risks, including operational inefficiency, environmental degradation, and cost escalation.	To mitigate energy management risks, Power Mech can adopt a multifaceted approach. Investing in energy-efficient technologies and upgrading machinery reduces consumption per output unit. Implementing Energy Management Systems (EMS) enables real-time monitoring and optimization, minimizing waste. Employee training reinforces energy-saving practices and fosters sustainability. Moreover, integrating renewable energy sources like solar and wind diversifies the energy portfolio, reducing reliance on fossil fuels and mitigating environmental impact.	Negative
2.	Water & Waste Management	Risk	The material issue of Water & Waste Management emerges as a significant concern for Power Mech Projects Limited, operating within the infrastructure construction sector, particularly in power generation. This issue carries inherent risks due to the nature of Power Mech's operations, which involve extensive use of water for construction activities and power generation processes. Additionally, the generation of waste materials, such as construction debris and hazardous waste from power plant operations, poses environmental and regulatory challenges. Inadequate management of water resources and waste materials can lead to various risks, including water scarcity, pollution, regulatory non-compliance, and reputational damage.	To address the identified risks associated with Water & Waste Management, Power Mech can implement several strategies. Firstly, adopting water conservation measures and efficient waste management practices can help minimize the company's environmental footprint and reduce regulatory compliance risks. This may include recycling and reusing water in construction activities, implementing wastewater treatment systems, and segregating and properly disposing of waste materials. Moreover, investing in technologies and infrastructure for sustainable water and waste management can enhance operational efficiency and resilience to regulatory changes.	Negative

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Waste & Hazardous Materials Management	Risk	Given the nature of Power Mech's operations, which involve extensive construction activities and power generation processes, the generation and handling of waste materials, including hazardous substances, pose various environmental, regulatory, and reputational risks. Improper management of waste and hazardous materials can lead to pollution of air, soil, and water, as well as health and safety hazards for workers and surrounding communities. Furthermore, non-compliance with waste management regulations can result in legal penalties, fines, and damage to the company's reputation.	To mitigate the identified risks associated with Waste & Hazardous Materials Management, Power Mech can adopt several proactive measures. Firstly, implementing stringent waste management protocols and hazardous materials handling procedures is essential to minimize environmental impact and ensure compliance with regulations. This may involve proper segregation, storage, transportation, and disposal of waste materials, as well as the use of appropriate personal protective equipment (PPE) for workers handling hazardous substances. Additionally, investing in technologies and infrastructure for waste treatment, recycling, and pollution control can help mitigate environmental risks and reduce reliance on landfill disposal.	Negative
4.	Product Quality & Safety	Opportunity	The rationale for identifying Product Quality & Safety as an opportunity lies in the potential to differentiate Power Mech's offerings from competitors and attract clients who prioritize quality and safety in their projects. By consistently delivering products and services that meet or exceed industry standards and regulatory requirements, Power Mech can enhance customer loyalty and secure repeat business. Moreover, a strong focus on product quality and safety can help mitigate risks associated with construction defects, accidents, and liabilities, thereby reducing the likelihood of costly legal disputes and reputational damage.	-	Positive

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Employee Health & Safety	Risk	The rationale for identifying this issue stems from the inherent risks associated with construction activities, which can pose threats to the health and safety of employees if not properly managed. On one hand, inadequate attention to employee health and safety can result in accidents, injuries, and occupational health hazards, leading to human suffering, legal liabilities, and reputational damage. Conversely, prioritizing employee health and safety presents an opportunity for Power Mech to create a safe and conducive work environment, enhance employee morale and productivity, and foster a positive corporate culture.	In terms of risk mitigation, Power Mech can adopt a comprehensive approach to safeguarding employee health and safety. This may include implementing robust safety protocols, providing regular training and awareness programs on hazard identification and prevention, conducting thorough risk assessments for construction sites and power plants, and ensuring compliance with relevant occupational health and safety regulations. Additionally, investing in appropriate personal protective equipment (PPE), emergency response plans, and health monitoring systems can help mitigate risks and prevent accidents or incidents from occurring.	Negative
6.	Product Design & Life-cycle Management	Opportunity	Power Mech Projects Limited (PMPL) is strategically expanding its international presence, focusing on Nigeria's lucrative market. The company is actively seeking new projects and leveraging its expertise to deliver high-quality solutions. PMPL is also exploring opportunities in the desalination market through joint ventures. With its strong track record, PMPL is well-positioned for international growth.	-	Positive

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
1.	a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b) Has the policy been approved by the Board? (Yes/No)	No	No	No	No	No	No	No	Yes	No
	c) Web Link of the Policies, if available	The Company's policies can be accessed at the given link:  Moreover, in light of the operations and the imperative of upholding confidentiality, a subset of the Company's policies can be conveniently accessed through the intranet platform exclusively designated for internal use. The intranet functions as a comprehensive repository for a multitude of policies that regulate the operations and comportment within the organization.								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes, Power Mech has translated the policies into procedures								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	These extend to value chain partners wherever it is relevant and to the extent applicable.								
4.	Name of the national and international codes / certifications/ labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Our Company's operations adhere to the National Guidelines on Responsible Business Conduct (NGBRC)	ISO 9001:2015 (Quality Management System)	OHSAS 18001:2007 (Health and Safety Management System)	Our Company's operations adhere to the National Guidelines on Responsible Business Conduct (NGBRC)	Our Company's operations adhere to the National Guidelines on Responsible Business Conduct (NGBRC)	ISO 14001:2015 (Environmental Management System)	Our Company's operations adhere to the National Guidelines on Responsible Business Conduct (NGBRC)	Our Company's operations adhere to the National Guidelines on Responsible Business Conduct (NGBRC)	Our Company's operations adhere to the National Guidelines on Responsible Business Conduct (NGBRC)



S. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Specific commitments, goals and targets set by entity for F.Y. 2023							Mapped NGRBC Principles	
		Power Mech strives to conduct due diligence on suppliers to ensure their alignment with the existing legislative framework in the country.							P2	
		Power Mech aims to expand its training division to educate all employees and workers on Environmental, Social, and Governance (E, S & G) practices. The training program will comprehensively cover the company's actions and initiatives aimed at effectively addressing these issues							P3	
		Increasing Women representation within the Company to 3% by 2030							P3	
		Power Mech will deploy all the resources at its disposal to optimally utilize the non-renewable resources optimally and diligently keeping in mind the impact on generations to come.							P6	
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	The Company has set the specific commitment goals during the financial year 2023-24, the performance against these targets mentioned above shall be measured in the subsequent financial year and thus, the same shall be reported accordingly.								
<b>Governance, leadership and oversight</b>										
	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	<p>As Power Mech is involved in the construction of power plants and infrastructure sector, the environmental issues were given a priority thought amongst the stakeholders. Being one the pioneers in construction field in both power and non-power sectors, the company owned its responsibility to align with the need of global expectations. The company is committed towards environment and all its site offices will ensure that scores of saplings are planted in their vicinity and today most of the areas are found to be greener than ever before. As a matter of policy, the company is ensuring near-total avoidance of plastic materials at sites. It is aggressively pursuing a policy of limiting wastages and clearing off wastages to safe disposal as soon as possible. Scraps are collected and sent for recycling and plastic wastages are disposed-off with protection.</p> <p>On the social side, the company is engaging in building a cordial social engineering amongst the locals and involved local people in the programs. Nearby schools and hospitals were taken care of and with frequent visits by the management staff and extending a helping hand wherever needed. The company is self-disciplined in its approaches for the safety of workers, building a socially conducive atmosphere at sites and ensuring a good environment not only for the present generation but to the next and to the next.</p> <p>Sajja Kishore Babu Managing Director &amp; Chairman (DIN : 00971313)</p>								

S. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	The individual who holds the highest authority for the implementation and oversight of the Business Responsibility policies is Mr. Sajja Kishore Babu. With his role as Chairman & Managing Director, Mr. Sajja Kishore Babu has been specifically designated to ensure the effective implementation and adherence to the policy, safeguarding its objectives and principles. His expertise and leadership play a crucial role in upholding the organization's commitment to responsible business practices.								
	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details	<p>Risk Management Committee has been tasked with decision-making authority on all aspects related to sustainability issues.</p> <p>Composition of Risk Management Committee</p> <p>Name</p> <p>Position on the Committee</p> <p>Designation</p> <p>Mr. Jayarama Prasad Chalasani (DIN : 00308931) Chairman of the Committee Independent Director</p> <p>Mr. Rajiv Kumar Motihari (DIN : 07336483) Member Non-Executive Director</p> <p>Mr. Sajja Kishore Babu (DIN : 00971313) Member Managing Director</p>								

Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, performance against enlisted policies and necessarily follow up actions are duly reviewed by the Risk Management Committee as well as the Board of Directors									Need Basis								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes, we comply with statutory requirements relevant to the principles and review was undertaken by the Board of Directors.									Need Basis								



Independent assessment/ evaluation of the working of its policies by an external agency:

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No, Power Mech has not carried out any independent assessment/evaluation of the working of its policies by an external agency.								

If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE**



**ESSENTIAL INDICATORS:**

**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	i. An ESG training session was scheduled for Directors and KMP, focusing on the company's actions related to Environmental, Social, and Governance aspects. ii. Directors and KMP were informed about emerging market trends and their potential impact on the company's strategic direction. iii. Regular briefings were given on new regulations affecting the industry, ensuring that the company remains fully compliant with all legal obligations. iv. Regular updates included findings from safety audits and risk assessments, ensuring continuous improvement in health and safety practices.	100%
Key Managerial Personnel	4	i. An ESG training session was scheduled for Directors and KMP, focusing on the company's actions related to Environmental, Social, and Governance aspects. ii. Directors and KMP were informed about emerging market trends and their potential impact on the company's strategic direction. iii. Regular briefings were given on new regulations affecting the industry, ensuring that the company remains fully compliant with all legal obligations. iv. Regular updates included findings from safety audits and risk assessments, ensuring continuous improvement in health and safety practices.	100%

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Employees other than BOD and KMPs	7	<ul style="list-style-type: none"> <li>i. POSH Training is crucial for creating a safe and respectful work environment, preventing sexual harassment incidents, and ensuring that everyone understands Company policies and procedures for dealing with such incidents.</li> <li>ii. EHS Training is vital for creating a safe and healthy workplace, minimizing accidents, and ensuring that employees understand Company policies and procedures for handling hazardous materials and situations.</li> <li>iii. Human Rights Training is critical to ensure employees understands and respects human rights, creating a diverse and inclusive workplace that values and respects all employees.</li> </ul>	100%
Workers	3	<ul style="list-style-type: none"> <li>i. EHS Training is vital for creating a safe and healthy workplace, minimizing accidents, and ensuring that workers understand company policies and procedures for handling hazardous materials and situations.</li> <li>ii. Human Rights Training is critical to ensure workers understands and respects human rights, creating a diverse and inclusive workplace that values and respects all employees and workers.</li> </ul>	100%

**2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format:**

MONETARY					
Particulars	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding fee	NIL	NIL	NIL	NIL	NIL

Particulars	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed:**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
This particular section is not applicable to Power Mech	

**4. Anti-corruption or Anti-bribery policy:**

Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

At Power Mech, we are committed to maintaining the highest standards of integrity and ethical conduct in all our business dealings. To ensure compliance with relevant laws and regulations, the following guidelines are established:

- Employees, representatives, agents, and intermediaries must not offer or receive any illegal or improper payments or benefits, either directly or indirectly, to gain undue advantages in business operations.
- Adherence to all laws and regulations related to anti-bribery, anti-corruption, anti-competition, and data privacy is mandatory.
- Any breach of this policy can lead to severe financial penalties and significant reputational damage to the Company.

The policy is available on the Company's intranet.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

**6. Details of complaints with regard to conflict of interest:**

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

**7. Corrective Actions:**

Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest

This section is not applicable to the Company as there were no fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

**8. Number of days of account payable ((Accounts payable \*365) / Cost of goods/services procured) in the following format:**

	FY 2023-2024 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
Number of days of accounts Payables	97	106

**9. Open-ness of Business**

Provide details of Concentration of purchase and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-2024 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
Concentration of purchases	a. Purchases from trading houses as % of total purchases	100	100
	b. Number of Trading houses where purchases are made from	-	-
	c. Purchases from top 10 Trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sale to dealers / distributed as % of total sales	65.98	67.84
	b. Number of dealers / distributions to whom sales are made	-	-
	c. Sales upto 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	-	-
	b. Sales (Sales to related parties / Total Sales)	34.02	32.16
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100	100
	d. Investments (Investments in related parties / Total Investments made)	100	100

**PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE**



**ESSENTIAL INDICATORS:**

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

Power Mech's primary focus is on delivering specialized solutions in the power and infrastructure sectors, is not directing substantial investments towards R&D or Capex.

**2. Sustainable sourcing:**

<p>Does the entity have procedures in place for sustainable sourcing? (Yes/No)</p>	<p>Power Mech prioritize ethical and sustainable practices in all aspects of its operations, including sourcing and procurement. It has dedicated Procurement Team which plays a vital role in ensuring that every purchase made aligns with their commitment to ethical, sustainable, and environmentally responsible practices. It has adopted the following procedures for sustainable sourcing:</p> <ol style="list-style-type: none"> <li>1. Suppliers Evaluation: The procurement team conducts in-depth research and assessment of potential suppliers and ensures that the supplier follow proper ethical business practices, labour standards and social responsibility.</li> <li>2. Sustainable material sourcing: Power Mech prioritize suppliers who offer sustainable and ecofriendly materials for construction and infrastructure development. Supplier partnerships are forged to ensure a consistent supply of sustainable materials.</li> <li>3. Energy efficient equipment &amp; technologies: Power Mech actively seek energy-efficient equipment and technologies for infrastructure projects. Adoption of renewable energy solutions, such as solar panels or wind turbines, is encouraged whenever feasible.</li> <li>4. Compliance with Environmental Regulations: All procurement decisions align with applicable environmental laws and regulations. Regular audits are conducted to verify ongoing compliance with sustainability and environmental requirements.</li> <li>5. Stakeholder engagement and accountability: Power Mech engages with stakeholders, including local community to address the concerns. Regular communication channels are established to foster trust and maintain open dialogue with stakeholders.</li> </ol> <p>By employing these sustainable procurement practices, Power Mech is committed to responsible and environmentally conscious development. Through collaboration with suppliers, stakeholders, and the Procurement team, Power Mech strives to deliver projects that prioritize ethical practices, sustainability, and environmental protection.</p>
<p>If yes, what percentage of inputs were sourced sustainably?</p>	<p>Since Power Mech is into construction of power plants and infrastructure sector and there are numerous vendors, sustainable inputs will be accounted for in the years to come.</p>

**3. Processes in place to reclaim products for reuse, recycle and safe disposal of products at the end of life:**

<p>Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.</p>	<p>The company is in the Civil Engineering sector and only a small percentage of its goods are reused, recycled, or disposed of after their useful lives. However, the business has started employing renewable energy sources, such as reclaimed water, etc.</p>
---	---

**4. Extended Producer Responsibility (EPR) plan:**

<p>Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.</p>	<p>Not applicable</p>
--	-----------------------



**PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS**



**ESSENTIAL INDICATORS:**

**1. A) Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	3533	858	24%	3533	100%	0	-	0	-	0	-
Female	45	7	15%	45	100%	2	4.5%	0	-	0	-
Total	3578	865	24%	3578	100%	2	0.05%	0	-	0	-
<b>Other than Permanent employees</b>											
Male	1094	52	4%	1094	100%	0	-	0	-	0	-
Female	9	1	1%	9	100%	0	-	0	-	0	-
Total	1103	53	4%	1103	100%	0	-	0	-	0	-

**B) Details of measures for the well-being of workers:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	7308	7308	100%	7308	100%	0	-	0	-	0	-
Female	60	60	100%	60	100%	0	-	0	-	0	-
Total	7368	7368	100%	7368	100%	0	-	0	-	0	-
<b>Other than Permanent workers</b>											
Male	0	0	-	0	-	0	-	0	-	0	-
Female	0	0	-	0	-	0	-	0	-	0	-
Total	0	0	-	0	-	0	-	0	-	0	-

**C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format;**

	FY 2023 -24 (Current Financial Year)	FY 2022 -23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	1.54%	2.02%

**2. Details of retirement benefits, for Current FY and Previous Financial Year:**

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	21%	36%	Yes	20%	35%	Yes
Others – please specify	-	-	-	-	-	-

**3. Accessibility of workplaces:**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, our offices are fully accessible to all employees, including those with disabilities. We actively engage with our employees to address and manage their mobility needs, ensuring their input is valued and incorporated into our accessibility initiatives.

Our buildings, rooms, toilets, and recreational areas are designed to be securely accessible, allowing differently abled employees to navigate the premises comfortably and enjoy the same amenities as their colleagues. Various safety measures, such as handrails and ramps, are in place to enhance safety and comfort for all employees.

The surrounding area features pathways and dedicated walkways equipped with accessible stairs and lifts, facilitating easy access for differently abled employees and individuals with mobility challenges. These features promote inclusivity and ensure that everyone can navigate public spaces with ease.

Furthermore, there are no restrictions on personal vehicles within the factory premises, enhancing convenience for all employees.

**4. Equal Opportunity Policy:**

Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Power Mech is committed to delivering value through equality and to nurture and promote human diversity across its operations. The policy is available on the Company's intranet.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave:**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	0	0	0	0
Total	0	0	0	0

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:**

<b>Yes/No (If Yes, then give details of the mechanism in brief)</b>	
Permanent Workers	<p>Yes, the Company has established a Centralized Grievance Committee to effectively address and manage grievances across all employee categories. This Committee is designed to:</p> <ul style="list-style-type: none"> <li>• Receive Grievances: The Committee serves as a central point for all employees to submit their grievances, ensuring a structured and accessible process for voicing concerns.</li> <li>• Redress Grievances: It is responsible for investigating and resolving these grievances in a fair, timely, and impartial manner.</li> <li>• Ensure Fair Treatment: The Committee aims to uphold the principles of fairness and transparency in addressing employee issues, fostering a positive work environment and ensuring that all concerns are handled appropriately.</li> <li>• Maintain Confidentiality: All grievances are managed with confidentiality to protect the privacy of the employees involved and to ensure that the grievance process is handled with discretion.</li> </ul> <p>By having this centralized system in place, the Company demonstrates its commitment to addressing employee concerns effectively and maintaining a supportive work environment.</p>
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

**7. Membership of employees and worker in association(s) or Unions recognised by the entity:**

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	3578	0	-	3737	0	-
Male	3533	0	-	3707	0	-
Female	45	0	-	30	0	-
Total Permanent Workers	7368	0	-	7910	0	-
Male	7308	0	-	7854	0	-
Female	60	0	-	56	0	-

**8. Details of training given to employees and workers:**

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and safety		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	3533	3533	100%	3533	100%	3739	3739	100%	3739	100%
Female	45	45	100%	45	100%	30	30	100%	30	100%
Total	3578	3578	100%	3578	100%	3769	3769	100%	3769	100%
<b>Workers</b>										
Male	7308	7308	100%	7308	100%	7855	7855	100%	7855	100%
Female	60	60	100%	60	100%	56	56	100%	56	100%
Total	7368	7368	100%	7368	100%	7911	7911	100%	7911	100%

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	3533	3533	100%	3739	3739	100%
Female	45	45	100%	30	30	100%
Total	3578	3578	100%	3769	3769	100%
<b>Workers</b>						
Male	7308	7308	100%	7855	7855	100%
Female	60	60	100%	56	56	100%
Total	7368	7368	100%	7911	7911	100%

**10. Health and safety management system:**

S. No	Particulars	Response
a)	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	Power Mech has established a robust health and safety system, emphasizing a secure working environment. The company has earned ISO 45001 and ISO 14001 certifications, validating its adherence to global standards for employee well-being and environmental management. These certifications highlight Power Mech's commitment to safeguarding its workforce and promoting sustainable practices across its operations.

S. No	Particulars	Response
b)	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	<p>Power Mech uses a systematic approach to identify work-related hazards and assess risks on both routine and non-routine tasks:</p> <ol style="list-style-type: none"> <li>1. Routine Tasks: Regular safety audits, Job Safety Analysis (JSA), and employee training are employed to identify and mitigate hazards associated with routine activities.</li> <li>2. Non-Routine Tasks: Pre-task risk assessments, change management processes, and specialized training are conducted to address the unique hazards of non-routine activities.</li> <li>3. Incident Investigation and Analysis: This process is key in assessing risks by identifying root causes of incidents and learning from near misses, leading to continuous improvement in safety practices.</li> </ol>
c)	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	<p>Power Mech ensures employee safety through Safe Operating Procedures (SOPs), regular Toolbox Talks, and job-specific training. These measures provide clear safety guidelines, foster proactive risk management, and equip employees with the necessary skills to perform their tasks safely.</p> <p>And the Permit-to-Work system authorizes high-risk activities, ensuring proper precautions are taken. A Suggestion/Complaint Box is also available for employees to confidentially report hazards, share safety ideas, and voice concerns.</p>
d)	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Power Mech prioritizes employee health by conducting regular check-ups at both work sites and the corporate office. This proactive strategy enables early detection and timely intervention for potential health issues, promoting a safe and productive workforce.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	-
	Workers	0	-
Total recordable work-related injuries	Employees	1	-
	Workers	9	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities) Including in the contract workforce	Employees	-	-
	Workers	-	-

**12. Measures to ensure a safe and healthy workplace:**

**Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Power Mech is dedicated to ensuring a safe and healthy workplace through a comprehensive approach to safety management. The measures include:

**Comprehensive Training Programs and Tool Box Meetings:** Regular training sessions and tool box meetings are conducted to keep employees well-informed about safety protocols, risk prevention, and best practices.

**Rigorous Supervision:** Continuous and close supervision is maintained to ensure adherence to safety procedures, providing guidance and immediate corrective actions when necessary.

**Implementation of Robust Safety Standards:** The company implements and strictly enforces industry-leading safety standards across all operational sites, continuously updating them to meet evolving safety challenges.

**Provision and Enforcement of Personal Protective Equipment (PPE):** Adequate PPE is provided to all employees, with strict enforcement of its use and regular training on proper handling to ensure maximum safety.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	There were no complaints on the said parameters during the reporting period as well as the previous year.					
Health & Safety						

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

The assessment has been carried out in-house by the Company.

**15. Corrective Actions:**

Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.	The Company has detailed format of Near miss/Incident/Accident Report which is made available to all the site offices for reporting any such incidents.
---	---

**PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS**



**ESSENTIAL INDICATORS:**

**1. Identification of stakeholders group:**

Describe the processes for identifying key stakeholder groups of the entity

The Company has developed a Stakeholder Engagement Framework for identification of Stakeholders. In line with this framework, the stakeholder identification process at the Company considers the following scope in identifying the stakeholders:

- Dependency – groups or individuals who are directly or indirectly dependent on the organisation’s activities, products or services and associated performance, or on whom the organisation is dependent in order to operate.
- Responsibility – groups or individuals to whom the organisation has, or in the future may have, legal, commercial, operational or ethical/moral responsibilities.
- Attention – groups or individuals who need immediate attention from the organisation about financial, wider economic, social or environmental issues.
- Influence – groups or individuals who can have an impact on the organisations or a stakeholder’s strategic or operational decision-making.
- Diverse perspectives – groups or individuals whose different views can lead to a new understanding of the situation and the identification of opportunities for action that may not otherwise occur.

List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	<ul style="list-style-type: none"> <li>• Annual General Meeting,</li> <li>• Shareholder meets,</li> <li>• Email,</li> <li>• Stock Exchange (SE) intimations,</li> <li>• Investor/analysts meet/ conference calls,</li> <li>• Annual report, quarterly results, media releases and</li> <li>• Company’s website</li> </ul>	Quarterly, Half yearly and annually	Share price appreciation, dividends, profitability and financial stability, robust ESG practices, risks, growth prospects.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employee and Workers	No	<ul style="list-style-type: none"> <li>Personalised learning and development programmes.</li> <li>Regular performance review and feedback.</li> <li>One-on-one engagement, townhall meetings.</li> <li>Employee engagement surveys.</li> <li>Programmes catered around overall wellbeing.</li> <li>Intranet Portal.</li> <li>Casual interaction and daily games post lunch</li> <li>Emails, Notice Board, Meetings</li> </ul>	Daily	<p>Empowered and engaged workforce drives to achieving business targets and serve as a key for successful business.</p> <p>Satisfied and motivated talent have higher productivity.</p> <p>Right Talent gives a competitive advantage.</p> <p>Career management and growth prospects.</p> <p>Work culture, health and safety matters.</p>
Government and Regulators	No	<ul style="list-style-type: none"> <li>E-mails and letters.</li> <li>Conferences.</li> <li>Industry forums.</li> <li>Regulatory filings.</li> <li>Meetings with officials.</li> <li>Representations</li> </ul>	On periodical basis as provided under relevant legislations	In relation to Compliances with applicable laws, Industry concerns, changes in regulatory frameworks, skill and capacity building, employment.
Community	No	<ul style="list-style-type: none"> <li>Collaboration with non-governmental organisations (NGOs).</li> <li>Field visits.</li> <li>CSR and sustainability initiatives.</li> <li>Skill development.</li> <li>One-on-one interactions.</li> </ul>	Need basis	Need assessment for CSR, Reviews and Addressing Grievances, community development, education/ skill development, and livelihood support
Board of Directors	No	<ul style="list-style-type: none"> <li>Board Meetings,</li> <li>Committee Meetings and briefings / familiarity programmes</li> </ul>	On regular basis	To review the performance of the company
Local communities	No	<ul style="list-style-type: none"> <li>Meetings and briefings,</li> <li>Partnership in community</li> <li>Training and Workshops,</li> <li>Impact Assessments, social media.</li> </ul>	Need basis	Need assessment for CSR, Reviews and Addressing Grievances, community development, education/ skill development, and livelihood support.
Contractor	No	<ul style="list-style-type: none"> <li>Email,</li> <li>Telephone</li> <li>Interactive Meetings</li> </ul>	On periodical basis	To ensure that project remains on focus desired results and to make meaningful contribution to avoid the projects being derailed.



## PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS



### ESSENTIAL INDICATORS:

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	3578	3578	100%	3737	3737	100%
Other than permanent	1103	1103	100%	29	29	100%
<b>Total Employees</b>	<b>4681</b>	<b>4681</b>	<b>100%</b>	<b>3766</b>	<b>3766</b>	<b>100%</b>
<b>Workers</b>						
Permanent	7368	7368	100%	7910	7910	100%
Other than permanent	0	0	-	21768	21768	100%
<b>Total Workers</b>	<b>7368</b>	<b>7368</b>	<b>100%</b>	<b>29678</b>	<b>29678</b>	<b>100%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent	3578	0	-	3578	100%	3737	0	-	3737	100%
Male	3533	0	-	3533	100%	3707	0	-	3707	100%
Female	45	0	-	45	100%	30	0	-	30	100%
Other than Permanent	1103	0	-	1103	100%	29	0	-	29	100%
Male	1094	0	-	1094	100%	29	0	-	29	100%
Female	9	0	-	9	100%	0	0	-	0	100%

Workers										
Permanent	7368	0	-	7368	100%	7910	4252	53.75%	3658	46.24%
Male	7308	0	-	7308	100%	7854	4196	53.42%	3658	46.57%
Female	60	0	-	60	100%	56	56	100%	0	-
Other than Permanent	0	0	-	0	-	21768	8378	38.48%	13090	60.13%
Male	0	0	-	0	-	21695	8378	38.61%	13317	61.38%
Female	0	0	-	0	-	73	0	-	73	100%

### 3. Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	4	51300000	2	-
Key Managerial Personnel*	2	6150000	0	-
Employees other than BoD and KMP	3533	368530	45	358500
Workers	7308	₹ 187500	60	168950

\* Key Managerial Personnel includes Company Secretary and Chief Financial officer.

### b. Gross wages paid to Female as % of total wages paid by the entity, in the following format

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	4.12	3.80

### 4. Focal point for addressing human rights:

Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Head of HR department oversees the human resource's function. In addition, the Executive Directors are responsible for addressing any human rights issues caused or contributed by the business.

### 5. Internal mechanisms in place to redress grievances related to human rights issues:

#### Describe the internal mechanisms in place to redress grievances related to human rights issues.

The internal stakeholders of a business are groups or individuals who work directly within it, such as employees and contractual support staff. They are granted access to a redressal channel as specified in the human rights policy to address any concerns or complaints that they may have.

By providing regular training and awareness programs on human rights issues company prevents violations from occurring in the first place. The policy's objective is to establish an accessible and secure process for employees to report any incidents of discrimination, harassment, or other human rights violations that may occur in the workplace. The grievance mechanism is effectively communicated to all employees to ensure that they are informed of the process and their rights to report any violations. Company has established clear and comprehensive policy that define sexual harassment, outline unacceptable behaviours, and provide guidance on reporting procedures.

**6. Number of Complaints on the following made by employees and workers:**

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	-	NIL	NIL	-
Discrimination at workplace	NIL	NIL	-	NIL	NIL	-
Child Labour	NIL	NIL	-	NIL	NIL	-
Forced Labour/ Involuntary Labour	NIL	NIL	-	NIL	NIL	-
Wages	NIL	NIL	-	NIL	NIL	-
Other human rights related issues	NIL	NIL	-	NIL	NIL	-

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees / workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

**8. Mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases.**

**Mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases.**

To prevent harassment in the workplace, the company has established a mechanism that consists of various policies, procedures, and guidelines. The mechanism includes a code of conduct that outlines the company's expectations for appropriate workplace behaviour and provides guidance on identifying and addressing harassment.

The company has also established a confidential reporting system that allows employees to report any incidents of harassment without fear of retaliation. These reports are thoroughly investigated, and corrective action is taken where necessary. Additionally, the company provides regular training to all employees on identifying and preventing harassment in the workplace.

To ensure compliance with its harassment prevention policies, the company conducts regular audits and assessments of its workplace culture and practices. These assessments help identify areas for improvement and ensure that the company is taking all necessary steps to prevent harassment.

**9. Human rights requirements forming part of your business agreements and contracts:**

**Do human rights requirements form part of your business agreements and contracts? (Yes/No).**

The Human rights related requirements are covered as a part of supplier/Dealer/Vendor onboarding process. As part of our supplier/Dealer/Vendor onboarding process, we integrate human rights requirements to ensure compliance with relevant laws, labour standards, and environmental regulations, fostering an environment of ethics and integrity. Our business agreements feature clauses mandating ethical recruitment practices, prohibiting human trafficking and forced labour. Contracts further stipulate the obligation to respect the land, forest, and water rights of local communities and indigenous peoples. Emphasizing diversity and inclusion, our agreements encourage suppliers to cultivate diverse workforces and provide equal opportunities irrespective of race, gender, or ethnicity. Additionally, our onboarding process includes measures to ensure fair treatment of workers regarding wages, working hours, and occupational health and safety.

**10. Assessments for the year:**

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

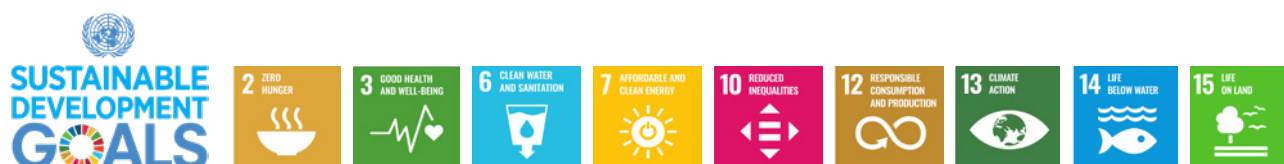
The assessment has been carried out in-house by the Company.

**11. Corrective Actions to address significant risks / concerns arising from the assessments:**

**Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

The Company is deeply committed to upholding human rights and has established a comprehensive framework to address key risks and concerns, including child labour, forced labour, sexual harassment, discrimination, and fair wages. We have enhanced our due diligence procedures to better identify and address any potential violations, ensuring compliance with ethical standards and environmental regulations throughout our supply chain. Regular assessments and employee training initiatives help raise awareness and prevent incidents. If any violations are detected, swift and decisive corrective actions are taken, including contract terminations or legal recourse as necessary. Furthermore, our policies and procedures are continuously reviewed and reinforced to uphold human rights standards across all operations.

As part of our ongoing efforts, there were no significant risk/concern that arose on its self-assessment and from the diligence of customers.

**PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT****ESSENTIAL INDICATORS:****1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	-	-
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	-	-
From non-renewable sources		
Total electricity consumption (D)	2191809.6 MJ	1,99,65,456 J
Total fuel consumption (E)	184507.11 MJ	487.91 J



Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	2376316.71 MJ	1,99,65,943.91 J
Total energy consumed (A+B+C+D+E+F)	2376316.71 MJ	1,99,65,943.91 J
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.000058	0.000056
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) * (Total water consumption / Revenue from operations adjusted for PPP)	0.0000026	0.000025
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

\*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 and 2023 by IMF for India which is 22.401 & 22.167 respectively.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The assessment has been carried out in-house by the Company

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No, we have not identified any sites/facilities as Designated Consumers (DCs) under the PAT scheme of the Government of India.

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	9107.77	7953.84
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	9107.77	7953.84
Total volume of water consumption (in kilolitres)	9107.77	7953.84
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00000022	0.00000053
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) * (Total water consumption / Revenue from operations adjusted for PPP)	0.000000010	0.000000023
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

\*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 and 2023 by IMF for India which is 22.401 & 22.167 respectively.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

The assessment has been carried out in-house by the Company

#### 4. Provide the following details related to water discharged: NOT MEASUREABLE

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No independent assessment has been carried out by the Company.

#### 5. Mechanism for Zero Liquid Discharge:

Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.	Power Mech operates at the site level, carrying out EPC and other civil construction projects. The installation of a zero liquid discharge facility is carried out according to the client's requirements, if specified. At the company level, we are not required to have zero liquid discharge infrastructure.
---	--



**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	-	Not Applicable*	
Sox	-		
Particulate matter (PM)	-		
Persistent organic pollutants (POP)	-		
Volatile organic compounds (VOC)	-		
Hazardous air pollutants (HAP)	-		
Others – please specify	-		

\*Since Power Mech does not operate in manufacturing sector and conducts its business through contractors, this point is not applicable.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No independent assessment has been carried out by the Company.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) *	Metric tonnes of CO <sub>2</sub> equivalent	-	-
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) *	Metric tonnes of CO <sub>2</sub> equivalent	-	-
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) *	Metric tonnes of CO <sub>2</sub> equivalent	-	-
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) *	Metric tonnes of CO <sub>2</sub> equivalent	-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

\*NA- Not Assessed

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No independent assessment has been carried out by the Company.

**8. Project related to reducing Green House Gas emission:**

Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.	Given the nature of Power Mech's business activities, the company does not produce significant greenhouse gas emissions. Currently, there are no specific projects in place focused on reducing these emissions.
--	--

**9. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)		
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste (H):		
Total (A+ B + C + D + E + F + G + H)		
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	-	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No independent assessment has been carried out by the Company



10.

Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has detailed plan for Hazardous Waste Management. The plan clearly defines the Hazardous and Non Hazardous wastes and the methods of wastes minimization. The plan also explains about the detailed procedure of waste disposal. Every sites shall do inspection on monthly basis to ensure compliance with the waste minimum practices and regulatory requirements.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Power Mech does not have any operations/offices in/around ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable, Environmental impact assessment of projects were not required to be undertaken by Power Mech during the current financial year.						

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, Power Mech is compliant with the applicable environmental law / regulations / guidelines in India.

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT**



**ESSENTIAL INDICATORS:**

1. A) Affiliations with trade and industry chambers/ associations:

Number of affiliations with trade and industry chambers/ associations.
1

B) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
	The Federation of Telangana Chambers of Commerce	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
-------------------	-------------------	-------------------------

The Company has not engaged in any anti-competitive conduct.

## PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT



### ESSENTIAL INDICATORS:

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-----------------------------------	----------------------	----------------------	---	--	-------------------

This section is not applicable to Power Mech as there were no projects that required SIA to be undertaken under Law.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
--------	--	-------	----------	---	--------------------------	---

This section is not applicable to Power Mech as there were no projects that required Rehabilitation and Resettlement (R&R).

3. Community redressal mechanism:

#### Describe the mechanisms to receive and redress grievances of the community.

The company has implemented a mechanism where local employees regularly engage with community members to identify and address any concerns. The community can directly communicate and raise issues as needed.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/small producers	35%	32%
Directly from within India	100%	100%

Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	75	69
Semi-Urban	12	16
Urban	8	10
Metropolitan	5	3

**PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER**



**ESSENTIAL INDICATORS:**

**1. Consumer Complaints and feedback:**

Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Power Mech has a robust mechanism for addressing consumer complaints, emphasizing prompt and effective resolution. Complaints are assigned to a dedicated, trained team specialized in handling such issues. The company maintains open communication with customers, providing regular updates and progress reports. Power Mech is committed to finding amicable solutions and ensuring high customer satisfaction.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and/or safe disposal	-

**3. Number of consumer complaints in respect of the following:**

Category	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	None	0	0	None
Advertising	0	0	None	0	0	None
Cyber-security	0	0	None	0	0	None
Delivery of essential services	0	0	None	0	0	None
Restrictive Trade Practices	0	0	None	0	0	None
Unfair Trade Practices	0	0	None	0	0	None
Other	0	0	None	0	0	None

**4. Details of instances of product recalls on account of safety issues:**

Particulars	Number	Reasons for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

Cyber security policy:

Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, we have a framework in place to address cyber security and data privacy risks. The policy outlines various methods, including access control, virus prevention, intrusion detection, data backups, authentication, monitoring, and review, to ensure data security within the organization. The policy also includes guidelines to protect data integrity based on data classification and secure the organization's information systems. The policy is available on the Company's intranet.

**6. Corrective Actions:**

Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

[This section is not applicable to the Company as there have been no reported incidents of such issues till date.](#)

**7. Provide the following information relating to data breaches:**

- Number of instances of data breaches - NIL
- Percentage of data breaches involving personally identifiable information of customers - NIL
- Impact, if any, of the data breaches - NA

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

Sd/-

**S. Kishore Babu**

Chairman & Managing Director

DIN: 00971313

**Place: Hyderabad**

**Date: 12 August, 2024**



## Notice

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting (AGM) of the members of Power Mech Projects Limited will be held on Friday, the 27<sup>th</sup> day of September 2024 at 10:00 A.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following items of business:

### Ordinary Business:

#### Item No. 1: Adoption of financial statements:

**To receive, consider, approve and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2024, and the Reports of the Board and Auditors thereon and in this regard, pass the following resolution as an Ordinary Resolution.**

**“RESOLVED THAT** pursuant to Section 134 and other applicable provisions of the Companies Act, 2013, and rules made thereunder the audited standalone and consolidated financial statements of the Company for the year ended 31 March, 2024, and the reports of the Board of Directors and auditors thereon be and are hereby received, considered, approved and adopted.”

#### Item No. 2: Declaration of dividend on the equity shares:

**To declare Dividend on equity shares for the financial year ended March 31, 2024, and in this regard, pass the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** dividend at the rate of 20% i.e. ₹ 2/- (Rupees Two only) per equity share of ₹ 10/- (Rupees Ten only) each for the financial year ended 31 March, 2024, be and is hereby approved and declared.”

#### Item No. 3: Re-appointment of a director who are retiring at the AGM:

**To appoint a director in place of Mr. M. Rajiv Kumar, who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. M. Rajiv Kumar (DIN: 07336483), who retires by rotation at the annual general meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

#### Item No. 4: Appointment of statutory auditors for a term of five years:

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

**“RESOLVED THAT** pursuant to Sections 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Brahmayya & Co, Chartered Accountants (Firm Registration No. 000513S), be and are hereby appointed as Statutory Auditors of the Company, for a term of 5(five) consecutive years, to hold office from conclusion of 25<sup>th</sup> Annual General Meeting till conclusion of 30<sup>th</sup> Annual General Meeting to be held in the calendar year 2029 at such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of directors of the Company and the statutory auditors from time to time.”

### Special Business:

#### Item No. 5: Ratification of remuneration payable to Cost Auditors for the financial year 2024-25:

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company hereby ratifies the remuneration of ₹ 1,00,000/- (Rupees One lakhs only) plus out of pocket expenses and applicable taxes thereon, payable to M/s. M P R & Associates., Cost Accountants (Firm Reg No: 000413) Hyderabad, who have been appointed by the Board of Directors on the recommendation of the Audit Committee of Directors as the Cost Auditors of the Company to conduct the audit of cost records being maintained by the Company in respect of the Company's products for the financial year 2024-25.”

#### Item No.6: Payment of remuneration to Mr. M. Rajiv Kumar (DIN: 07336483), Non-Executive Director by way of consultancy fees:

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

**“RESOLVED THAT** pursuant to the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made there under and Regulation 17(6) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications(s) or re-enactment(s) thereof, for the time being in force, the consent of the members be and is hereby accorded to pay an amount of ₹ 3,80,000/- per month (excluding GST) and reimbursement of out of pocket expenses towards

remuneration to Mr. M. Rajiv Kumar (DIN: 07336483), Non-Executive Director for the FY 2024-25 by way of consultancy fees.”

#### **Item No.7: Revision in remuneration payable to Mr. Rohit Sajja, President of the Company:**

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

“**RESOLVED THAT** pursuant to Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rule 15 of the Companies (Meeting of Board and its Power) Rules, 2014 (“the Rules”), and pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the members be and is hereby accorded for increase in the remuneration payable to Mr. Rohit Sajja, President of the Company for an amount up to ₹ 10,00,000/- per month and other perquisites/benefits as per the policy of the Company for a period of 3 (three) years with effect from 1 April, 2024 as may be approved by the Nomination and Remuneration Committee.

“**RESOLVED FURTHER THAT** the approval of the members be and is hereby accorded to the Board of directors of the Company to review and vary the terms of employment of and remuneration payable to Mr. Rohit Sajja from time to time, based on the performance evaluation and in accordance with the Company’s Remuneration policy and/or other applicable/relevant policies and not exceeding such limits as may be prescribed in such policies and to perform and execute all acts, deeds, matters and things (including delegating such authority), as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.”

#### **Item No.8: Borrowing Powers and Creation of Security:**

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

“**RESOLVED THAT** in supersession of the special resolution passed by the members in their meeting held on 30 June, 2023 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s), amendment or re-enactment thereof for the time being in force), and subject to the approvals, consents, permissions and sanctions, if any, required from any

authority, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow periodically from time to time for and on behalf of the Company, in any manner in the form of either fund based or non-fund based facilities or otherwise in Indian Rupees or any other foreign currency as may be required for the purpose of business of the Company from any Banks and/or public financial institutions as defined under Section 2(72) of the Companies Act, 2013 and/or any foreign financial institution(s) or foreign banks and/or any entity/entities or authority/authorities and/or through long term loans, short term loans or any other instruments, etc. and/or through credit from official agencies and/ or by way of commercial borrowings from the private sector window of multilateral financial institution(s), either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board of Directors for an aggregate amount not exceeding ₹ 5,000 Crores (Rupees Five thousand crores only) notwithstanding that monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may at any time exceed the aggregate of the paid-up share capital of the Company and its free reserves (reserves not set apart for any specific purpose).

**RESOLVED FURTHER THAT** in supersession of the special resolution passed by the members in their meeting held on 30 June, 2023 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder, (including any statutory modification(s), amendment or re-enactment thereof for the time being in force), and subject to the approvals, consents, permissions and sanctions, if any, required from any authority, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to create charge/mortgage/hypothecate in addition to the, charge/mortgage/hypothecation already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on the whole or substantially the whole of the Company’s any one or more of the undertakings or all of the undertakings, whether immovable and / or movable properties of the Company, both present and future and/or any other assets or properties, either tangible or intangible, of the Company as may be agreed to in favour of the bank(s), financial institution(s) or other body(ies) corporate(s), other entity(ies), firms(s), person(s)etc. in India or abroad, hereinafter referred to as the lender(s), and/or trustees to secure the borrowings availed or to be availed by the Company, by way of loans, debentures or any other securities or otherwise, in foreign currency or in Indian rupees, together with interest at the respective agreed rates from time to time, additional interest, compound

interest, liquidated charges, commitment charges or costs, charges, expenses and all other monies payable by the Company including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange in respect of the said Loans, shall not, at any time exceed ₹ 5,000 Crores (Rupees Five thousand crores only).

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board/Committee of Directors be and is hereby authorised and empowered to enter into, sign, seal and execute and deliver such arrangements, assignments, conveyances, covenants, contracts and to finalise, settle and execute such documents/deeds/writings/papers/other instruments/agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to borrowing funds by creating any mortgage/charge as aforesaid without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution.”

#### **Item No. 9: Related Party Transactions with identified subsidiaries of the Company/Joint Ventures and/ or their subsidiaries:**

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

**“RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the applicable provisions of the Companies Act, 2013 (“Act”) read with Rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company’s Policy on Related Party Transactions, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter/continue to enter into Material Related Party Transaction(s)/Contract(s)/Arrangement(s)/Agreement(s) (whether by way of an individual transaction or transaction taken together or series of transactions or otherwise) with identified subsidiaries/joint ventures of the Company and/ or their subsidiaries, related parties falling within the definition of ‘Related Party’ under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, during financial year 2024-

25 on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between related parties and the Company, such that the maximum value of the Related Party Transactions with such parties, in aggregate, does not exceed value as specified in the explanatory statement to this resolution, provided that the said transaction(s)/Contract(s)/Arrangement(s)/Agreement(s) shall be carried out in the ordinary course of business and at arm’s length basis.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**“RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

**“RESOLVED FURTHER THAT** the Board of the Directors of the Company, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer, Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s) and all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects.”

#### **Item No. 10: Increase of Authorized Share Capital of the Company and amendment in the Capital Clause in the Memorandum of Association of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 61 and 13 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and in terms of applicable provisions of the

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof for the time being in force), and provisions of the Articles of Association, and subject to the approval of the Government, if required, the approval of the Shareholders, be and is hereby accorded to increase the Authorized Share Capital of the Company from ₹ 26,00,00,000 (Rupees Twenty Six Crores Only) comprising of 2,60,00,000 (Two Crores Sixty Lakhs) Equity Shares of a face value of ₹ 10/- (Rupees Ten only) each to ₹ 35,00,00,000 (Rupees Thirty Five Crore Only) divided into 3,50,00,000 (Three Crore Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten) each by creating additional 90,00,000 (Ninety Lakhs) Equity Shares of ₹ 10/- (Rupees Ten) each and consequently, the Clause No. V of the Memorandum of Association of the Company be and is hereby substituted by the following:

V. The Authorized Share Capital of the Company is ₹ 35,00,00,000 (Rupees Thirty Five Crores Only) comprising of 3,50,00,000 (Three Crores Fifty Lakhs) Equity Shares of a face value of ₹ 10/- (Rupees Ten only) each with power to the company to increase or reduce the said capital in accordance with the application provision of the Companies Act, 2013 and to issue any part of the capital, or increased, with or without any preference, priority or special privilege or subject to any postponement of rights, and to any conditions or restrictions, and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether expressed to be preference or otherwise, shall subject to the power herein before contained.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company or a Committee thereof be and are hereby authorized to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any questions, difficulties or doubts that may arise in regard to the increase in Authorized Share Capital of the Company and consequent amendment in Memorandum of Association of the Company as they may think fit.”

### Item No. 11: Issue of Bonus shares

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

**RESOLVED THAT** pursuant to Section 63 of the Companies Act, 2013 and other applicable provisions, if any, including rules notified thereunder, as may be amended from time to time, and Article 89 of the Articles of Association of the Company and in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the Regulations”) and subject to such consents

and approvals as may be required from the appropriate authorities and subject to such terms and modifications as may be specified while according such approvals, the Board of Directors of the Company (“the Board or the Board of Directors” which term shall be deemed to include any Committee authorised to exercise powers) be and is hereby authorised to capitalize a sum of ₹ 15,80,81,460 (Rupees Fifteen Crore Eighty Lakhs Eighty One Thousand Four Hundred and Sixty Only) out of the Company’s Securities Premium Account to be utilized for the purpose, as per the audited accounts of the Company for the financial year ended 31 March, 2024 and that the said amount be transferred to the Share Capital Account and be applied for issue and allotment of equity shares not exceeding 1,58,08,146 equity shares of ₹ 10 each as bonus equity shares credited as fully paid up, to the eligible members of the Company holding equity shares of ₹ 10 each whose names appear in the Register of Members / Beneficial Owners’ position of the Company on the Record Date, in the proportion of one new equity bonus share of ₹ 10 for every one existing paid up equity share of ₹ 10 and that the new bonus shares so issued and allotted shall be treated for all purposes as an increase of the nominal amount of the equity share capital of the Company held by each such members and not as income.

### RESOLVED FURTHER THAT

- i) No letter of allotment shall be issued in respect of the bonus shares and the new equity shares of ₹10 each to be issued and allotted as bonus shares shall be subject to the provisions of the Memorandum & Articles of Association of the Company and shall rank pari passu in all respects and carry the same rights as the existing fully paid equity shares of the Company.
- ii) the allotment of shares in bonus issue shall be made only in dematerialized form and thus, in case of members who hold equity shares in dematerialized form, the bonus equity shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participant(s) and in the case of Members who hold equity shares in physical form, the bonus equity shares shall be transferred to the Demat Suspense Account as per the SEBI Regulations.
- iii) the allotment of the new equity bonus shares to the extent that they relate to non-resident members of the Company, Foreign Portfolio Investor (FPIs), Person of Indian Origin (PI), Overseas Corporate Bodies (OCBs) and other Foreign Investors, shall be subject to the approval, if any, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999, other regulatory authorities as may be deemed necessary.





**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the bonus shares so allotted on the Stock Exchanges where the securities of the Company are listed as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws and regulations.

**FURTHER THAT** the Board, the Committee authorized by the Board and other designated officers of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may in its absolute discretion, deem necessary, expedient including settling any question, doubt or difficulties that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this Resolution.”

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

Sd/-  
**Sajja Kishore Babu**  
Chairman and

Managing Director  
DIN: 00971313

Place: Hyderabad  
Date : 22.08.2024

**Notes:**

1. The explanatory statement in respect of the special business in the Notice, pursuant to Section 102 of the Companies Act, 2013 stating all the material facts and reasons for the proposal is annexed hereto. Further, additional information as required under Listing Regulations and Circulars issued thereunder is also annexed.
2. Pursuant to general circular No. 09/2023 dated 25 September, 2023, issued by the Ministry of Corporate Affairs (“MCA Circulars”) the Company is convening its 25<sup>th</sup> AGM through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members, on Friday, 27 September, 2024, at 10:00 A.M. (IST). Since the AGM will be held through VC/OAVM, the Route Map, proxy form and attendance slip are not attached to this Notice.
3. Pursuant to the Circulars dated 8 April, 2020 and 13 May, 2022, issued by MCA and SEBI respectively, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to participate and cast their votes through e-voting.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), MCA Circulars and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an arrangement with NSDL for facilitating voting through electronic means, as an authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting during the AGM will be provided by NSDL.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13 April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.powermechprojects.com](http://www.powermechprojects.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
6. The Register of members and share transfer books of the Company will remain closed from Saturday, 21 September, 2024 to Friday, 27 September, 2024 (both days inclusive) for the purpose of AGM and dividend.
7. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Saturday, September 20, 2024, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
8. Remote e-voting will commence at 9.00 a.m. (IST) on Tuesday, 24 September, 2024 and will end at 5.00 p.m. (IST) on Thursday, 26 September, 2024.
9. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in this notice.
10. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
11. In compliance with the aforesaid MCA and SEBI Circulars notice of the AGM along with

the Annual Report 2023-24 is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. Members may note that the notice and Annual Report 2023-24 is also made available on the Company's website [www.powermechprojects.com](http://www.powermechprojects.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

12. As per Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), securities of listed companies can be transferred only in dematerialized form and also for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Limited ("KFin") for assistance in this regard.
13. The final dividend for the year ended 31 March, 2024 as recommended by the Board, i.e. ₹ 2/- (Rupees Two only) per equity share of face value ₹ 10/- each, if declared at the meeting, will be paid to those members whose names appear in the Company's register of members on 21 September, 2024, subject to deduction of tax at source pursuant to Finance Act, 2020. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details provided as at the close of business hours on 20 September, 2024 by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose. The dividend on equity shares, if declared at the meeting, will be credited within the statutory time limit prescribed under the Companies Act.  
Members are requested to note that, pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the members of the Company w.e.f. 1 April, 2020 and the Company is required to deduct tax at source ("TDS") on dividend to be paid to the members at the rates prescribed in the Income Tax Act, 1961.
14. The unclaimed equity dividend for the year ended 31 March, 2017 will be transferred on or before 28 October, 2024 to the 'Investor Education and Protection Fund' on expiry of 7 years from the date of transfer to the Unpaid Dividend Account, pursuant to Section 124 of the Companies Act, 2013.
15. The unclaimed physical share certificates with the Registrars and Share Transfer Agents of the Company, subsequent to the issue of various reminders, were transferred to unclaimed suspense account and dematerialized to the credit of "Power Mech Projects Limited- Unclaimed Suspense Account". The dividend accruing on the said shares would be credited to the unpaid dividend account as the dividend is to be paid to the registered holders only. The details were placed on the website of the Company <https://www.powermechprojects.com>. The concerned members are requested to approach the Registrars, KFin Technologies Ltd., (KFin) with their claim for transfer of their shares to their respective demat accounts along with the dividends, if any, in line with the rules and circulars issued by Ministry of Corporate Affairs and SEBI.
16. As per the provisions of Section 124(6) of the Act read with Rule 6 of 'Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amended Rules, 2017' ('the Rules'), all shares, in respect of which dividend has not been paid or claimed for seven consecutive years or more, will be transferred by the Company to IEPF along with statement containing such details as directed by Ministry of Corporate Affairs from time to time.
17. All shares in respect of which dividend has not been paid or claimed for seven consecutive years or more (relevant shares) up to and including the financial year 2015-16 were transferred by the Company in the name of IEPF from time to time as prescribed by the Act and rules made thereunder and the statement containing such details as may be prescribed is placed on Company's website: [www.powermechprojects.com](http://www.powermechprojects.com).
18. Members whose shareholding is in electronic mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time. To promote green initiative, members who have not registered their email addresses are requested to register the same with their DP, in case the shares are held by them in electronic form and with KFin, in case the shares are held in physical form.
19. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to



their Depository Participants in case the shares are held by them in electronic form and to KFin in case the shares are held by them in physical form.

20. Members can avail the facility of nomination in respect of securities held by them in physical form pursuant to the provision of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed form duly filled in to KFin. Members holding shares in electronic mode may contact their respective DP for availing this facility.
21. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrars and Share Transfer Agents enclosing their share certificates to enable consolidation of their shareholdings in one folio.
22. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or subsequently, in case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref.no.MRD/Dop/Cir-05/2009 dated 20 May, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details.
23. Payment of Dividend through electronic mode only for Physical Folios effective from 01 April, 2024.: SEBI, vide its circular dated 03 November, 2021 (subsequently amended by circulars dated 14 December, 2021, 16 March, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) are not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number and Bank Account Details and Signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from 01 April, 2024. You may also refer to SEBI FAQs by accessing the link: [https://www.sebi.gov.in/sebi\\_data/faqfiles/jan2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan2024/1704433843359.pdf) (FAQ No 38 & 39)

For the purpose of updation of KYC details against your folio, you are requested to send the details to our RTA, M/s. KFin Technologies Limited (Unit: Power Mech Projects Limited), Selenium Tower-B", Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana.

- a. Through hard copies which should be self-attested and dated. OR
- b. Through electronic mode, provided that they are sent through E-mail id of the holder registered with RTA and all documents should be electronically/digitally signed by the Shareholder and in case of joint holders, by first joint holder. OR

Through web-portal of our RTA KFin Technologies Limited - <https://ris.kfintech.com>

Investors can download the following forms & SEBI Circulars, which are also uploaded on the website of the company and on the website of KFin Technologies Limited: <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>

- a. Form ISR-1 duly filled in along with self attested supporting documents for updation of KYC details
  - b. Form ISR-2 duly filled in for banker attestation of signature along with Original cancelled cheque with your name(s) printed thereon or self-attested copy of bank passbook/statement
  - c. Form SH-13 for updation of Nomination for the aforesaid folio OR ISR-3 for "Opt-out of the Nomination"
24. The register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.
  25. Members at 20<sup>th</sup> AGM held on 25 September, 2019 approved the appointment of M/s. K.S.Rao & Co., Chartered Accountants as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM until the conclusion of this 25<sup>th</sup> AGM.
  26. Additional information pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on general meetings in respect of the Directors seeking appointment / re-appointment at the annual general meeting is furnished in Annexure - I and forms part of the notice. The Directors have furnished the requisite consent / declaration for their appointment / re-appointment.

27. Retirement of Directors by rotation: Mr. M Rajiv Kumar, Non-Executive Director of the Company, retires by rotation at the ensuing 25th annual general meeting and, being eligible, offers himself for re-appointment. The Board of directors recommends the re-appointment of Mr. M. Rajiv Kumar as a Director, liable to retire by rotation.
28. The Board of Directors has appointed Mr. D.S. Rao, Practicing Company Secretary (CP. 14487) as the 'Scrutinizer' to scrutinize the remote e-voting process and voting during the AGM in a fair and transparent manner. The Scrutinizer will submit her report to the Chairman of the Company or to any other person authorized by him after completion of scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting). The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges,

RTA, and will also be displayed on the Company's website, [www.powermechprojects.com](http://www.powermechprojects.com).

29. Instructions for remote e-voting and joining the AGM are as follows:

### Step 1: Access to NSDL e-Voting system

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9 December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p>

NSDL Mobile App is available on

 App Store  Google Play





Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> **with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.**

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account

with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".



3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rao\_ds7@yahoo.co.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to at evoting@nsdl.com

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back),

PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@powermech.net

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@powermech.net. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9 December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL

e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@powermech.net. The same will be replied by the company suitably.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request

from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at cs@powermech.net from 24<sup>th</sup> September, 2024 (9.00 AM, IST) to 26<sup>th</sup> September, 2024 (5.00 PM, IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.powermechprojects.com and on the website of NSDL simultaneously after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE and NSE Mumbai.

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

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

**Place: Hyderabad**  
**Date : 22 August, 2024**





## EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013 and rules made thereunder]

### **Item No.5: Ratification of remuneration payable to Cost Auditors for the financial year 2024-25:**

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have the audit of its cost records by a cost accountant in practice.

The Board, on the recommendation of the Audit Committee, at its meeting held on May 20, 2024, approved the appointment and remuneration payable to the cost auditors, M/s. MPR & Associates., Cost Accountants (Firm Reg. No: 000413), Hyderabad, to conduct the audit of the cost records of the Company for the financial year 2024-25, with a remuneration of ₹ 1,00,000/-.

M/s. M P R & Associates., Cost Accountants (Firm Reg. No: 000413), Hyderabad, have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as approved by the Audit Committee and the Board of directors, needs to be ratified by the members of the Company. Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2024-25.

None of the directors, key managerial personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

The Board recommends the Ordinary Resolution set out at Item no. 5 of the notice for approval by the members.

### **Item No.6: Payment of remuneration to Mr. M. Rajiv Kumar (DIN: 07336483), Non-Executive Director by way of consultancy fees:**

As per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2014, as amended from time to time, a listed entity is required to obtain the approval of members of the Company every year by way of Special Resolution for payment of remuneration to a single Non-Executive Director, if it exceeds 50% of the total remuneration payable to Non-Executive Directors of the Company.

The proposed remuneration to Mr. M. Rajiv Kumar (DIN: 07336483), Non-Executive Director for the FY 2024-25 by way of consultancy fees, which was recommended by the Nomination and Remuneration Committee and approved by both the Audit Committee and the Board, is exceeding the above said limits and in order to comply with the regulations, this resolution is being put forth before the members for their consent.

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

The Board of Directors concurs that taking into consideration the contribution and efforts of Mr. M. Rajiv Kumar, it is desirable to remunerate him by way of paying consultancy fees as mentioned in the resolution set out at item no.6 of the notice.

Except Mr. M. Rajiv Kumar and his relatives, none of the directors, key managerial personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

The Board recommends the Special Resolution set out at Item no. 6 of the notice for approval by the members.

### **Item No.7: Revision in remuneration payable to Mr. Rohit Sajja, President of the Company:**

Mr. Rohit Sajja has been associated with the Company for a long time and is involved in the strategic affairs and corporate planning of the Company, having developed a good understanding of the various verticals of the Company's business. With an MBA from the University of Oxford (2018), a Master's in Engineering Management from the University of Southern California (2013), and a B.Tech in Mechanical Engineering from Vellore Institute of Technology (2011), Mr. Rohit Sajja has played a pivotal role in the operation and maintenance of power plants and the mining of coal. He has implemented many processes and made the systems impeccable, significantly contributing to the development and growth of the business. The company pays remuneration to Mr. Rohit Sajja as President (Business Development) within the limits prescribed under the Companies Act, 2013.

In recognition of his contributions, suitability, and to further encourage his efforts in the best interests of the company, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and prior approval of the Audit Committee,

proposes to increase his remuneration for an amount upto ₹ 10,00,000 per month. Furthermore, the Board proposes an annual increase in his remuneration at a rate of ten percent or more, as assessed and approved by the Nomination and Remuneration Committee, in accordance with the company's Human Resource policy.

Mr. Rohit Sajja, being the son of Mr. Sajja Kishore Babu, Chairman and Managing Director, is a related party under the Companies Act, 2013. The provisions of Section 188 of the Companies Act, 2013, read with Rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014, require shareholder approval for payment of remuneration to a related party exceeding ₹ 2.50 Lakhs per month. The proposed increase in remuneration aligns with the company's remuneration policy for senior management personnel and standard practices.

The information as required in accordance with Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, as well as pursuant to Section 102 of the Act is as under:

The name of the related party	Mr. Rohit Sajja
Name of the Director or key managerial personnel who is related	Mr. Sajja Kishore Babu and Mrs. Sajja Lakshmi, Promoters and Directors of the Company
Nature of Relationship	Mr. Rohit Sajja is son of Mr.Sajja Kishore Babu and Mrs. Sajja Lakshmi, Promoters and Directors of the Company.
Profile	<p>Mr. Rohit Sajja holds an MBA from the University of Oxford (2018), a Master's in Engineering Management from the University of Southern California (2013), and a B.Tech in Mechanical Engineering from Vellore Institute of Technology (2011). His strong academic background provides a solid foundation in both business management and engineering.</p> <p>Mr. Rohit Sajja has extensive experience in strategic planning and managing various business verticals within the company. He has played a key role in the operation and maintenance of power plants and coal mining, implementing processes that have enhanced efficiency. Currently, he serves as the President of Business Development.</p>
Nature, material terms, monetary value and other particulars	<p>The salary payable to Mr. Rohit Sajja shall be for an amount upto ₹ 10,00,000 per month. Furthermore, the Board proposes an annual increase in his remuneration at a rate of ten percent or more, as assessed and approved by the Nomination and Remuneration Committee and Board, in accordance with the Company's policy in this regard.</p> <p>The terms of employment and remuneration of Mr. Rohit may be varied from time to time by the Company based on his performance evaluation, and in accordance with the Company's Remuneration Policy and/or other applicable/ relevant policies and not exceeding such limits as may be prescribed in such policies.</p> <p>The present appointment of him as President has been approved by the Audit Committee and the Board of directors of the Company as required under Section 188(1) of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.</p>
No. of shares held in the Company	9,03,413 Equity Shares (5.71%)

Except Mr. Sajja Kishore Babu and Ms. Lakshmi Sajja and their relatives, none of the directors, key managerial personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

The Board recommends the Special Resolution set out at Item no. 7 of the notice for approval by the members.

### Item No.8: Borrowing Powers and Creation of Security:

Section 180(1)(c) of the Companies Act, 2013 requires approval of the Shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid up share capital,



free reserves and securities premium account of the Company. Accordingly, the approval of shareholders was obtained by way of postal ballot dated 30 June, 2023 for an amount upto ₹ 4,000 crores.

Considering the current order book size and to meet the increased requirements of funds in future, which may arise on account of long term working capital requirement, capital expenditure or the expansion plan / program of the Company, the Company may require to raise further loans / borrowings from financial institutions, banks and others.

Accordingly, it is proposed to increase the present limit of borrowings from ₹ 4,000 Crores to ₹ 5,000 Crores. Further, to secure the said borrowings, which the Company may borrow from time to time, the Company may be required to create mortgages / charges / hypothecation in favour of the Lenders / Financial Institutions / Bodies Corporate / others, on all or any of its movable and immovable properties. In order to create aforesaid mortgages / charges / hypothecation, the consent of the Shareholders by means of Special Resolution is required under section 180(1)(a) of Companies Act, 2013.

Accordingly, the resolution 8 is proposed to obtain necessary consent of the members of the Company in term of the provision of Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013.

None of the directors, key managerial personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

The Board recommends the Special Resolution set out at Item no.8 of the notice for approval by the members.

**Item No.9: Related Party Transactions with identified subsidiaries of the Company/Joint Ventures and/ or their subsidiaries:**

Power Mech Projects Limited (“the Company” or “PMPL”), being a widely recognized provider of ETC and construction services, participates in Back-to-Back contracting works with its Group companies, unregistered joint ventures, or LLPs, where the Company becomes a related party under the Companies Act, 2013, read with Ind AS 24 (as amended from time to time).

During the course of rendering such services, the Company also leverages the niche skills, capabilities, and resources of entities within the Group. It is proposed to seek approval for related party transactions that will be transacted for FY 2024-25. All related transactions will be project-specific, based on the orders secured by the Company. The list of proposed transactions with related parties is mentioned below for the which are required the approval of approval of shareholders:

#Transactions	Kalyneswari Tasra Mining Private Limited	KBP Mining Private Limited	PMPL-BRCCPL JV	Transactions with other Joint Ventures or Associates or Subsidiaries of the Company which are considered material
Civil Contracting works	₹ 1,000 Crore	₹ 500 Crore	₹ 1,000 Crore	₹ 400 Crore
Inter corporate Loans	₹ 500 Crore	₹ 300 Crore	₹ 100 Crore	₹ 400 Crore
Others	₹ 100 Crore	₹ 50 Crore	₹ 10 Crore	₹ 100 Crore

# the aforesaid limit are in addition to the transactions approved by shareholders at any point of time.

Pursuant to the Listing Regulations, the above mentioned related party transactions require prior shareholder approval and considering the fact that the list of related parties will change dynamically with no action on the part of the Company and to facilitate seamless contracting and rendering/availing of product and services between the Company and “related parties”, the Company seeks the approval of the shareholders to approve entering into contracts/arrangements within the thresholds and conditions mentioned in the resolution. All the contracts/arrangements and the transactions with “related parties” are reviewed and approved by the Audit Committee. Further, the transactions that require testing of arm’s length pricing are certified by our Statutory Auditors for being at arm’s length.

None of the directors, key managerial personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No.9 of the notice for approval by the members.

**Item No. 10: Increase of Authorized Share Capital of the Company and amendment in the Capital Clause in the Memorandum of Association of the Company.**

The Board of Directors of the Company at their meeting held on 22 August, 2024 have recommended the issue of bonus shares subject to approval of the Shareholders in the proportion of 1:1 i.e. 1 (one) new equity share of

₹ 10/- each of the Company for every 1 (one) existing equity share of ₹ 10/- each fully paid up of the Company held by the shareholders on Record Date to be hereafter fixed by the Board / Committee of the Board or any officers authorized by the Board, by capitalization of a sum of ₹ 15,80,81,460 (Rupees Fifteen Crore Eighty Lakhs Eighty One Thousand Four Hundred and Sixty Only) from the securities premium account. The same is proposed to be applied in full by issuing at par 1,58,08,146 new equity shares of ₹ 10/- each as bonus shares. Consequently, the paid up equity share capital of the Company would increase to ₹ 31,61,62,920 (Rupees Thirty One Crore Sixty One Lakhs Sixty Two Thousand and Nine Hundred and Twenty Only) consisting of 3,16,16,292 fully paid up equity shares of ₹ 10 each.

Presently the Authorized Share Capital of the company is ₹ 26,00,00,000 (Rupees Twenty Six Crores Only) comprising of 2,60,00,000 (Two Crores Sixty Lakhs ) Equity Shares of a face value of ₹ 10/- (Rupees Ten only) each and therefore if the proposal for issue of Bonus shares is to be considered, the Authorized Capital of the company is required to be increased before consideration of Bonus issue. The resolution is therefore to increase the authorized share capital of the company from ₹ 26,00,00,000 (Rupees Twenty Six Crores Only) comprising of 2,60,00,000 (Two Crores Sixty Lakhs) Equity Shares of a face value of ₹ 10/- (Rupees Ten only) each to ₹ 35,00,00,000 (Rupees Thirty Five Crore Only) divided into 3,50,00,000 (Three Crore Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten) each by creating additional 90,00,000 (Ninety Lakhs) Equity Shares of ₹ 10/- (Rupees Ten) each.

Shareholders' attention is also invited to the fact that the existing Clause V of Memorandum of Association of the Company specify the present Authorized Share Capital of your Company. As there are proposals to increase the Authorized Share Capital from ₹ 26,00,00,000 (Rupees Twenty Six Crores Only) comprising of 2,60,00,000 (Two Crores Sixty Lakhs) Equity Shares of a face value of ₹ 10/- (Rupees Ten only) each to ₹ 35,00,00,000 (Rupees Thirty Five Crore Only) divided into 3,50,00,000 (Three Crore Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten) each by creating additional 90,00,000 (Ninety Lakhs) Equity Shares of ₹ 10/- (Rupees Ten) each in view of the foregoing, the existing Capital Clause V in the Memorandum of Association of the Company relating to Share Capital also need relevant amendment to give effect to the increase in authorized share capital of the Company.

The Board of Directors of the Company ('the Board') at their meeting held on 22 August, 2024, considered it desirable to increase the authorized share capital of the company and aforesaid amendment in Memorandum

of Association of the Company in view of proposal for issue of Bonus Shares.

The Board of Directors of the Company recommends the Ordinary Resolution in respect of Increase in Authorized Share Capital and consequent Amendment in Memorandum of Association of the Company as set out in the Item No. 10 to the notice for approval of the shareholders.

None of the directors, key managerial personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

The Board recommends the Special Resolution set out at Item no.10 of the notice for approval by the members.

### Item 11: Issue of Bonus shares

The Company is in its 25<sup>th</sup> year of business and has delivered exceptional financial performance over the years. Over the years the Company has reinvented itself many times from a pure O&M company in power sector to full services ETC power services Company and thereafter to one among the leading infrastructure-construction Companies based in Hyderabad, India with global presence and highly credited in providing spectrum of services in power and infrastructure sectors.

This achievement is a testament to the collective effort, dedication, and support of our shareholders, employees, and partners. In celebration of the company's 25<sup>th</sup> anniversary, the Board of Directors in their meeting held on 22 August, 2024 has recommended the capitalization of sum of ₹ 15,80,81,460 (Rupees Fifteen Crore Eighty Lakhs Eighty One Thousand Four Hundred and Sixty Only) out of Securities Premium Account for issue and allotment of bonus equity shares in the proportion of one new bonus equity share of ₹ 10 each for every one existing equity shares of ₹ 10 each held by the Members on the Record Date i.e. 8 October, 2024. Accordingly, 1,58,08,146 equity shares of ₹ 10 would be issued as fully paid up bonus shares to the shareholders of the Company. Consequently, the paid up equity share capital of the Company would increase to ₹ 31,61,62,920 (Rupees Thirty One Crore Sixty One Lakhs Sixty Two Thousand and Nine Hundred and Twenty Only) consisting of 3,16,16,292 fully paid up equity shares of ₹ 10 each.

The bonus issue is intended to commemorate this significant milestone and strengthen our capital base, enabling us to enhance financial stability and support future growth.

The new equity shares of ₹ 10 each to be issued and allotted as bonus shares shall be subject to the provisions of the Memorandum & Articles of Association of the



Company and shall rank pari passu in all respects and carry the same rights as the existing fully paid equity shares of the Company.

The allotment of shares in bonus issue shall be made only in dematerialized form and thus, in case of Members who hold equity shares in dematerialized form, the bonus equity shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participant(s) and in the case of Members who hold equity shares in physical form, the bonus equity shares shall be transferred to the Demat Suspense Account as per the SEBI Regulations and on receiving the details of demat account from the shareholders, such Bonus Shares shall be credited to the concerned demat account of the shareholders, as per SEBI Regulations.

The proposed issue of bonus shares will be in line with the provisions of Section 63 of the Companies Act, 2013, rules made thereunder, guidelines issued by Securities & Exchange Board of India (SEBI) and subject to the approvals, if required, from the statutory authorities. The applications will be made to the

respective Stock Exchanges for permission to list and deal in such bonus shares. Article 89 of the Articles of Association of the Company permits capitalization of Securities Premium Account by applying the same towards payment of unissued shares to be allotted to the Members.

The Board of Directors accordingly recommends the passing of the proposed Ordinary Resolution as contained in Item No. 11 of the Notice.

None of the Directors/Key Managerial Personnel or their respective relatives are interested in the said Resolution except to the extent that they would be entitled for bonus shares in relation to their respective holding of equity shares in the Company.

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

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

**Place: Hyderabad**  
**Date : 22 August, 2024**

## Annexure-1

### Details of Directors seeking appointment /re-appointment at the forthcoming Annual General Meeting

(Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2)

<b>Name of the Director</b>	Mr. M. Rajiv Kumar
Date of Birth and Age	20-11-1953; Age: 70 years
Qualification and Experience	<p>Mr. M. Rajiv Kumar is a graduate in Electrical Engineering and spent his entire career of 38 years in BHEL and by his sheer hard work and acumen, he rose to the level of Executive Director, Eastern Region.</p> <p>During his career, he initiated, planned, executed and commissioned many power projects and today they stand testimony of his leadership quality and feeding power to the nation. He has strong project management skills, is exceptionally good at team building, easily adaptable and flexible towards project needs and possesses superior inter-personal &amp; time management skills. Gifted with good foresight, he holds impeccable record for identifying right person for right jobs, mentoring and motivating the entire team under him.</p>
Date of first appointment on the Board	14-11-2015
Relationship between Directors inter se [(As per Section 2(77) of the Companies Act, 2013 and Rule 4 of Companies (Specification of Definition Rules, 2014)]	Mr. M. Rajiv Kumar is not related to any director on the Board of the Company.
Last Remuneration drawn (₹ In lakhs)	₹ 3.80 Lakhs per month
Name(s) of other companies in which directorships held	Nil
Listed entities from which resigned in the past three years	Nil
Name(s) of other Companies in which Committee Membership(s) / Chairmanship(s) held	Nil
No. of shares (as on March 31, 2024) of ₹ 1/- each held by	
(i) The Director	Nil
(ii) His/ her relatives	
<b>Total</b>	
No. of Board Meetings attended during the year	He attended 5 Meetings of 6 Board Meetings held during the year.



## DIRECTORS' REPORT

### Dear Members,

The Board of Directors hereby presents the 25<sup>th</sup> Annual Report report of the business and operation of your Company along with the audited financial statements (both standalone and consolidated) for the financial year ended 31<sup>st</sup> March, 2024.

### Financial Highlights

The financial highlights of the Company are as follows:

(₹ in Lakhs)

Sl. No.	PARTICULARS	STANDALONE		CONSOLIDATED	
		CURRENT YEAR FY 23-24	PREVIOUS YEAR FY 22-23	CURRENT YEAR FY 23-24	PREVIOUS YEAR FY 22-23
1	Revenue from Operations	4059	3532	4206	3601
2	Other income	28	13	28	17
3	Total Income	4087	3545	4234	3618
4	Expenditure	3585	3135	3710	3197
5	Profit before interest, depreciation and tax	502	410	524	421
6	Depreciation	41	41	44	43
7	Interest and Finance Charges	91	87	94	90
8	Share of Profit from JV and Associates	-	-	(4)	(8)
9	Profit before tax	370	282	382	280
10	Provision for taxes (including DTL)	129	73	134	73
11	Profit after tax	241	209	248	207
12	Profit attributable to equity holders of the parent before OCI	241	209	248	207
13	Other Comprehensive Income	(2)	1	-26	1
14	Total Comprehensive Income	239	210	222	208
15	Profits attributable to equity holders of parent after OCI	239	210	221	209
16	Dividend for the year	2.98	2.21	2.98	2.21
17	Reserves (Excluding Revaluation Reserve)	1791	1212	1822	1260
18	EPS (₹) on face value of ₹ 10/- each	157.28	141.38	162.13	141.26
19	Book Value (₹) on face value of ₹ 10/- each share	1143	823	1163	855

### Review of Operations:

Your Company has achieved operational turnover of ₹ 4059.46 Cr and Profit of ₹ 240.64 Cr during the FY 2023-24 as against previous year operational turnover of ₹ 3532.00 Cr and Profit of ₹ 209.00 Cr respectively.

Further, your Company has achieved consolidated operational turnover of ₹ 4059.40 Cr and profit of ₹ 240.60 Cr for the FY 2022-23 as against previous year operational turnover of ₹ 3601.00 Cr and profit of ₹ 207.00 Cr respectively.

## Dividend

The Board of Directors of your Company in its meeting held on May 20, 2024, recommended a dividend @ 20% (₹ 2/- per equity share of ₹ 10/- each) for the financial year 2023-24 after having considered ongoing and imminent commitments, subject to shareholders' approval at the ensuing annual general meeting (AGM) and shall be subject to deduction of income tax at source.

### Dividend Distribution Policy

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended, the Dividend Distribution Policy duly approved by the Board is available on the website of the Company and can be accessed at <https://www.powermechprojects.com>

## Allotment of Equity Shares

### Power Mech Projects Limited—Qualified Institutional Placement

During the financial year 2023-24, the Company allotted 9,01,789 equity shares of ₹ 10/- each to 23 qualified institutional buyers through a Qualified Institutional Placement (QIP). This allotment, approved by the shareholders in the 24<sup>th</sup> Annual General Meeting (AGM), took place on 23 October 2023.

## Share Capital

Subsequent to the allotment of equity shares pursuant to QIP, the paid-up equity share capital of the Company stood at ₹ 15,80,81,460 crore comprising of 1,58,08,146 equity shares of ₹ 10/- each w.e.f 23 October, 2023.

### Bonus Issue

Your Directors have recommended the issuance of bonus shares to the existing shareholders by capitalizing the reserves, in a 1:1 ratio.

### Reserves

No amounts were proposed to be transferred to Reserves for the period under review.

### Fixed Deposits

The Company has not accepted any deposits from Public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of balance sheet.

## Listing of Equity Shares

The securities of the Company are listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Further, the Company has no equity shares carrying differential rights.

The Company has paid Listing Fees for the Financial Year 2024-25, to each of the Stock Exchanges, where its equity shares are listed.

## Subsidiaries, Associates and Joint Venture Companies

As on 31 March, 2024 your Company has 16 (sixteen) subsidiaries, i.e Hydro Magus Private Limited, Power Mech Industri Private Limited, Power Mech BSCPL Consortium Private Limited, Power Mech SSA Structures Private Limited, Aashm Avenues Private Limited, KBP Mining Private Limited, Energy Advisory and Consulting Services Private Limited, Power Mech Projects LLC (Oman) Power Mech Projects BR FZE (Nigeria) and Kalyaneswari Tasra Mining Private Limited, PMTS Private Limited, Power Mech Environmental Protection Private Limited, Vidyavasini Mining Works LLP, Velocity Mining Works LLP, Vanshika Mining Works LLP and Kailash River Bed Minerals LLP.

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

Further, the Company has one associate, MAS Power Mech Arabia.

Consolidated financial statements have been prepared by the Company in accordance with the requirements of Indian Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and as per the provisions of the Act.

Pursuant to the provisions of Section 129(3) of the Act and Rule 8(1) of Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's subsidiaries, in **Form AOC-1**, is attached as **Annexure-1** to this report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, including the consolidated financial statements, along with the relevant documents and the separate audited financial statements in respect of subsidiaries are made available on the website of the Company.

Further, the Company's policy on determining the material subsidiaries, as approved by the Board is uploaded on the Company's website at <https://www.powermechprojects.com>.

### i) SUBSIDIARIES

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





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

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

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

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

KBP Mining Private Limited: A Subsidiary Company of Power Mech, incorporated in exploring, design & engineering, developing, operating and working on mines.

Kalyaneswari Tasra Mining Private Limited: A Subsidiary Company of Power Mech, incorporated in exploring, design & engineering, developing, operating and working at Tasra Open cast mine located in the sate of Jharkhand.

Energy Advisory and Consulting Services Private Limited: A Wholly owned subsidiary of Power Mech, incorporated for providing consulting services to various energy advisory generation Companies, Power Plants, Power Transmitters.

Power Mech Environmental Protection Private Limited: A Wholly-owned subsidiary of Power Mech, was incorporated to carry on the business providing engineering, technical and consultancy services to power plants and other industrial plants.

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

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

PMTS Private Limited: A wholly Owned Subsidiary Company of Power Mech, incorporated in exploring, development of Software.

Kailash River Bed Minerals LLP: A limited liability partnership incorporated to execute contact awarded from Uttarakhand Minerals and Mines Development authority.

Vidyavasini Mining Works LLP, Velocity Mining Works LLP and Vanshika Mining Works LLP are incorporated to execute the sand mining in the state of Madhya Pradesh.

## ii) JOINT VENTURES

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

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

## iii) ASSOCIATES

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

## Consolidated Financial Statements (CFS)

During the year, the Board of Directors reviewed the affairs of its subsidiaries. Your Company has prepared its consolidated financial statements in accordance with the requirements of Indian Accounting Standards issued by the Institute of Chartered Accountants of

India (ICAI) and as per the provisions of Section 129(3) of the Companies Act, 2013. The Consolidated Financial Statements together with the Auditors' Report form part of this Annual Report.

In accordance with Section 136 of the Companies Act, 2013, the financial statements of the Company, including the consolidated financial statements, and all other documents required to be attached to this report are available for inspection by the members at the registered office of the Company during the business hours on all days, except Saturdays, Sundays and public holidays, up to the date of the Annual General Meeting ('AGM'). Any member desirous of obtaining a copy of the said financial statements may write a mail to the Company. The above-mentioned documents have also been uploaded on the website of the Company.

### Annual Return

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31, 2024 is made available on the Company's website at <https://www.powermechprojects.com>

### Management Discussion and Analysis

The Management Discussion and Analysis (MDA) for the year under review as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 ("the Listing Regulations") forms part of this Annual Report.

### Changes In Directors and Key Managerial Personnel (KMP):

During the year under review,

Sr. No.	Name of the Director/KMP	Appointment/Cessation/Reappointment	Details of Appointment/Cessation/Reappointment
1.	Mrs. Lakshmi Sajja	Re-appointment	Re-appointed as a director at 24 <sup>th</sup> AGM held on 28 <sup>th</sup> September, 2023 upon rotation basis in accordance with the provisions of Section 152 Companies Act, 2013.
2.	Mr. Jayaram Prasad Chalasani	Appointment	Appointed as an additional director under the category of independent director vide board resolution dated 26 <sup>th</sup> July, 2023 and same has been approved by the shareholders at 24 <sup>th</sup> AGM held on 28 <sup>th</sup> September, 2023.
3.	Mr. Thiagarajan Sankaralingam	Cessation	Ceased to be the director of the Company w.e.f. 21 <sup>st</sup> May, 2023.
4.	Mr. Gorijala Durga Varaprasada Rao	Cessation	Ceased to be the director of the Company w.e.f. 26 <sup>th</sup> July, 2023.
5.	Mr. J. Satish	Resignation	Resigned as Chief Financial Officer of the Company w.e.f. 30 <sup>th</sup> December, 2023.
6.	Mr. Nani Aravind Nallamothu	Appointment	Appointed as Chief Financial Officer of the Company w.e.f. 1 <sup>st</sup> January, 2024.

### Business Responsibility and Sustainability Report

The Business and Responsibility Sustainability Report (BRSR) as stipulated under Regulation 34(2)(f) of the Listing Regulations is applicable to your Company for FY 2023-24 and the same is provided as separate section to this Annual Report which indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct'. This would enable the members to have an insight into environmental, social and governance initiatives of the Company.

### Corporate Governance

A separate report on Corporate Governance as required under the Listing Regulations is provided as separate section to this Annual Report.

### Outlook and Future Plans

"Management Discussion and Analysis" contains a section on the Company's outlook and future plans and members may please refer the same on this.

### Directors

The Board of directors of the Company has an optimum combination of Executive (1) Non-Executive (2) and Independent Directors (3) including one woman Independent Director.



### Directors Retiring by Rotation

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

### Directors' Responsibility Statement

Pursuant to the requirements under Section 134, sub-section 3(c) and sub-section 5 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state and confirm that:

- i. in the preparation of the annual accounts, the applicable Accounting Standards have been followed, along with proper explanation relating to material departures;
- ii. such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as on March 31, 2024, and of the Company's profit or loss for the year ended on that date;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Declarations of Independent Directors

All independent directors of the Company have given declaration that they meet the criteria of independence as provided in sub-section (6) of section 149 of the Act. The Company also received a declaration of compliance of sub-rule (1) and sub-rule (2) of the Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

### Policy on Directors' Appointment and Remuneration and Other Details

Pursuant to the provisions of the Act and the Listing Regulations, the Nomination and Remuneration committee identifies persons who are qualified to become directors in accordance with the criteria laid down and recommend to the Board for their appointment and removal.

The Company adopted a policy relating to the remuneration for Directors and Key Managerial Personnel. This Policy covers the remuneration and other terms of employment for the Company's Executive Team. The remuneration policy for members of the Board and for management, aims at improving the performance and enhancing the value of the Company by motivating and retaining them and to attract the right persons to the right jobs in the Company. The object of this Remuneration Policy is to make your Company a desirable workplace for competent employees and thereby secure competitiveness, future development and acceptable profitability. In order to achieve this, it is imperative that the Company is in a position to offer competitive remuneration in all its operational locations.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act is made available on <https://www.powermechprojects.com>.

### Policy For Selection of Directors and Determining Directors' Independence

The Nomination and Remuneration committee (NRC) shall assess the independence of directors at the time of appointment, re-appointment and the Board shall assess the same annually based on the criteria provided by NRC. The Board shall re-assess determination of independence when any new interests or relationships are disclosed by a Director.

The criteria of independence is as prescribed in the Act and the Listing Regulations and the independent directors shall abide by the Code specified for them in Schedule IV of the Act.

### Number of Meetings of the Board

The Board of Directors of the Company duly met 6 (six) times during the financial year. The intervening gap between any two consecutive Board Meetings was within the period prescribed under the provisions of the Companies Act, 2013.

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

## Committees of the Board

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

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

Name of the Committee	Composition of the Committee	Remarks
Audit Committee	Mr. Jayaram Prasad Chalasani, Chairman Mr. M Rajiv Kumar, Member Ms. Lasya Yerramneni, Member	The Audit committee of the Board of directors was constituted in conformity with the requirements of Section 177 of the Act and regulation 18 of the Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above.  All recommendations made by the Audit committee during the year were accepted by the Board.
Nomination and Remuneration Committee	Mr. Vivek Paranjpe, Chairman Mr. Jayaram Prasad Chalasani, Member Ms. Lasya Yerramneni, Member	The Nomination and Remuneration committee of the Board of directors was constituted in conformity with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above.
Corporate Social Responsibility Committee	Mr. Sajja Kishore Babu, Chairman Mrs. Lakshmi Sajja, Member Ms. Lasya Yerramneni, Member	The Corporate Social Responsibility committee of the Board of directors was constituted in conformity with the requirements of Section 135 of the Act.  The Committee monitored the implementation of the CSR Policy from time to time.
Stakeholders' Relationship Committee	Mr. M Rajiv Kumar, Chairman Mr. Sajja Lakshmi, Member Ms. Lasya Yerramneni, Member	The Stakeholders' Relationship committee of the Board of directors was constituted in conformity with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above.
Risk Management Committee	Mr. Jayaram Prasad Chalasani, Chairman Mr. M Rajiv Kumar, Member Mr. Sajja Kishore Babu, Member	The Risk Management committee of the Board of directors was constituted in conformity with the requirements of Regulation 21 of the Listing Regulations with its role as stipulated in the Listing Regulations.
Investment Committee	Mr. Jayaram Prasad Chalasani, Chairman Mr. M Rajiv Kumar, Member Ms. Lasya Yerramneni, Member	The Investment Committee of the Board of directors were constituted pursuant to the respective resolutions passed by the Board of directors in line with the proviso under Section 179(3) of the Companies Act, 2013.

A detailed note on the Board and its mandatory Committees is provided in the Corporate Governance Report.

## Particulars of Contracts or Arrangements with Related Parties

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, are enclosed as **Annexure-2** to this report.



The policy on materiality of related party transactions and also on dealing with the related party transactions as approved by the Audit committee and the Board of directors was placed on the website of the Company at <https://www.powermechprojects.com>.

### Particulars of Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013

The particulars required under Section 186 of the Companies Act, 2013, have been disclosed in the notes to the Financial Statements. These details are included in the Annual Report, which is available for review.

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

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, with respect to Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgo are provided in **Annexure-3** to this Report.

### Risk Management Policy

The Board formulated and implemented Risk Management Policy for the Company which identifies various elements of risks which in its opinion may threaten the existence of the Company and measures to contain and mitigate risks. The Company has adequate internal control systems and procedures to combat the risk. The Risk Management procedures are reviewed by the Audit committee and the Board on periodical basis.

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Regulation 21 of the Listing Regulations and the same is also made available on the Company website of the Company at: <https://www.powermechprojects.com>.

### Corporate Social Responsibility (CSR)

The annual report on CSR activities, in terms of Section 135 of the Act, and the details about the policy developed and implemented by the company on CSR initiatives taken during the year are enclosed as **Annexure-4** to this report. A detailed policy on CSR is placed on the Company's website under the web link: <https://www.powermechprojects.com>

### Board Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out annual performance evaluation of its own, the individual directors as well as the mandatory committees of the Board. A structured set of criteria was adopted after taking into consideration the inputs received from the directors, covering various aspects of the Board's functioning such as adequacy

of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. Evaluation of the Board members is conducted on an annual basis by the Board, Nomination and Remuneration committee and Independent Directors with specific focus on the performance and effective functioning of the Board and individual directors.

The Nomination and Remuneration committee had specified criteria for performance evaluation of Directors, Committees and Board as a whole and recommended the same to the Board for evaluation.

### Criteria for Performance Evaluation

- Ability of the candidate to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making.
- Adherence to the Code of Conduct in letter and in spirit by the Independent Directors.
- Bringing objectivity and independence of view to the Board's discussions in relation to the Company's strategy, performance, and risk management.
- Statutory compliance and ensuring high standards of financial probity and Corporate Governance.
- Responsibility towards requirements under the Companies Act, 2013, responsibilities of the Board and accountability under the Director's Responsibility Statement.

### Familiarization Programme for Independent Directors

The Independent Directors attend a Familiarization / Orientation Program on being inducted into the Board. Further, various other programmes are conducted for the benefit of Independent Directors to provide periodical updates on regulatory front, industry developments and any other significant matters of importance. The Company issues a formal letter of appointment to the Independent Directors, outlining their role, function, duties and responsibilities, the format of which is available on the Company's Website.

The details of training and familiarization program are available on the website at <https://www.powermechprojects.com>

### Details in respect of adequacy of internal financial controls with reference to the Financial Statements

Your Company has established and maintained a framework of internal financial controls and compliance systems. Based on the framework of internal financial

controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and your Company is constantly endeavoring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate and effective with the nature of its business.

Further, the statutory auditors of your Company have also issued an attestation report on internal control over financial reporting (as defined in section 143 of Companies Act, 2013) for the financial year ended March 31, 2024, which forms part to the Statutory Auditor's Report.

### Vigil Mechanism

The Board of Directors, on the recommendation of the Audit Committee, established a vigil mechanism for directors and employees called "Whistle Blower Policy", pursuant to the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy and to provide adequate safeguards against victimization of persons who use such mechanism and to provide direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

The Whistle Blower Policy is posted under the Investors section of the Company's website at: <https://www.powermechprojects.com>.

### Fraud Reporting

During the Financial Year under review, the Statutory Auditors have not reported any incident of fraud to the Board of Directors of the Company, pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

### Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has zero tolerance towards sexual harassment at the workplace has adopted a policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has taken several initiatives across

the organization to build awareness amongst employees about the Policy and the provisions of the Prevention of Sexual Harassment of Women at Workplace Act. The details of sexual harassment complaints as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules thereunder are as follows:

No. of Complaints Received	:	Nil
No. of Complaints disposed off	:	NA

Further, during the year under review, the Company has complied with the provisions related to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### Code of Conduct for prevention of insider trading

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while in possession of Unpublished Price Sensitive Information and while dealing in the shares of the Company, as well as the consequences of violations. The Policy has been formulated to regulate, monitor and ensure reporting of trading by insiders by employees and to maintain the highest ethical standards while dealing in the company's securities.

The Insider Trading Policy of the Company, covering the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for prevention of insider trading is available on our website - <https://www.powermechprojects.com>

### Transfer of amounts to investor education and protection fund

During the year under review, pursuant to the provisions of Section 124 (5) of the Act, an amount of ₹ 34,379/- relating to FY 2015-16, which remained unclaimed for a period of 7 years was transferred to the Investor Education and Protection Fund by the Company.

Further, the unclaimed share application money of ₹ 10,75,200 pertaining to Initial Public offer of shares of the Company were not claimed for a period of 7 years was transferred to the Investor Education and Protection Fund by the Company.

### Transfer of unclaimed shares to investor education and protection fund authority

During the year under review, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more (relevant shares) up to and including the financial year 2015-16 were transferred



by the Company in the name of IEPF from time to time and the statement containing such details as prescribed is placed on the Company's website at <https://www.powermechprojects.com>.

### Statutory Auditors & Auditor's Report

The appointment of M/s K.S. Rao & Co., Chartered Accountants is expiring at ensuing annual general Meeting and Board of Directors are resolved not to reappoint for another term of Five years, even the firm is eligible to reappoint.

Upon recommendation by the Audit Committee, the Board of Directors of the Company, at its Meeting held on 12<sup>th</sup> August, 2024 has recommended for approval of the Shareholders at the ensuing 25<sup>th</sup> (Twenty Fifth) AGM of the Company, the appointment of M/s. Brahmayya & Co, Chartered Accountants (Firm Registration No. 000513S issued by the Institute of Chartered Accountants of India), as the "Statutory Auditors" of the Company, for a term of 5 (Five) Years, to hold office from the conclusion of the 25<sup>th</sup> (Twenty Fifth) AGM till the conclusion of the 30<sup>th</sup> (Thirtieth) AGM.

There are no qualifications, reservations or adverse remarks made by M/s. K.S. Rao & Co., Chartered Accountants, Statutory Auditors, in their report for the financial year ended 31 March, 2024.

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

### Maintenance of Cost Records

During the year under review, Section 148(1) of the Act is applicable to your Company and accordingly such accounts and records are made and maintained by the Company as specified in the Act..

### Cost Audit

The Board of directors, based on the recommendations of the audit committee, appointed M/s. M P R & Associates, Cost Accountants, Hyderabad, as Cost Auditors for conducting the audit of cost records of the Company for FY 2023-24. The same was ratified by the members at the 24<sup>th</sup> AGM held on September 28, 2023.

Further, the Board of directors based on the recommendations of the audit committee, appointed M/s. M P R & Associates, Cost Accountants, as Cost Auditors for conducting the audit of cost records of the Company for FY 2024-25, subject to ratification of remuneration payable to them for the financial year 2024-25 by the members at the ensuing AGM.

### Secretarial Auditors And Audit Report

During the year under review, the Company has complied with the provisions of Section 204 of the Act and Regulation 24A of the Listing Regulations.

The Secretarial Audit Report for the financial year ended March 31, 2024, issued by Mr. P.S. Rao and Associates, Practicing Company Secretaries, is enclosed as **Annexure-5** to this Report and it does not contain any reservation, qualification or adverse remarks.

Further, the Board has appointed Mr. D.S. Rao (ACS no. 12394/CP no. 14487), Practicing Company Secretary, as Secretarial Auditors to conduct secretarial audit pursuant to the recommendations of the Audit committee for the FY 2024-25.

### Internal Auditors

The Board has appointed an internal team as internal auditors of the company.

### Particulars of Employees and Related Disclosures

The remuneration paid to your directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) in respect of directors/employees of the Company is enclosed as **Annexure-6** to this Report.

### Insurance

All the properties of the Company including buildings, plant and machinery and stocks have been adequately insured.

### Industrial Relations

Industrial relations have remained cordial during the year under review, and your directors appreciate the sincere and efficient services rendered by the employees of the Company at all levels, contributing to the successful operations of the Company.

### Green Initiatives

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of 25<sup>th</sup> Annual General Meeting of the Company including the Annual Report for FY 2023-24 are being sent to all members whose e-mail addresses are registered with the Company / Depository Participant(s).

## Compliance with Secretarial Standards

During the year under review, the Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings (i.e., SS-1), General Meetings (i.e., SS-2) and on Dividend (i.e., SS-3).

## General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the financial year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
3. No material changes and commitments in the business operations of the Company from the financial year ended March 31, 2024, to the date of the signing of the Directors' Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries; and
5. There is no change in the nature of the business of the Company.
6. During the year under review, no application was made, nor is any proceeding pending, under the Insolvency and Bankruptcy Code, 2016.

7. During the year under review, the Company hasn't opted for one time settlement with any Bank or Financial Institution.
8. The details of forex earnings are disclosed in notes to the financial statements.

## Acknowledgments

Your directors thank various departments of Central and State Government, Organizations and Agencies for the continued help and co-operation extended by them to your Company. Your directors also gratefully acknowledge all stakeholders of the Company viz. shareholders, customers, dealers, suppliers, vendors, financial institutions, banks, other intermediaries and business partners for the excellent support received from them during the year.

Your directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

## For and on behalf of the Board

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

**Place : Hyderabad**  
**Date : 22 August, 2024**





**Part "B": Associates and Joint Ventures**  
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Sl. No	Name of associates/ Joint Ventures	M/S POWER MECH-M/S ACPL JV	PM-Khilar	PMPL-STS-JV	PMPL-SRC INFRA JV (Mizoram)	PMPL-SRC INFRA JV (Hassan)	BRCCL JV	KVRECL JV	PMPL PIA JV	POWER MECH- TAKISHA JV	RITES-PMPL JV
1	Latest audited Balance Sheet Date	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024
2	Date on which the Associate or Joint Venture was associated or acquired	23.04.2018	31.07.2018	25.10.2018	04.01.2020	15.02.2020	22.10.2020	29.07.2020	17.11.2021	21.10.2022	20.10.2022
3	Shares of Associate/Joint Ventures held by the company on the year end	-	-	-	-	-	-	-	-	-	-
(i)	Total No. of Shares	-	-	-	-	-	-	-	-	-	-
(ii)	Amount of Investment in Associates/Joint Venture	-	-	-	-	-	-	-	-	-	-
(iii)	Extend of Holding%	80%	75%	74%	74%	60%	70%	82%	79%	66%	51%
4	Description of how there is significant influence	Associate/Joint Ventures owns 80% of the Voting power of the company.	Associate/Joint Ventures owns 75% of the Voting power of the company.	Associate/Joint Ventures owns 74% of the Voting power of the company.	Associate/Joint Ventures owns 74% of the Voting power of the company.	Associate/Joint Ventures owns 60% of the Voting power of the company.	Associate/Joint Ventures owns 70% of the Voting power of the company.	Associate/Joint Ventures owns 82% of the Voting power of the company.	Associate/Joint Ventures owns 79% of the Voting power of the company.	Associate/Joint Ventures owns 66% of the Voting power of the company.	Associate/Joint Ventures owns 51% of the Voting power of the company.
5	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Net worth Attributable to shareholding as per latest audited Balance Sheet	1.54	0.52	0.80	6.43	-	-	-	-	-	-
7	Profit/Loss for the year	0.12	0.02	(0.14)	0.66	-	-	-	-	-	-
(i)	Considered in Consolidation	0.09	0.02	(0.10)	0.49	-	-	-	-	-	-
(ii)	Not Considered in Consolidation	0.02	(0.00)	(0.04)	0.17	-	-	-	-	-	-

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

**Note: Conversion Rate taken at NGN = INR 0.06 as on 31.03.2024**

**Note: Conversion Rate taken at SAR = INR 22.23 as on 31.03.2024**

**Note: Conversion Rate taken at AED = INR 22.69 as on 31.03.2024**

**Note: Conversion Rate taken at OMR = INR 216.49 as on 31.03.2024**

**Note: Conversion Rate taken at QAR = INR 22.90 as on 31.03.2024**

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

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

**Place: Hyderabad  
Date: 20 May, 2024**

## Annexure-2

### FORM NO. AOC-2

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

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

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

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

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

SI No.	Particulars	Nature of contract/ Arrangements/ Transactions	Duration of the contracts/ arrangements/ transaction	Amount paid during the year FY 23-24 (In ₹)	₹ in Cr's
1	S. Kishore Babu	Lease Rents paid	on going	36,14,488	0.36
2	S. Lakshmi	Lease Rents paid	on going	11,88,684	0.12
3	S. Vignata	Lease Rents paid	on going	12,39,300	0.12
4	Power Mech Infra Limited	Lease Rents paid	on going	2,02,17,413	2.02
5	Power Mech foundation	Lease Rents paid	on going	1,14,386	0.01
6	S. Kishore Babu	Remuneration Paid	on going	20,08,59,362	20.09
7	S. Rohit	Remuneration Paid	on going	29,86,161	0.30
8	Power Mech Industri Private Limited	Stores Material Purchased from	on going	5,39,818	0.05
9	Power Mech Projects (BR) FZE	Stores Material Purchased from	on going	1,25,36,200	1.25
10	Nekkanti Sri sidartha	Receipts from Sale of assets	on going	2,30,222	0.02
11	Kalyaneswari Tasra Mining Pvt Ltd	Receipts from Sale of assets	on going	16,93,309	0.17
12	Kalyaneswari Tasra Mining Private Limited.	Receipts from Commission on Corporate Guarantee	on going	75,88,386	0.76
13	KBP Mining Private Limited	Receipts from Commission on Corporate Guarantee	on going	1,28,19,000	1.28

SI No.	Particulars	Nature of contract/ Arrangements/ Transactions	Duration of the contracts/ arrangements/ transaction	Amount paid during the year FY 23-24 (In ₹)	₹ in Cr's
14	M/s. Power Mech - M/s. ACPL JV	Contract receipts from sale of services	on going	19,21,50,921	19.22
15	Power Mech-STS-JV	Contract receipts from sale of services	on going	1,85,41,426	1.85
16	Power Mech-Khilari Consortium JV	Contract receipts from sale of services	on going	3,70,61,311	3.71
17	PMPLSRC INFRA JV - (Mizoram)	Contract receipts from sale of services	on going	1,05,77,76,841	105.78
18	PMPL SRC INFRA JV (Hassan NH -75)	Contract receipts from sale of services	on going	50,42,25,816	50.42
19	PMPL - PIA JV	Contract receipts from sale of services	on going	47,36,39,786	47.36
20	PMPL KVRECPL Consortium JV	Contract receipts from sale of services	on going	93,04,980	0.93
21	PMPL-BRCC INFRA JV	Contract receipts from sale of services	on going	8,68,34,82,356	868.35
22	RITES-PMPL JV	Contract receipts from sale of services	on going	95,58,35,397	95.58
23	RITES SCPL-PMPL JV	Contract receipts from sale of services	on going	48,36,853	0.48
24	PMPL-TAIKISHAN JV	Contract receipts from sale of services	on going	87,88,45,404	87.88
25	KALYANESWARI TASRA MINING PVT LTD	Contract receipts from sale of services	on going	8,46,85,895	8.47
26	VINDYAVASINI MINING WORKS LLP	Contract receipts from sale of services	on going	45,68,263	0.46
27	Power Mech Projects (BR) FZE	Contract receipts from sale of services	on going	7,92,45,927	7.92
28	MAS Power Mech Arabia	Contract receipts from sale of services	on going	58,96,198	0.59
29	Power Mech foundation	Donations paid	on going	2,23,74,512	2.24
30	Power mech industri	Loans Given	on going	28,05,00,117	28.05
31	Power Mech SSA Structures Private Limited	Loans Given	on going	79,800	0.01
32	KBP Mining Private Limited	Loans Given	on going	10,47,08,390	10.47
33	Kalyaneswari Tasra Mining Private Limited.	Loans Given	on going	28,57,64,472	28.58
34	Vindyavasini Mining Works LLP	Loans Given	on going	42,16,65,187	42.17
35	Vanshika Mining Works LLP	Loans Given	on going	32,79,71,278	32.80
36	Kailash River Bed Minerals LLP	Loans Given	on going	18,05,24,267	18.05
37	Velocity Mining Works LLP	Loans Given	on going	22,41,13,680	22.41
38	PMTS Private Limited	Loans Given	on going	22,942	0.00
39	Power Mech LLC (Qatar)	Loans Given	on going	1,81,27,880	1.81
40	Power Mech Industri Private Limited	Loan repaid	on going	32,63,40,284	32.63

The details of the other related party transactions and those entered in earlier years are disclosed in Note no 41 of the Financial Statements

## 2. Related Party Disclosure as per Schedule V of SEBI (LODR) Regulations, 2015

### a. Loans and advances in the nature of loans to subsidiaries by name and amount

S. No	Name of the Subsidiary	Loans / Advances/ Investments	Amounts at the year ended 2023 - 24	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2023 - 24
i	Power Mech Industri Private Limited	Loan	27.13	35.17
ii	Power Mech SSA Structures Private Limited	Loan	2.22	2.24
iii	KBP Mining Private Limited	Loan	18.60	18.60
iv	Kalyaneswari Tasra Mining Private Limited	Loan	28.58	28.58
v	Vindyavasini Mining Works LLP	Loan	42.17	42.17
vi	Vanshika Mining Works LLP	Loan	32.80	32.80
vii	Kailash River Bed Minerals LLP	Loan	18.05	18.05
viii	Velocity Mining Works LLP	Loan	22.41	22.41
ix	PMTS Private Limited	Loan	0.00	0.00
x	Hydro Magus Private Limited	Investment	2.94	2.94
xi	Power Mech Industri Private Limited	Investment	4.31	4.31
xii	Power Mech Projects Limited LLC	Investment	3.02	3.02
xiii	Power Mech BSCPL Consortium Private Limited	Investment	0.01	0.01
xiv	Power Mech SSA Structures Private Limited	Investment	0.10	0.10
xv	Aashm Avenues Private Limited	Investment	0.10	0.10
xvi	Power Mech Environmental Protection Private Limited	Investment	0.01	0.01
xvii	Energy Advisory and Consulting Services Private Limited.	Investment	0.01	0.01
xviii	KBP Mining Private Limited	Investment	0.01	0.01
xix	Kalyaneswari Tasra Mining Private Limited.	Investment	0.01	0.01
xx	Kailash River Bed Minerals LLP.	Investment	0.01	0.01
xxi	PMTS Private Limited.	Investment	0.01	0.01
xxii	Power Mech Projects (BR) FZE	Investment	0.69	0.69
xxiii	KBP Mining Private Limited.	Debentures	0.01	0.01

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

S. No	Name of the Subsidiary	Loans / Advances/ Investments	Amounts at the year ended 2023 - 24	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2023 - 24
i	GTA Power Mech Nigeria Limited	Investment	0.32	0.32
ii	GTA Power Mech DMCC	Investment	0.09	0.09
iii	MAS Power Mech Arabia	Investment	2.26	2.26
iv	Power Mech LLC Qatar	Investment	0.12	0.12
v	GTA Power Mech FZE	Loan	0.70	0.70
vi	Power Mech LLC (Qatar)	Loan	1.81	1.81

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

S. No	Name of the Subsidiary	-	Amounts at the year ended 2023 - 24	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2023 - 24
-	NIL	-	-	-

**d. Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan**

S. No	Name of the Subsidiary	-	Amounts at the year ended 2023 - 24	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2023 - 24
-	NIL	-	-	-

For and on behalf of the Board of Directors of

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

Place: Hyderabad  
Date: 20.05.2024



## Annexure-3

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

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

#### A) CONSERVATION OF ENERGY

- (i) Steps taken for conservation of energy: Energy conservation signifies how effectively and efficiently the company is managing its operations. The Company has undertaken various energy efficient practices and strengthened the Company's commitment towards becoming an environment friendly organization. The Company cautiously utilizes power and fuel to reduce the cost of maintenance.
- (ii) Steps taken by the company for utilizing alternate sources of energy: NA
- (iii) Capital investment on energy conservation equipment's: NA

#### B) TECHNOLOGY ABSORPTION

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

#### C) FOREIGN EXCHANGE EARNINGS AND OUTGO

S. No	Particulars	₹ in Crs	
		2023-24	2022-23
1	Earnings	319.95	348.15
2	Outgo	207.08	295.09

For and on behalf of the Board of Directors

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

Place: Hyderabad  
Date: 22<sup>nd</sup> August, 2024

## Annexure-4

### Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR Policy
2. Composition of the CSR Committee

#### CSR committee

Sl No	Name of the Director	Designation/Nature of Directorship	Number of Meeting of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	S. Kishore Babu	Chairman and Managing Director- Chairman of the Committee	2	2
2	S. Lakshmi	Non – Executive, Non-Independent Director-Member of the Committee	2	2
3	Ms. Lasya Yerramneni	Non- Executive Independent Director- Member of the Committee	2	2

3. Web link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company [www.powermechprojects.com/investorrelations](http://www.powermechprojects.com/investorrelations)
4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable, attach the report: Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S No	Financial Year	Amount available for set off from preceding financial years (₹ in Crores)	Amount required to be set off for the financial year, if any (₹ In Crores)
1	2022-23	0.32	0.32

6. Average net profit of the Company as calculated as per Section 135 (5): ₹ 124.49 Cr.
7.
  - a) Two percent of Average net profit of the Company as per Section 135(5): ₹ 2.489 Cr
  - b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year: NIL
  - c) Amount required to be set off for the financial year : ₹ 0.32 Cr
  - d) Total CSR Obligation for the Financial Year (7a+7b-7c): ₹ 2.17 Cr
8.
  - a) CSR amount spent or unspent for the financial year

Total amount spent for the financial year (in ₹)	Amount unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)		
	Amount	Date of transfer	Name of Fund	Amount	Date of Transfer
₹ 2.30 Cr	-	-	-	-	-



b) Details of CSR amount spent against ongoing projects for the financial year:

S. No	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹)	Mode of Implementation Direct (Yes/NO)	Mode of Implementation- Through Implementing Agency	
1	Vocational Skill Center	Promoting education including special education and employment enhancing vocational skills	YES	Telangan	Vi-karabad	24 Months	2.15 crore	0	2.15	No	Power Mech Foundation	CSR 0000 9836

c) Details of CSR amount spent against other than ongoing projects for the financial year:

S. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount Spent for the project (in ₹)	Mode of Implementation- Direct (Yes/No)	Mode of implementation through implementing agency	
				State	District			Name	CSR Registration Number
1	Eradication of extreme hunger and poverty	Supply of Food	No	Telangan	Nalgonda	95,200	No	Power Mech Foundation	CSR00 009836
2	Promotion of Education including vocational training	Education	No	Madhya Pradesh	Bhopal	2,50,000	Yes	-	-
3	Promotion of Women Empowerment	Women Empowerment	yes	Telangan	Hyderabad	6,22,385	No	Power Mech Foundation	CSR00 009836
4	Promotion of Environment and Forestation	Environmental Promotion	No	Madhya Pradesh	Bhopal	5,80,000	yes	-	-

- d) Amount spent on administrative overheads: NA
- e) Amount Spent on Impact Assessment, if applicable: Not Applicable
- f) Total Amount Spent for the Financial Year (8b+8c+8d+8e) = ₹ 0.15 Crores
- g) Excess amount for set off, if any: Not Applicable
- 9 (a) Details of Unspent CSR amount for the preceding three financial years

Sl. No	Preceding Financial Year	Amount Transferred to Unspent CSR account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under schedule VII as per Section 135 (6), if any		Amount Remaining to be spent in succeeding financial years (in ₹)
				Name of the fund	Amount	
1	2022-23	NIL	NIL		NIL	
2	2021-22	NIL	NIL		NIL	
3	2020-21	NIL	NIL			
TOTAL						

- b) Details of CSR amount spent in the financial year for ongoing projects for the preceding financial year(s): Nil
10. in case of creation or acquisition of capital asset, furnish details relating to the asset so created or acquired through CSR spent in the financial year: Not applicable
11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135 (5)

### CSR responsibilities

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

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

**Date: 22 August 2024**  
**Place : Hyderabad**

Sd/-  
**S Kishore Babu**  
Chairman of CSR Committee  
DIN: 00971313



## Annexure-5

### Form No. MR-3 SECRETARIAL AUDIT REPORT

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

TO  
THE MEMBERS,  
POWER MECH PROJECTS LIMITED,  
HYDERABAD.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2024**, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 ("the Act") (applicable sections as on date) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed by the Securities and Exchange Board of India ('SEBI') thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investments
- (v) The following Regulations and Guidelines are prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (vi) The provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report: -
  - a. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (vii) The industry-specific laws that are applicable to the Company are as follows:
  - a. The Contract Labour (Regulation and Abolition) Act, 1970;
  - b. Building and Other Construction Workers (Regulation of Employment and condition of service) Act, 1996;

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

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

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

- a) Deviation in compliance of the provisions of Regulation 17(1A) of LODR Regulations, by continuing Mr. T. Sankaralingam, Independent Director for a period of 37 days after attaining the age of 75 years without having specifically approved the age factor by shareholders. A fine was imposed by NSE and BSE for the said deviation and paid.
- b) Deviation in compliance of Regulation 44(3) of LOD Regulations, by submitting the voting results by delay of One day. A fine was imposed by NSE and BSE for the said deviation and paid.

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

Sr. No.	Name of the Director/KMP	Appointment/ Cessation/ Reappointment	Our Comments
1.	Mrs. Lakshmi Sajja	Re-appointment	Re-appointed as a director at 24 <sup>th</sup> AGM held on 28 <sup>th</sup> September, 2023 upon rotation basis in accordance with the provisions of Section 152 Companies Act, 2013.
2.	Mr. Jayaram Prasad Chalasani	Appointment	Appointed as an additional director under the category of independent director vide board resolution dated 26 <sup>th</sup> July, 2023 and same has been approved by the shareholders at 24 <sup>th</sup> AGM held on 28 <sup>th</sup> September, 2023.
3.	Mr. Thiagarajan Sankaralingam	Cessation	Ceased to be the director of the Company w.e.f. 21 <sup>st</sup> May, 2023.
4.	Mr. Gorijala Durga Varaprasada Rao	Cessation	Ceased to be the director of the Company w.e.f. 26 <sup>th</sup> July, 2023.
5.	Mr. J. Satish	Resignation	Resigned as Chief Financial Officer of the Company w.e.f. 30 <sup>th</sup> December, 2023.
6.	Mr. Nani Aravind Nallamothu	Appointment	Appointed as Chief Financial Officer of the Company w.e.f. 1 <sup>st</sup> January, 2024.

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

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

**We Further report that**, during the period under review, 9,01,789 equity shares of ₹ 10/- each were issued by way of Qualified Institutions Placement (QIP) basis at a price of ₹ 3871.17/-. With this the share capital increased to ₹ 15,80,81,460/-.

**We further report** that no prosecution was initiated against and no fine or penalty was imposed on the

Company except as stated above for the year under review under the Companies Act, FEMA, the SEBI Act, the SCRA, or other SEBI Regulations on the Company or its directors and officers.

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

**For P.S. Rao & Associates  
Company Secretaries**

**CS P.S. RAO  
FCS No.:10322  
C.P. No.:3829**

**UDIN: F010322F000952780  
PEER REVIEW CER NO.: 710/2020**

**Date:** 12-08-2024

**Place:** Hyderabad

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



## Annexure A'

To,  
The Members,  
**Power Mech Projects Limited**  
Hyderabad

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

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

**For P.S. Rao & Associates  
Company Secretaries**

**CS P.S.RAO  
FCS No.:10322  
C.P. No.:3829  
UDIN: F010322F000952780  
PEER REVIEW CER NO.: 710/2020**

**Date: 12 August, 2024  
Place: Hyderabad**

## Annexure-6

### Report on Managerial Remuneration

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

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

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

S No.	Name of Director	Designation	Ratio of the remuneration of each Director to the median remuneration of employees
1	Mr. S Kishore Babu	Chairman and Managing Director	54.79
2	Mrs. S Lakshmi	Non Executive Director	-
3	Mr. T Sankarlingam (Retired w.e.f 21.05.2023)	Independent Director	-
4	Mr. GDV Prasada Rao (Retired w.e.f. 26.07.2023)	Independent Director	-
5	Mr. M Rajiv Kumar	Non Executive Director	-
6	Mr. Vivek Paranjpe	Independent Director	-
7	Mrs. Lasya Yerramneni	Independent Director	-
8	Mr. Jayarama Prasad Chalasani (Appointed w.e.f 26.07.2023)	Independent Director	-

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

#### ii. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24:

S. No.	Name of Director/KMP and Designation	Designation	% increase in Remuneration in the FY 2023-24
1	Mr. S Kishore Babu	Chairman and Managing Director	25%
2	Mr. J Satish*	CFO	-
3	Mr. N. Nani Aravind#	CFO	-
4	Mr. Mohith Kumar K\$	Company Secretary	15%

\*Resigned from 30.12.2023

# Appointed from 01.01.2024

\$ Resigned from 15.07.2024

- iii. The median remuneration of employees of the Company during FY 2023-24 was ₹ 3,79,632/- p.a.

#### iv. The percentage increase in the median remuneration of employees in the financial year:

The percentage increase in the median remuneration of employees for the financial year ending March 31, 2024 was 32%.

#### v. The number of permanent employees on the rolls of Company as at March 31, 2024:

There were 10,946 permanent employees on the rolls of Company as on 31 March, 2024.

#### vi. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and

**justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentile increase in the salaries of the employees other than, the managerial persons in the last financial year is NIL % and there has been no increase in the managerial remuneration (excluding commission to CMD) during the last financial year.

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

**B) Top 10 Employees in terms of remuneration**

S. No	Employee Name	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years)	Nature of employment	Remuneration (₹ in Lacs) per month	Previous employment	Relative of Director If any
1	Nani Aravind Nallamothu	47	CA	CFO	01-01-2024	22	Full Time	7.56	IJM (India) Infrastructure LTD	No
2	Chandrashekar Chilka	59	B.Tech Mech	Executive Director	27-12-2022	35	Full Time	3.91	Artson Engineering LTD	No
3	Akhil Kapoor	56	B.E - Electronics	Vice President	08-07-2021	31	Full Time	3.64	Steag Energy Services PVT LTD	No
4	Balasubramanian N	56	Dip - Civil	Vice President	15-02-2024	28	Full Time	3.39	BGR Energys LTD	No
5	Suresh Babu Ravuri	43	B.Tech - Civil	Vice President	31-10-2022	22	Full Time	3.34	Swarna Tollway PVT LTD	No
6	Rajan Elumalai Duria	60	Master Dip - PPM	Vice President	01-01-2021	36	Full Time	3.25	AES India PVT LTD	No
7	Vijay Kumar Reddy Botta	47	B.Tech - Civil	Associate VP	09-01-2023	27	Full Time	3.17	GVPR Engineering LTD	No
8	Vipin Kumar	52	AMIE - Mech	General Manager	17-10-2022	27	Full Time	2.96	RKM Powergen PVT LTD	No
9	Prakash Chandra Joshi	53	B.Tech - Mech	Vice President	10-11-2014	30	Full Time	2.95	Corporate Power LTD(Mega)	No
10	Suresh Kumar Chandraker	49	B.Tech - Mech	General Manager	01-06-2021	25	Full Time	2.91	Steag Energy Services India Private LTD	No

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

Name	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years)	Nature of employment	*Remuneration in ₹ Crores per Annum	Previous Employment	Relative of Director If any
S. Kishore Babu	57	B Tech (Mechanical)	CMD	22.07.1999	36	Full time	₹ 20.08 crores	Jt. Md, In-dwell Constructions Private Limited-	Spouse of S Lakshmi, Director

**\*Remuneration Includes Salary and Commission.**

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

D) There are no employees in the service of the Company covered under Rule 5 (2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

Sd/-

**S Kishore Babu**

Chairman & Managing Director

DIN: 00971313

Place : Hyderabad

Date : 22 August, 2024



## Corporate Governance Report

[Pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”)]

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

Effective corporate governance practices form the strong foundation upon which successful commercial enterprises are built to last. Our company’s philosophy on corporate governance involves overseeing business strategies while ensuring fiscal accountability, ethical behavior, and fairness to all stakeholders, including employees, investors, customers, regulators, suppliers, and society at large. Good governance practices arise from the dynamic culture and positive mindset of the organization.

At Power Mech, corporate governance goes beyond mere compliance with laws, rules, and regulations. It involves applying the best management practices and adhering to the highest ethical principles in all dealings. This approach aims to achieve the company’s objectives, enhance stakeholder value, and fulfill social responsibilities

### B. Board of Directors

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

As on 31 March, 2024, our Board comprised of 6 members, consisting of one Executive Chairman & Managing Director who is also a Promoter, two Non-Executive Directors out of which one is Promoter and three Non-Executive Independent Directors. Independent Directors constitute 50% of the Board’s strength as per the requirements of the SEBI Regulations and the Companies Act, 2013.

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

iii. Six (6) Board meetings were held during the financial year 2023-24 and the gap between two meetings did not exceed 120 days. The said Board meetings were held on the following dates:

Board Meeting Number	Date of Board Meeting
01	26.05.2023
02	09.08.2023
03	25.08.2023
04	11.11.2023
05	28.12.2023
06	13.02.2024

iv. Attendance of the Directors at the Board meeting and Annual General Meeting during FY 2023-24 and number of shares held by them in the Company.

Name of the Director	Number of Board meetings held during the FY 2023-24	Number of Board meetings attended	Number of Board meetings attended	% of attendance	Attended the last AGM	Number of shares held
S. Kishore Babu DIN - 00971313	6	6	5	100	Yes	3864942
S. Lakshmi DIN - 00068991	6	6	5	100	Yes	1928626
T Sankaralingam DIN - 00015954 (Retired w.e.f. 21.05.2023)	6	0	0	100	Yes	NIL

Name of the Director	Number of Board meetings held during the FY 2023-24	Number of Board meetings attended	Number of Board meetings attended	% of attendance	Attended the last AGM	Number of shares held
G D V Prasada Rao (Retired w.e.f. 26.07.2023)	6	1	1	100	Yes	1500
M Rajiv Kumar DIN - 07336483	6	6	5	100	Yes	NIL
Vivek Paranjpe DIN - 03378566	6	6	5	80	No	NIL
Lasya Yerramneni DIN- 03150397	6	5	5	100	Yes	NIL
Jayarama Prasad Chalasanani DIN: 00308931 (Appointed w.e.f 26.07.2023)	6	5	5	100	Yes	NIL

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

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

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

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

Name of the Directors	Qualifications	Area of expertise and skills
S. Kishore Babu	Graduate in Mechanical Engineering	In-depth knowledge of the sector in which the Company is presently operating. Quality of leadership, planning, management, risk assessment etc.
S Lakshmi	B.Sc. Graduate	Experience in developing and implementing good corporate governance practices.
M Rajiv Kumar	Graduate in Electrical Engineering	In-depth knowledge of the sector in which the Company is presently operating.
Jayarama Prasad Chalasanani	B.E (Mechanical)	In-depth knowledge of the sector in which the Company is presently operating.
Vivek Paranjpe	B. Sc. (Honors) and Post Graduate from XLRI	Expertise in HR and Legal related matters. Experience in developing and implementing good corporate governance practices.
Lasya Yerramneni	PG in Management from ISB, MS (Electrical engineering) university of texas	Expertise in IT Project Management and Delivery, IT Strategy and Business development. Her expertise helps the company in improving IT related aspects.

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

Name of the Director	Directorships in Listed Companies (including Power Mech)	Category of Directorship	No. of Directorships held in all the Companies (including Power Mech)	*Memberships / Chairmanships held in Committees (including Power Mech)	
				Member	Chairman
S. Kishore Babu DIN - 00971313	Power Mech Projects Limited	Chairman & Managing Director	4	-	-
S. Lakshmi DIN - 00068991	Power Mech Projects Limited	Non-Executive Director	3	1	-
Jayarama Prasad Chalasani DIN: 00308931	Power Mech Projects Limited	Independent Non Executive Director	3	1	1
M Rajiv Kumar DIN - 07336483	Power Mech Projects Limited	Non-Executive Director	1	2	1
Vivek Paranjpe DIN - 03378566	Power Mech Projects Limited	Independent Non-Executive Director	1	-	-
Lasya Yerramneni DIN- 03150397	Power Mech Projects Limited	Independent Non-Executive Director	1	2	-

Notes:

- i) The membership of the Director in committees does not include the committees in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.
- ii) The memberships/chairmanships of Audit Committees and Stakeholders Relationship Committees in all Public Limited companies has been considered.
- iii) No Director holds directorships in more than ten public companies and no Independent Director holds Independent directorship in more than seven listed entities.
- iv) No Independent Director is member of more than ten committees or chairman of more than five committees across all public companies in which they are Directors.
- v) None of the Directors hold directorship in more than eight listed entities.
- vi) The Directorship held in foreign Companies are also included.

### C. SENIOR MANAGEMENT

Particulars of senior management of the Company including the changes therein since the close of the previous financial year are as follows:

Sr. No.	Name of the Director/KMP	Appointment/Cessation/ Reappointment	Details of Appointment/Cessation/ Reappointment
1.	Mr. J. Satish	Resignation	Resigned as Chief Financial Officer of the Company w.e.f. 30 December, 2023.
2.	Mr. Nani Aravind Nallamothe	Appointment	Appointed as Chief Financial Officer of the Company w.e.f. 1 January, 2024.
3.	Mr.Mohith Kumar Khandelwal	Resignation	Resigned as Company Secretary of the Company w.e.f. 15 July, 2024.

## D. Board Committees:

The Board, as on 31 March, 2024, had six Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Investment Committee.

### 1. Audit Committee

The Audit Committee comprised of two Independent Directors and one Non-Executive Director as on 31st March, 2024. The members possess sound knowledge of accounts, finance, audit and legal matters.

The Company Secretary acts as a Secretary to the Committee.

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

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

During the year under review, 4 (four) meetings of the Committee were held on 26 May, 2023, 9 August, 2023, 11 November, 2023 and 13 February, 2024.

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

Name	Designation in Committee	Category of Directorship	No. of Meetings held	No of Meetings eligible to attend	No. of Meetings Attended
G D V Prasada Rao (Retired w.e.f. 26.07.2023)	Chairman	Independent, Non-Executive Director	4	1	1
Jayarama Prasad Chalasani DIN: 00308931 (Appointed w.e.f. 26.07.2023)	Chairman	Independent, Non-Executive Director	4	3	3
T. Sankarlingam (Retired w.e.f. 21.05.2023)	Member	Independent Non-Executive Director	4	0	0
Lasya Yerramneni DIN: 03150397 (Appointed as member w.e.f. 26.05.2023)	Member	Independent Non-Executive Director	4	4	4
M Rajiv Kumar	Member	Non-Executive Director	4	4	2

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

### 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of three Independent Directors.

The Committee functions as per the Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Section 178 of the Companies Act, 2013. The primary responsibilities of the Committee is to determine/review the Company's policy on specific remuneration packages for the Executive

Directors including pension rights and any compensation payment, oversee the framing, review and implementation of compensation policy of the Company on behalf of the Board, form a policy, procedures and schemes and to undertake overall supervision and administration of Employee Stock Option Schemes (ESOs) of the Company if any and to review the Board structure, size and composition and make recommendation to the Board for any change. The Committee also formulates evaluation criteria for the Directors and the Board.

The charter of the Committee as amended with detailed terms of reference and the policy for determining the remuneration of the Directors, KMP's and other employees is available on our website [www.powermechprojects.com](http://www.powermechprojects.com)

During the year under review, 02 (two) meetings of the Committee were held on 25 August, 2023 and 28 December, 2023.

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

Name	Category of Directorship	Designation	No. of meeting held	No. of Meetings Attended
Vivek Paranjpe	Independent, Non-Executive Director	Chairman	2	2
Lasya Yerramneni	Independent, Non-Executive Director	Member	2	1
Jayarama Prasad Chalasani	Independent, Non-Executive Director	Member	2	2

### 3. Risk Management Committee:

Board has constituted Risk Management Committee in compliance with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013 for risk assessment and risk minimization.

The Risk Management Committee shall provide oversight and will report to the Board of Directors who have the sole responsibility for overseeing all risks. The Company recognizes that Enterprise Risk Management is an integral part of good management practice. The purpose of this policy is a system and mechanism to identify the risks, manage the risk and to set clear guidelines on approach of the Company in handling risks associated at each level of the organization. All employees are responsible for managing risks in so far as is reasonably predictable within their area of activity. A detailed risk management policy is posted on the website of the Company at [www.powermechprojects.com/investor-relations](http://www.powermechprojects.com/investor-relations)

#### Meetings and attendance during the year

During the year under review, 3 (three) meetings of the Committee were held on 26 May, 2023, 11 November, 2023 and 13 February, 2024.

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

Name	Category of Directorship	Designation	No. of meeting held	No of meetings eligible to attend	No. of Meetings Attended
Mr. G D V Prasada Rao	Independent, Non-Executive Director	Chairman	3	1	1
Jayarama Prasad Chalasani (Appointed w.e.f 26.07.2023)	Independent, Non-Executive Director	Chairman	3	2	2
Mr. M. Rajiv Kumar	Non Independent Non-Executive Director	Member	3	3	3
Mr. S. Kishore Babu	Executive Director	Member	3	3	3

## Remunerations paid to the Directors

### I. Details of remunerations paid/payable to Non-Executive & Independent Non-Executive Directors for the year ended 31 March, 2024 is as under:

Name of the Director	Sitting Fees (₹ in Cr)
Mr. G D V Prasada Rao	0.01
Mr. Jayarama Prasad Chalasani	0.04
Mr. Vivek Paranjpe	0.03
Ms. Lasya Y	0.04

Mr. M. Rajiv Kumar, Non-Executive Director was paid consultancy fees of ₹ 0.61 Cr including travelling and conveyance charges and out of pocket expenses during the financial year 2023-24.

There are no other Non-Executive Directors having pecuniary relationship or transactions with the company.

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

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

Name of the Director	Salary	Bonus	Benefits	Commission (₹)	Sitting Fees	Loans from the Company (₹)	Total
S Kishore Babu	1.80	-	-	9.91	-	-	11.71

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

Details of fixed component and performance linked incentives, along with the performance criteria; NA Service contracts, notice period, severance fees: NA

Company has not granted any Stock options during the year.

## 4. Stakeholders Relationship Committee

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

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

The charter of the Committee as amended is available on the website of the Company [www.powermechprojects.com](http://www.powermechprojects.com) During the year under review, 4 meetings of the committee were held on 26 May, 2023, 9 August, 2023, 11 November, 2023 and 13 February, 2024.

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

Name	Designation	Status	No. of meetings held	No of meetings eligible to attend	No of meetings attended
M. Rajiv kumar	Chairman	Non-Executive Director	4	4	4
GDV Prasada Rao (Retired w.e.f. 26.07.2023)	Member	Non-Executive Independent Director	4	1	1

Name	Designation	Status	No. of meetings held	No of meetings eligible to attend	No of meetings attended
Lasya Yerramneni (Appointed as member w.e.f 26.07.2023)	Member	Non-Executive Independent Director	4	3	3
S Lakshmi	Member	Non-Executive Director	4	4	4

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

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

There were no pending transfers as on 31st March 2024.

## 5. Corporate Social Responsibility Committee

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

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

The CSR Policy and the charter of the Committee are available on the website of the Company [www.powermechprojects.com](http://www.powermechprojects.com) During the year under review, 2 meeting of the Committee were held on 28.02.2024 and 29.03.2024.

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

Name	Designation	Category	No of meetings held	No of meetings attended
Mr. S Kishore Babu	Chairman	Chairman & Managing Director	2	2
Mrs. S Lakshmi	Member	Non-Executive Director	2	2
Mrs. Lasya Yerramneni	Member	Non-Executive Independent Director	2	2

## 6. Investment Committee

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

The charter of the Committee is available on the website of the Company [www.powermechprojects.com](http://www.powermechprojects.com)

## E. Meeting of Independent Directors

During the year under review, there was a separate meeting of Independent Directors of the Company held on 13.02.2024, without the presence of the non-independent directors and members of the Management inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

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

## F. Performance Evaluation

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

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

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

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

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

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

## G. Familiarization Programme

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

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

The details of the familiarization programme are also available on the website of the Company [www.powermechprojects.com](http://www.powermechprojects.com)



## H. General Body Meeting

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

Year	AGM	Venue	Day & Date	Time	Special Resolutions Passed
2022-23	24 <sup>th</sup> AGM	Meeting was held through Video Conference/ Other Audio Visual Means	Thursday, 28.09.2023	11.00 AM	<ol style="list-style-type: none"> <li>1. Approval of payment of remuneration to Mr. M. Rajiv Kumar, Non-Executive Director by way of consultancy fees.</li> <li>2. Appointment of Mr. Jayarama PrasadChalasanani as Independent Director of the Company</li> <li>3. Alteration of Articles of association of the Company.</li> <li>4. Raising of funds in one or more tranches, by issuance of Equity Shares and/or other eligible securities.</li> </ol>
2021-22	23 <sup>rd</sup> AGM	Meeting was held through Video Conference/ Other Audio Visual Means	Friday, 30.09.2022	01.30 PM	<ol style="list-style-type: none"> <li>1. Approval of payment of remuneration to Mr. M. Rajiv Kumar, Non-Executive Director by way of consultancy fees.</li> <li>2. Approval for offering an option of conversion of unsecured loan/ inter corporate deposit into equity.</li> <li>3. Issue of equity shares to the promoters by way of conversion of unsecured loan (USL)/ Inter Corporate deposit.</li> </ol>
2020-21	22 <sup>nd</sup> AGM	Meeting Was held	Thursday,	11.30 AM	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. S. Kishore Babu as</li> </ol>

### Postal Ballot:

During the year, there were 3 (three ) resolutions passed through postal ballot on 30 June, 2023. The brief particulars of resolution are as follows:

1. Increasing the borrowing powers of the Company from ₹ 2500 crore to ₹ 4000 crore.
2. Creation charge on the assets of the company.
3. Approval of transactions under Section 185 of the Companies Act, 2013

The details of voting including scrutinizers report were disclosed to stock exchanges and also available at [www.powermechprojects.net](http://www.powermechprojects.net)

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

## I. Disclosures

- a) Related Party Transaction (Shown in Notes to Accounts): There are no materially significant related party transactions i.e., transactions material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc., having potential conflict with the interests of the Company at large.
- b) There were no pecuniary transactions with any of the Non-Executive Directors, except payment of remuneration by way of consultancing fee to Mr. M. Rajiv Kumar, Non-Executive Director.
- c) The Company had paid a fine of ₹ 1.98 lakhs to Stock Exchanges and same disclosed in Annual Secretarial Compliance Report.

- d) The company has formulated and adopted formal whistle blower / vigil mechanism and the same is hosted on the company's website and no concerned person has been denied access to Audit Committee.
- e) The Company is compliant with the provisions of applicable laws and the SEBI (LODR) Regulations, 2015 and amendments thereof.
- f) Material subsidiary policy is hosted in our website [www.powermechprojects.com](http://www.powermechprojects.com)
- g) Related party transaction policy is hosted in our website [www.powermechprojects.com](http://www.powermechprojects.com)
- h) CMD / CFO Certification: Mr. S. Kishore Babu, Chairman & Managing Director and Mr. J. Satish CFO, certified to the Board on the prescribed matters as per Regulation 17(8) the Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015, annexed and forms part of this report.
- i) We are fully complied with corporate governance requirements as specified in SEBI (LODR) Regulations, 2015 and schedules thereto.
- j) We further confirm that, No independent director(s) resigned from the Company before expiry of the term.

## J. Means of Communications

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

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

- b) For the FY 2023-24 4 (four) conference calls with analysts/investors & presentations were made for as follows:

FY 2023-24	Date
01st Quarter	10.8.2023
02nd Quarter	15.11.2023
03rd Quarter	20.02.2024
04th Quarter	24.05.2024

The investor's presentations for each quarter are also available on the Company's website [www.powermechprojects.com](http://www.powermechprojects.com)

All material information about the Company is promptly uploaded on the online platforms of the Stock Exchanges where the Company's shares are listed and the same are displayed on the Company's website [www.powermechprojects.com](http://www.powermechprojects.com)

The Company's website [www.powermechprojects.com](http://www.powermechprojects.com) contains separate dedicated section 'Investors' where in full Annual Report is also available in a user- friendly and downloadable format.

## K. General Shareholder Information

- i. 25<sup>th</sup> Annual General Meeting  
The 25<sup>th</sup> Annual General Meeting of the Company will be held on Friday, the 27<sup>th</sup> day of September, 2024 at 10:00 AM through OAVM/VC.
- ii. Financial year : 1<sup>st</sup> April - 31<sup>st</sup> March
- iii. Date of Book Closure  
The register of members shall be closed from 21 September 2024 to 27 September 2024 (both days inclusive)
- iv. Dividend

During the year the Board of Directors of the Company recommended dividend of ₹ 2.00/- per equity share of ₹.10/- each. The Dividend, if declared at the ensuing Annual General Meeting, shall be paid within five working days from the date of the annual general meeting. Dividend shall be remitted electronically i.e, through NECS/ NEFT etc., wherever bank details of shareholders are available with the Company, and in other cases, through physical warrants, payable at par.



## v. Listing on Stock Exchange

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

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

## vi. Market Price Data

The closing market price of the equity shares as on 31 March, 2023, being the last trading day for the FY 2022-23 on NSE was ₹ 2469.90/- and on BSE was ₹ 2464.15/-.

The monthly movement of the equity share price during the year 2023-24 on NSE and BSE are summarized herein below.

## NSE

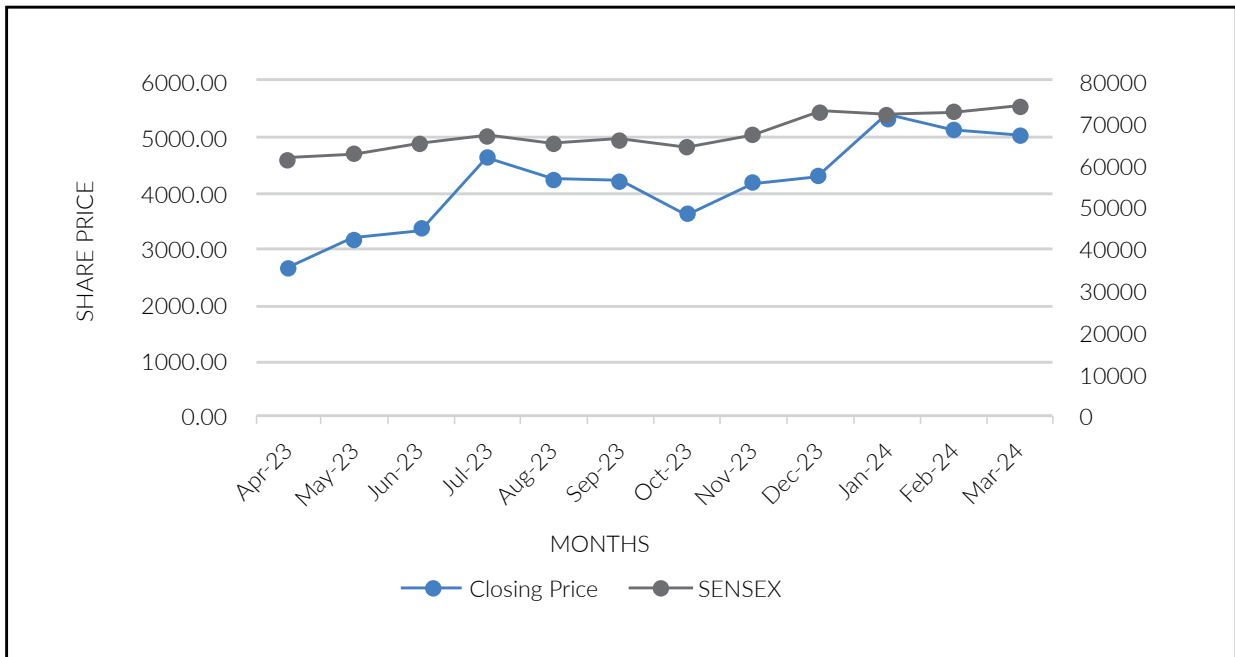
Month	Open	High	Low	Close
Apr 23	2,490.45	2,785.00	2,420.00	2,617.40
May 23	2,660.90	3,288.00	2,576.45	3,199.35
June 23	3,180.00	3,450.00	3,117.65	3,183.70
July 23	3,384.80	4,000.00	3,290.00	3,960.00
Aug 23	4,724.00	4,877.95	3,797.00	3,957.60
Sep 23	4,224.90	4,675.00	4,000.00	4,100.90
Oct 23	4,139.00	4,205.00	3,450.00	3,627.25
Nov 23	3,569.00	4,230.05	3,364.95	3,996.65
Dec 23	4,180.00	4,440.00	3,915.10	4,093.75
Jan 24	4,338.00	5,040.00	4,261.00	4,779.90
Feb 24	5,384.00	5,550.00	4,967.85	5,155.35
Mar 24	5,149.00	5,249.90	4,405.00	4,765.80

## BSE

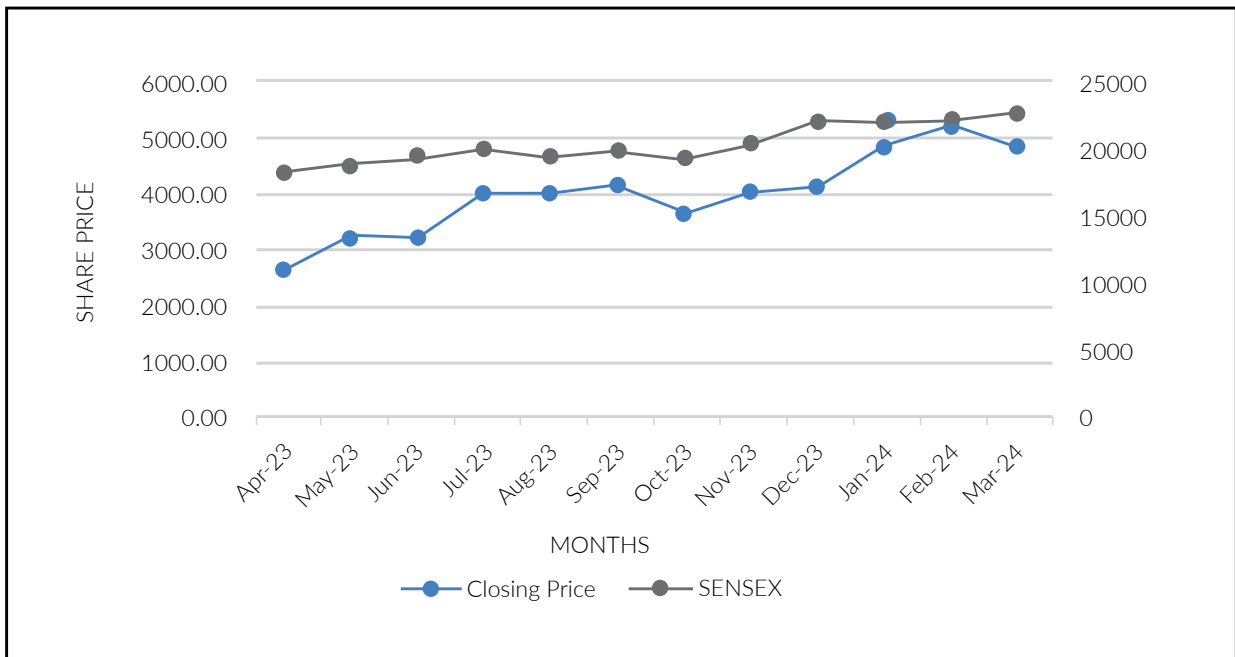
Month	Open	High	Low	Close
Apr 23	2,490.00	2,780.00	2,421.55	2,617.15
May 23	2,647.00	3,294.00	2,577.35	3,168.60
June 23	3,168.65	3,450.30	3,117.70	3,363.40
July 23	3,289.60	5,062.25	3,289.60	4,609.95
Aug 23	4,717.30	4,890.00	3,751.00	4,223.45
Sep 23	4,220.05	4,675.00	4,012.05	4,202.30
Oct 23	4,130.05	4,199.85	3,455.60	3,614.55
Nov 23	3,526.90	4,220.00	3,342.75	4,165.65
Dec 23	4,200.00	4,499.90	3,928.75	4,289.05
Jan 24	4,290.15	5,440.95	4,265.55	5,329.40
Feb 24	5,421.85	5,544.00	4,973.05	5,112.30
Mar 24	5,199.95	5,369.70	4,398.15	5,009.15

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

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



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



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

ix. Registrar and Share Transfer Agents:

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



x. Share Transfer System

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

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

xi. Distribution of Shareholding as on 31st March, 2024

Sl. No.	Category (No. of Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 500	26500	97.37	773800	4.89
2	501 - 1000	277	1.02	204908	1.30
3	1001 - 2000	175	0.64	255659	1.62
4	2001 - 3000	57	0.21	143527	0.91
5	3001 - 4000	49	0.18	165957	1.05
6	4001 - 5000	24	0.09	107061	0.68
7	5001 - 10000	48	0.18	342475	2.17
8	10001 and above	87	0.32	13814759	87.39
	TOTAL	27217	100.00	15808146	100.00

xii. Dematerialization

99.94% of the Company's paid-up equity share capital has been dematerialized as on 31st March, 2024. Shares of the Company are traded compulsorily in dematerialised form and are available for trading through both the depositories i.e. CDSL and NSDL. The demat security code (ISIN) of the equity shares is INE211R01019.

Category	Number of shares	Percentage (%)
NSDL	5855960	37.04
CDSL	9943980	62.90
PHYSICAL	8206	0.05
TOTAL	15808146	100.00

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

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

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

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

xv. Plant Location

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

xvi. Address for Correspondence

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

## xvii. Compliance Certificate from Auditors

Certificate from Mr. D.S. Rao, Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under Chapter IV of SEBI (Listing Regulations) 2015, forms part of this report.

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

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

## xix. Secretarial Standards:

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

## xx. Code of Conduct for the Board &amp; Senior Management Personnel

The Company has laid down a Code of Conduct which has been effectively adopted by the Board Members and Senior Management Personnel of the Company and is also posted on the website of the Company [www.powermechprojects.com](http://www.powermechprojects.com)

All the Board members and senior management personnel have affirmed compliance to the code as on 31 March, 2024. A declaration to this effect signed by the Chairman and Managing Director is annexed and forms part of this report.

## xxi. Details of the total fees paid to the Statutory Auditors

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

(₹ in Crs)

Type of Service	FY 2023-24	FY 2022-23
Audit Fees	0.15	0.15
Tax Fees	-	-
Others	-	-

## xxii. Code for Prevention of Insider Trading

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

## xxiii. Credit Ratings

During the FY 2023-24, the Company has obtained revised credit rating from Care Ratings as CARE A+ (Single A); Stable for Long-term Bank Facilities (Fund based Limits) and CARE A+; Stable/CARE A1 (Single A, Outlook: Stable/ A One) (Non Fund based Limits).

## xxiv. Disclosures with respect to demat suspense account/unclaimed suspense account

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



Particulars	No of shareholders	No of Equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year - 1 April, 2023.	Nil	Nil
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year.	Nil	Nil
Number of shareholders to whom share were transferred from suspense account during the year.	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year - 31 March, 2024.	Nil	Nil

The voting rights on these shares shall remain frozen till rightful owners of such shares claim the shares.

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

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

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

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

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

Sd/-

**S. Kishore Babu**

Chairman & Managing Director

DIN: 00971313

**Place: Hyderabad**

**Date: 12 August, 2024**

## CMD /CFO CERTIFICATION TO THE BOARD

### (Pursuant to Regulation 17(8) under Chapter IV of Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015

We, S. Kishore Babu, Chairman & Managing Director and N Nani Aravind, CFO of the Company responsible for the finance function hereby certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year 2023-24 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulation, including Adoption of accounts in the revised Schedule VI format for the current and previous year.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2023-24, which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes in internal control over financial reporting during the year 2023-24
  - (ii) Significant changes in accounting policies during the year 2023-24 and that the same have been disclosed in the notes to the financial statements;
  - (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

**Sd/-**  
**N Nani Aravind**  
**Chief Financial Officer**

**Place: Hyderabad**  
**Date: 20.05.2024**





## DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the code of conduct of the Company for the financial year ended on March 31<sup>st</sup>, 2024 as envisaged in the Chapter IV of the Securities Exchange board of India (Listing Obligations and Disclosures Regulations) 2015.

**Place: Hyderabad**  
**Date: 22.08.2024**

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

## AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members,  
POWER MECH PROJECTS LIMITED  
Plot No.77, Jubilee Enclave, Opp: Hitex,  
Madhapur, Hyderabad TG 500081.

We have examined the compliance of the conditions of Corporate Governance by Power Mech Projects Limited (hereinafter referred to as "the Company") for the year ended March 31, 2024, as stipulated in Chapter IV of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

We conducted our examination of the Corporate Governance Report in accordance with the established systems and procedures selected by us depending on our judgment, including an assessment of the risks associated with compliance of the Corporate Governance Report with the applicable criteria. The procedures include but are not limited to, verification of secretarial records and other information of the Company, as we deem necessary to arrive at an opinion.

Based on the procedures performed by us as mentioned above and according to the information and explanations provided to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended March 31, 2024.

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

**CS D.S. RAO; PCS**

**M. No.: A12394**

**C.P. No.: 14487**

**UDIN: A012394F000953279**

**PEER REVIEW CER NO. 1817/2022**

**Date: 12-08-2024**

**Place: Hyderabad**



## CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI  
(Listing Obligation and Disclosure Requirements) Regulations, 2015]

TO  
THE MEMBERS,  
POWER MECH PROJECTS LIMITED  
PLOT NO.77, JUBLEE ENCLAVE, OPP: HITEX,  
MADHAPUR, HYDERABAD TG 500081.

We have examined the relevant records, forms, returns, and disclosures received from the directors of POWER MECH PROJECTS LIMITED having CIN: L74140TG1999PLC032156 and having registered office at Plot No.77, Jubilee Enclave, Opp: Hitex, Madhapur, Hyderabad TG 500081 (hereinafter referred to as "the Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause 10(i) of Para C of Schedule V to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and the explanations furnished to us by the Company & its officers, we hereby certify that none of the directors on the Board of the Company for the financial year ended March 31, 2024, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority.

S. No.	Name of Director	Nature/Category of Directorship	DIN
1	Sajja Kishore Babu	Chairman & Managing Director	00971313
2	Lakshmi Sajja	Non-Executive Director	00068991
3	Rajiv Kumar Motihari	Non-Executive Director	07336483
4	Durgavaraprasada Rao Gorijala <sup>#</sup>	Independent Director	02754904
5	Lasya Yerramneni	Independent Director	03150397
6	Vivek Paranjpe	Independent Director	03378566
7	Thiagarajan Sankaralingam <sup>*</sup>	Independent Director	00015954
8	Jayarama Prasad Chalasani <sup>§</sup>	Independent Director	00308931

\* Mr. Thiagarajan Sankaralingam was retired w.e.f. 21/05/2023

# Mr. Durgavaraprasada Rao Gorijala was retired w.e.f. 26/07/2023

§ Mr. Jayarama Prasad Chalasani was appointed as an Independent Director w.e.f. 26/07/2023

Ensuring eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**CS D.S. RAO; PCS**  
**M. No.: A12394**  
**C.P. No.: 14487**  
**UDIN: A012394F000953301**  
**PEER REVIEW CER NO.: 1817/2022**

**Date: 12-08-2024**

**Place: Hyderabad**



# Standalone Financials



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone financial statements of POWER MECH PROJECTS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of affairs of the Company as at March 31, 2024, the Profit and total comprehensive Income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

#### Emphasis of Matter:

##### Attention is invited to the following:

Note No. 51, of the financial statements, relating to the search carried out by the Income Tax Department in July, 2022 at various locations of the company and the company received notices under section 148 of the Act for filing return of Income for the AY 2016-17 to AY 2021-22. In response to the said notices, the company filed return of income by disclosing the income as admitted. Pending outcome of the assessments, the company made provision towards Income-tax liability (including interest) aggregating to ₹ 51.38 crore for the year ending March 31, 2024 being the tax liability on the amount admitted and disclosed in the return of income filed and the management of the company is of opinion that no further provision is required.

**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 Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No	Key Audit matter	How the matter was addressed in our audit
1	<p><b>Revenue recognition of long-term contracts</b></p> <p>The Company has revenue from construction contracts and long-term operating and maintenance agreements.</p> <p>Revenue related to these construction contracts is recognised using the percentage completion method, where progress is determined with reference to completion of physical proportion of the work to the extent of work certified by the customer and revenue is also recognised in case of works pending certification as on date of balance sheet. The Company raised invoices on monthly basis based on the physical proportion of the work completed.</p> <p>We focussed this area because of significant management judgement required in:</p> <p>Estimation of the physical proportion of the contract work completed for the contracts and particularly in case of those works which were pending for certification by the customer as on date of balance sheet which may lead to over or understatement of revenues and profit.</p>	<p>As part of our audit, we obtained an understanding of the methodology applied, the internal process and controls used for determination of the physical proportion of work completed. We evaluated the process and systems used to record the quantum of work completed against which invoices were raised.</p> <p>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.</p>
2	<p><b>Trade receivables</b></p> <p>The Company has significant amount of trade receivables (Including retention and security deposits) and their recoverability requires management judgement due to the specific risks associated with these receivables.</p> <p>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.</p> <p>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.</p> <p>We considered this matter to be significant to our audit due to the quantum of the receivables and their period of outstanding.</p>	<p>Our audit procedures in relation to the recoverability of trade receivables included</p> <ul style="list-style-type: none"> <li>• Understood and tested the Company's credit control procedures and tested key controls over granting credit to customers.</li> <li>• Tested ageing of trade receivables at the year ended on a sample basis.</li> <li>• Obtained list of long outstanding receivables and identified any debtors with financial difficulty through discussion with management.</li> <li>• Assessed the recoverability of these outstanding receivables through our discussion with management and with reference to detailed receivables listings for the subsequent period.</li> <li>• 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.</li> <li>• Assessed the recoverability of the balances by comparing the outstanding amounts as at year end against subsequent recoveries.</li> <li>• The status and their organisational structure was also examined with reference to the credit risk and their creditability in making payments since most of the customers are public sector organisations.</li> <li>• Considering all these, we found that the judgment made by the management in assessment of recoverability of receivables are found to be appropriate.</li> </ul>

Sl. No	Key Audit matter	How the matter was addressed in our audit
3	<p><b>Advances with sub-contractors</b></p> <p>The Company has significant amount of Trade advances with Sub-contracts and their recoverability/adjustment against subsequent works carried requires management judgement due to the specific risks associated with these recoveries.</p> <p>There is an element of management judgement in assessment of extent of the recoverability of long outstanding trade advances after the end of the contractual credit period.</p> <p>Management assessed the recoverability of these trade advances by reviewing the contractors ageing profile, credit history, subsequent orders proposed to be placed with them, nature and ownership of organisation and status of subsequent settlements and determined whether an impairment provision is required.</p> <p>We considered this matter to be significant to our audit due to the quantum of the advances and their period of outstanding.</p>	<p>Our audit procedures in relation to the recoverability of trade advances to sub-contractors provided while execution of sub-contracts awarded included</p> <ul style="list-style-type: none"> <li>• Understood and tested the Company's policies of providing advances and tested the design and operating effectiveness of key controls over granting of advances to sub-contractors.</li> <li>• Tested ageing of advances recoverable at the year ended on a sample basis.</li> <li>• Examined management assessment of recoverability of the advances</li> <li>• Obtained list of long outstanding advances and identified any sub-contractors with financial difficulty through discussion with management.</li> <li>• Assessed the recoverability of these outstanding advances through our discussion with management and with reference to detailed recoveries made for the subsequent period.</li> <li>• Also examined the arrangements/correspondences with sub-contractors to assess the arrangement agreed with the sub-contractors and assessed the recoverability of the significant outstanding advances.</li> <li>• 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 sub-contractors are from unorganised sectors.</li> <li>• Also discussed with the management about the probability of providing new works to the sub-contractors and the chances of recoverability of the outstanding advances against the works to be executed.</li> </ul> <p>Considering all these, we found that the judgment made by the management in assessment of recoverability of receivables are found to be appropriate.</p>

### Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon which are expected to be made available to us at a later date.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the

Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design,

implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.





We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. (a) The Management has represented that, to the best of its 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

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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the 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 Company during the year is in accordance with section 123 of the Act, as applicable. As stated in note 48 to the financial statements, the Board of Directors of the 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.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

- 2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**Sd/-**

**For K.S. Rao & Co**

Chartered Accountants

(Firm Registration No. 003109S)

Place: Hyderabad

Date: 20.5.2024

UDIN: 24235528BKBEHW7849

**Gopikrishna Chowdary Manchinella**

Partner

Membership No. 235528

## ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 2 under “Report on other legal and regulatory requirements” section of our report to the members of POWER MECH PROJECTS LIMITED (“Company”) for the year ended March 31, 2024.

### We report that:

#### 1. In respect of its Property, plant and equipment and Intangible assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment. However, the Property, Plant and Equipment register has not been updated with the location of assets when there is a change in movement of asset from one location to other. However, the said movement of assets has been noted in the registers maintained by the concerned departments.
- b) The Company has maintained proper records showing full particulars of intangible assets.
- c) The Company has a programme of physical verification to cover all items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the programme, some of the property, plant and equipment were physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies have been noticed on such verification.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- e) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

#### 2. In respect of its inventories:

- a) According to the information and explanations furnished to us, the Company has physically verified its inventories of Stores and consumables covering nearly 82% value and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification to the extent carried out during the year is reasonable.
  - b) In our opinion and according to the information and explanations give to us, 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.
- 3) According to the information and explanations given to us, the Company has made investments in or granted unsecured loans to the companies during the year. The company also provided corporate guarantees to some of its subsidiary companies against loans taken by the said entities from the banks.
- a) The following are the details of aggregate amount of loans granted during the year and outstanding as on date of balance sheet with respect to Subsidiaries, Joint ventures and associates and other than the said parties.

Particulars	Loans granted (₹ In Crores)	Guarantees given to the extent of balance o/s (₹ In Crores)
Aggregate amount of loans provided during the year		
- Subsidiaries*	182.54	408.15
- Joint Venturers (incl, wholly owned subsidiary of Joint Venture)	-	-
- Associates	1.81	-

Particulars	Loans granted (₹ In Crores)	Guarantees given to the extent of balance o/s (₹ In Crores)
- Others	-	-
Balance outstanding as on 31.3.2024		
- Subsidiaries	191.95	23.83
- Joint Venturers (incl, wholly owned subsidiary of Joint Venture)	0.70	-
- Associates	1.81	-
- Others	-	-

\*including expenses paid on their behalf

- b) The loans given by the Company, investments made and guarantees given are prima-facie, not prejudicial to the interests of the Company considering the relationship and business expedience of the companies.
- c) In the absence of terms of schedule of repayment and absence of payment of Interest in respect of loans granted, the reporting requirements in terms of clause 3(iii) (c),(d) and (e) of the Order does not apply during the year under report.
- d) The loans granted during the year and outstanding as on date of balance sheet without specifying terms or period of repayment, the aggregate amount of the total loans granted and the aggregate amount of loans granted to related parties as defined u/s 2(76) of the Act is as follows.

(₹ In Cr)

Particulars	All parties	Promoters	Related parties
Aggregate amount of loans as on 31.3.2024			
- Repayable on demand (A)	Nil	Nil	Nil
- Agreement does not specify any terms or period of repayment (B)	194.46	Nil	194.46
Total (A+B)	194.46	Nil	194.46
% of loans to the total loans	100%	Nil	100%

- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the grant of loans, investments made and providing guarantees as applicable.
- 5) The Company has not accepted any deposits from the public or amounts deemed to be deposits within the meaning of section 73-76 of the Act and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable to the company.
- 6) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the Act read with Companies (Cost Records and Audit) Rules, 2014, related to some of the projects as defined in the Act and are of the opinion that prima facie, the specified accounts and records have been maintained. However, we have not made a detailed examination of the same.
- 7)
  - a) According to the information furnished to us, the Company made delays in remittance of its statutory dues such as TDS and GST and is regular in depositing the other statutory dues.
  - b) There were no undisputed statutory dues in arrears in respect of PF, ESI, Customs duty, GST, Income-tax and other material statutory dues as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable except an amount of ₹ 0.35 cr being liability towards GST pending for remittance.



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

(₹ In Cr)

Name of the Statute	Nature of Dues	Amount involved	Amount unpaid	Period to which it relates	Forum where dispute is pending
Bihar VAT Act	VAT	1.80	0.86	2014-15	Joint Commissioner of Commercial taxes, Patna
GST Act, 2017	GST	13.66	12.95	2017-18 to 2021-22	Before various appellate authorities

- 8) Consequent to the search operations conducted u/s 132 of the Income-tax Act, 1961 in various business premises of the company in the month of July, 2022 and notices issued by the department for filing return of income, the company voluntarily admitted an aggregate amount of Income of ₹ 107.68 crores for the years for which return of income was filed for respective assessment years which in the opinion of the management is not to be considered as undisclosed income as defined in the said Act as the same was offered.
- 9) (a) In our opinion and according to the information and explanations furnished to us by the Company, there were no defaults in repayment of loans or other borrowings or in the payment of interest thereon to the lenders.
- (b) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The term loans obtained by the company from the banks were applied for the purpose for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The company has not taken any funds from any entity or person to meet the obligations of its subsidiaries, associates and Joint Ventures and hence the reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The company has not raised any loans on pledge of its securities held in subsidiaries, associates and Joint ventures and hence reporting under clause 3(ix)(f) of the Order is not applicable.
10. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the company has issued equity shares on private placement and the company has complied with the provisions of section 42 of the Act. Further, the funds raised have been earmarked in a separate bank account for their utilization whenever required for the purpose for which the funds were raised.
11. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year under report.
- (c) According to the information and explanations furnished to us by the company, no whistle blower complaints has been received by the Company during the year.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

- (b) We have considered, the internal audit reports for the year under audit issued to the Company during the year in determining the nature, timing and extent of our audit procedures.
15. In our opinion, the Company has not entered into any non-cash transactions during the year with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) The company is not carrying on any CSR activities towards ongoing projects and hence the reporting under clause (3)(xx)(b) of the order is not applicable for the year under report.

**Sd/-****For K.S. Rao & Co**Chartered Accountants  
(Firm Registration No. 003109S)Place: Hyderabad  
Date: 20.5.2024  
UDIN: 24235528BKBEHW7849**Gopikrishna Chowdary Manchinella**Partner  
Membership No. 235528



## ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **POWER MECH PROJECTS LIMITED** (“the Company”) as of 31<sup>st</sup> March, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations 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.

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

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Sd/-**

**For K.S. Rao & Co**

Chartered Accountants  
(Firm Registration No. 003109S)

Place: Hyderabad

Date: 20.5.2024

UDIN: 24235528BKBEHW7849

**Gopikrishna Chowdary Manchinella**

Partner  
Membership No. 235528





## Balance Sheet as at 31st March, 2024

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
<b>A ASSETS</b>			
1 <b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	4.1	177.75	159.52
(b) Right-of-use assets	4.2	3.88	2.20
(c) Capital Work-in-progress	4.3	9.90	2.08
(d) Intangible Assets	5	0.41	0.16
(e) Financial Assets			
(i) Investments	6.1	14.10	13.92
(ii) Loans	7	-	-
(iii) Other financial assets	8	293.61	329.66
(f) Deferred Tax Asset (Net)	18	11.03	10.83
(g) Other Non-current Assets	9	7.53	1.36
<b>Total Non-Current assets</b>		<b>518.21</b>	<b>519.73</b>
2 <b>Current Assets</b>			
(a) Inventories	10	100.49	133.04
(b) Financial Assets			
(i) Investments	6.2	0.56	0.39
(ii) Trade receivables	11	968.64	886.10
(iii) Cash and cash equivalents	12	27.55	39.86
(iv) Other bank balances	12	412.58	126.36
(v) Loans	7	196.23	46.78
(vi) Other financial assets	8	814.32	640.98
(c) Current tax Asset (Net)	22	-	57.12
(d) Other Current assets	9	361.24	505.63
<b>Total Current assets</b>		<b>2,881.61</b>	<b>2,436.26</b>
<b>Total Assets</b>		<b>3,399.82</b>	<b>2,955.99</b>
<b>B EQUITY AND LIABILITIES</b>			
1 <b>Equity</b>			
(a) Equity Share Capital	13	15.81	14.91
(b) Other Equity	14	1,791.27	1,211.53
<b>Total Equity</b>		<b>1,807.08</b>	<b>1,226.44</b>
<b>Liabilities</b>			
2 <b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	26.13	26.07
(ii) Lease liabilities	16	1.88	0.86
(iii) Other financial liabilities	16	111.91	86.40
(b) Provisions	17	3.45	3.74
(c) Deferred Tax Liabilities (Net)	18	-	-
(d) Other non-current liabilities	19	130.70	73.35
<b>Total non-current liabilities</b>		<b>274.07</b>	<b>190.42</b>
3 <b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	322.69	447.92
(ii) Lease liabilities	16	2.11	0.83
(iii) Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises		1.67	1.16
b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		681.24	744.04
(iv) Other financial liabilities	16	131.94	124.89
(b) Other current liabilities	19	162.42	219.43
(c) Provisions	17	0.77	0.86
(d) Current tax Liabilities (Net)	22	15.83	-
<b>Total current liabilities</b>		<b>1,318.67</b>	<b>1,539.13</b>
<b>Total Liabilities</b>		<b>1,592.74</b>	<b>1,729.55</b>
<b>Total Equity and Liabilities</b>		<b>3,399.82</b>	<b>2,955.99</b>

Corporate Information 1  
Basis of Preparation and Material Accounting Policies 2-3  
The accompanying notes 32-52 form an integral part of the financial statements.

As per our report of even date

**For K S RAO & CO**  
**Chartered Accountants**  
Firm Registration Number: 003109S

**Sd/-**  
**(GopiKrishna Chowdary Manchinella)**  
Partner  
Membership Number: 235528

Place: Hyderabad  
Date: 20.05.2024  
**UDIN:24235528BKBEHW7849**

For and on behalf of the Board

**Sd/-**  
**S.Kishore Babu**  
Chairman and Managing Director  
DIN: (00971313)

**Sd/-**  
**N Nani Aravind**  
Chief Financial Officer

**Sd/-**  
**Mohith Kumar Khandelwal**  
Company Secretary

**Statement of Profit and Loss for the Year ended 31st March, 2024**

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars		Note No.	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
I	Revenue from Operations	23	4,059.46	3,532.09
II	Other Income	24	28.08	13.05
III	<b>Total Income (I+II)</b>		<b>4,087.54</b>	<b>3,545.14</b>
IV	<b>Expenses</b>			
	Cost of Material Consumed	25	612.94	520.88
	(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	26	13.00	(13.83)
	Contract execution expense	27	2,362.37	2,059.30
	Employee benefits expense	28	537.88	526.85
	Finance cost	29	90.84	87.60
	Depreciation and Amortization expense	30	40.85	40.81
	Other expense	31	59.27	41.69
	<b>Total Expenses (IV)</b>		<b>3,717.15</b>	<b>3,263.30</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>		<b>370.39</b>	<b>281.84</b>
VI	Exceptional Items		-	-
VII	<b>Profit before tax (V-VI)</b>		<b>370.39</b>	<b>281.84</b>
VIII	<b>Tax expense:</b>			
	Current tax	22	99.30	73.14
	Short Provision of Current tax		30.65	-
	Deferred tax charge/(credit)		(0.20)	(0.57)
IX	<b>Profit after tax for the Year (VII-VIII)</b>		<b>240.64</b>	<b>209.27</b>
X	<b>Other Comprehensive Income</b>			
	A. Items that will not be re-classified to statement of Profit and loss (net of tax)			
	a) Changes in fair value of investments		0.03	0.01
	b) Remeasurement of defined employee benefit plans		(1.29)	0.77
	<b>Total Other Comprehensive income</b>		<b>(1.26)</b>	<b>0.78</b>
XI	<b>Total Comprehensive Income for the Year (IX+X)</b>		<b>239.38</b>	<b>210.05</b>
XII	Earnings per Share - Basic & Diluted	45	157.28	141.38
	Corporate Information	1		
	Basis of Preparation and Material Accounting Policies	2-3		

The accompanying notes 32-52 form an integral part of the financial statements.

As per our report of even date

**For K S RAO & CO****Chartered Accountants**

Firm Registration Number: 003109S

**Sd/-****(GopiKrishna Chowdary Manchinella)**

Partner

Membership Number: 235528

Place: Hyderabad

Date: 20.05.2024

**UDIN:24235528BKBEHW7849**

For and on behalf of the Board

**Sd/-****S.Kishore Babu**

Chairman and Managing Director

DIN: (00971313)

**Sd/-****N Nani Aravind**

Chief Financial Officer

**Sd/-****Mohith Kumar Khandelwal**

Company Secretary



## Cash Flow Statement for the Year ended 31st March, 2024

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	2023-24	2022-23
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	<b>370.39</b>	<b>281.84</b>
Add/Less: Adjustments for :		
Depreciation	40.85	40.81
Interest and Finance charges	77.26	87.06
Interest on Income Tax	13.58	0.54
Loss on sale of assets	0.05	0.02
Net loss arising on financial assets measured at FVTPL	(0.07)	(0.08)
Fair value gain on current investments	(0.17)	0.05
Interest income	(24.00)	(8.25)
Profit on sale of assets	(1.74)	(1.62)
Amortisation of Deferred Government grants	(0.06)	(0.05)
Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income	(1.29)	0.77
<b>Operating profit before working capital changes</b>	<b>474.80</b>	<b>401.09</b>
Movements in Working Capital		
Adjustments for (increase)/decrease in operating assets:		
- Trade Receivables	(82.54)	(244.91)
- Inventories	32.55	(7.22)
- Other Assets	(145.40)	(187.58)
Adjustments for increase/(decrease) in operating liabilities:		
- Trade Payables	(62.28)	213.71
- Other Liabilities and Provisions	32.52	57.28
<b>Cash generated from operations</b>	<b>249.65</b>	<b>232.36</b>
Less: Direct taxes paid	(70.14)	(73.55)
<b>Net cash from Operating activities (A)</b>	<b>179.51</b>	<b>158.81</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets/Capital work in progress	(65.87)	(53.04)
Proceeds from sale of fixed assets	2.31	3.91
Investment in equity shares of Subsidiary companies/Joint Ventures/Associate	(0.14)	-
(Investment)/Redemption in Mutual Funds (Net)	-	2.01
Margin money deposits with banks and other balances	(45.48)	(52.05)
Earmarked funds out of QIP proceeds	(243.92)	-
Interest received	24.00	8.25
<b>Net cash used in Investing activities (B)</b>	<b>(329.10)</b>	<b>(90.92)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Equity Share Capital by way of conversion of Unsecured Loan	-	25.00
Repayment of unsecured loan	-	(25.00)
Proceeds from Share capital at a premium	343.34	0
Proceeds from Share capital	0.90	0
Repayment of borrowings	(125.17)	(8.15)
Interest and Finance charges paid	(76.80)	(86.81)
Lease Rent Paid	(2.01)	(2.31)
Dividend paid	(2.98)	(2.21)
<b>Net cash From/ (used) in financing activities (C)</b>	<b>137.28</b>	<b>(99.48)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(12.31)</b>	<b>(31.59)</b>
Opening Balance of Cash and Cash Equivalents	39.86	71.45
Closing Balance of Cash and Cash Equivalents	27.55	39.86
<b>Net decrease in cash and cash equivalents</b>	<b>(12.31)</b>	<b>(31.59)</b>

## Cash Flow Statement for the Year ended 31st March, 2024

All amounts are in ₹ Crores, except share data and where otherwise stated

Note: The above cash flow statement has been prepared under "Indirect method" as set out in the Indian Accounting Standard (IND AS 7) - Statement of Cash flows.

### Components of cash and cash equivalents

Particulars	2023-24	2022-23
Cash on hand	1.16	1.08
In Current accounts	25.12	37.97
Deposits having maturity period for less than 3 months	1.27	0.81
<b>Total</b>	<b>27.55</b>	<b>39.86</b>

### Reconciliation of Changes in Liability arising from Financing activities for the year ending 31/03/2024

Particulars	Opening	Ind As 116 changes	Cash flows	Non-Cash changes	Net Cash flow	Closing
Long term borrowings(Including Current maturities of long-term borrowings)	69.42	-	-	0.06	(9.31)	60.17
Short term borrowings	404.57	-	-	-	(115.93)	288.64
Lease Liabilities (Refer Note no. 46)	1.69	3.85	(2.01)	0.46	1.84	3.99

### Reconciliation of Changes in Liability arising from Financing activities for the year ending 31/03/2023

Particulars	Opening	Ind As 116 changes	Cash flows	Non-Cash changes	Net Cash flow	Closing
Long term borrowings(Including Current maturities of long-term borrowings)	82.45	-	-	0.11	(13.15)	69.42
Short term borrowings	424.69	-	-	(25.00)	4.87	404.57
Lease Liabilities (Refer Note no. 46)	3.36	0.39	(2.31)	0.25	(1.92)	1.69

Corporate Information

1

Basis of Preparation and Material Accounting Policies

2-3

The accompanying notes 32-52 form an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

**For K S RAO & CO**

**Sd/-**

**Chartered Accountants**

**S.Kishore Babu**

Firm Registration Number: 003109S

Chairman and Managing Director

DIN: (00971313)

**Sd/-**

**Sd/-**

**(GopiKrishna Chowdary Manchinella)**

**N Nani Aravind**

**Sd/-**

Partner

Chief Financial Officer

**Mohith Kumar Khandelwal**

Membership Number: 235528

Company Secretary

Place: Hyderabad

Date: 20.05.2024

**UDIN:24235528BKBEHW7849**

**Statement of Changes in Equity for the Year ended 31st March, 2024**

All amounts are in ₹ Crores, except share data and where otherwise stated

**A. Equity share capital**

Particulars	Number of Shares	Total
<b>As at 31<sup>st</sup> March, 2022</b>	<b>14,710,764</b>	<b>14.71</b>
Issue of shares on conversion of Loan into equity	195,593	0.20
<b>As at 31<sup>st</sup> March, 2023</b>	<b>14,906,357</b>	<b>14.91</b>
Issue of shares pursuant to Qualified Institutional Placement (QIP)	901,789	0.90
<b>As at 31<sup>st</sup> March, 2024</b>	<b>15,808,146</b>	<b>15.81</b>

**B. Other Equity**

Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Total
	Securities Premium	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Re-Measurement of defined employee benefit plans	
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>160.93</b>	<b>36.96</b>	<b>775.72</b>	<b>0.03</b>	<b>5.25</b>	<b>978.89</b>
Profit for the year	-	-	209.27	-	-	209.27
Other Comprehensive Income	-	-	-	0.01	0.77	0.78
Securities Premium on conversion of loan into equity	24.80	-	-	-	-	24.80
<b>Total Comprehensive Income for the year</b>	<b>24.80</b>	<b>-</b>	<b>209.27</b>	<b>0.01</b>	<b>0.77</b>	<b>234.85</b>
Less: Appropriations						
Final Dividend for the Financial year 2021-22 proposed & paid during the year	-	-	2.21	-	-	2.21
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>185.73</b>	<b>36.96</b>	<b>982.78</b>	<b>0.04</b>	<b>6.02</b>	<b>1,211.53</b>
Profit for the year	-	-	240.64	-	-	240.64
Other Comprehensive Income	-	-	-	0.03	(1.29)	(1.26)
Securities Premium on issue of shares pursuant to Qualified Institutional Placement (QIP)	343.34	-	-	-	-	343.34
<b>Total Comprehensive Income for the year</b>	<b>343.34</b>	<b>-</b>	<b>240.64</b>	<b>0.03</b>	<b>(1.29)</b>	<b>582.72</b>
Less: Appropriations						
Final Dividend for the Financial year 2022-23 proposed & paid during the year	-	-	2.98	-	-	2.98
<b>Balance as at 31<sup>st</sup> March 2024</b>	<b>529.07</b>	<b>36.96</b>	<b>1,220.44</b>	<b>0.07</b>	<b>4.73</b>	<b>1,791.27</b>

Corporate Information 1

Basis of Preparation and Material Accounting Policies 2-3

The accompanying notes 32-52 form an integral part of the financial statements.

As per our report of even date

**For K S RAO & CO****Chartered Accountants**

Firm Registration Number: 003109S

**Sd/-****(GopiKrishna Chowdary Manchinella)**

Partner

Membership Number: 235528

Place: Hyderabad

Date: 20.05.2024

**UDIN:24235528BKBEHW7849**

For and on behalf of the Board

**Sd/-****S.Kishore Babu**

Chairman and Managing Director

DIN: (00971313)

**Sd/-****N Nani Aravind**

Chief Financial Officer

**Sd/-****Mohith Kumar Khandelwal**

Company Secretary

## Company Overview and Material Accounting Policies

### Note No. 1. CORPORATE INFORMATION

Power Mech Projects Limited is incorporated in the year 1999 and is an engineering and construction company providing integrated service in erection, testing and commissioning (ETC) of boilers, turbines and generators and balance of plant (BOP), civil works and operation and maintenance (O&M). The company is undertaking projects of all types, sizes and in all environments in India and abroad which include ultra mega power projects, super critical thermal power projects, sub critical power projects, heat recovery steam generator, waste heat recovery steam generator, circulating fluidized bed combustion steam generator, gas turbine generator, hydro electric plants, maintenance, renovation, modernization and annual maintenance of running plants and complete civil works in India and abroad. Power Mech is now engaged in several power projects ranging from 135 MW to 800 MW, besides many projects in lower segment also. Thus, Power Mech is proud to be a vital part of India's Power generation capacity augmentation.

The company is entering other fields including railway projects and executing major railway project of doubling of tracks including electrification, signaling, culverts, platforms etc, transmission and distribution portfolio, mining of sand, development and operation of coal mines and the company has already undertaken some major projects.

### Note No. 2. BASIS OF PREPARATION

#### a) Basis of preparation of financial statements

These financial Statements are the separate financial statements of the company (called Standalone financial statements). These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention and on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### b) Use of estimates and Judgements

The preparation of the Company's financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements and estimates that have been made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

#### i) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets:

Property, plant and equipment / intangible assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is revised if there are significant changes from previous estimates.

#### ii) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, past history of receivables, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**iii) Fair value measurement of financial instruments:**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Company also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

**iv) Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**v) Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market 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 Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**vii) Income Taxes:**

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

**viii) Defined benefit obligations:**

The Company uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine such employee benefit obligations.

**ix) Revenue recognition:**

The company uses the percentage of completion method in accounting for its fixed price contracts and is measured with reference to actual completion of physical proportion of the work to the extent of work certified by the customer. Measurement of physical quantum of work in respect of uncertified works is based on estimates at the reporting date.

**x) Other estimates:**

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

### Note No. 3: MATERIAL ACCOUNTING POLICIES

#### a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The cost of Property, plant and equipment comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use.

For transition to Ind AS, the company has elected to adopt carrying value of PPE measured as per previous GAAP, as deemed cost as on 1st April, 2015.

Advances paid for acquisition of Property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Cost of the assets not put to use before such date are disclosed under 'Capital Work-in-progress'. Any subsequent expenditure relates to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs

are recognized in the statement of profit and loss when incurred. Items of spare parts are recognized as Property, plant and equipment when they meet the definition of Property, plant and equipment. The cost and related depreciation are eliminated from the property, plant and equipment upon sale or retirement of the asset and the resultant gain or losses are recognized in statement of profit and loss.

#### b) Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortisation. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis from the date they are available for use.

#### c) Depreciation and Amortisation

The depreciation on property, plant and equipment is provided under the Straight-line method over the useful lives of the assets estimated by the management. The management based on internal assessment, taking into account the nature of the asset, estimated usage of the asset, operating conditions of the asset, past history of replacement, anticipated technical changes and independent technical evaluation carried out by external valuers, believes that the useful lives given below best represent the period over which the management expects to use these assets.

The management estimates the useful lives for the fixed assets are as follows:

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

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

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

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

Depreciation and amortisation methods, useful lives and residual values are reviewed periodically at the end of each financial year with the effect of any change in estimate accounted for on a prospective basis.



**d) Government Grants**

Government grants are not recognized until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received .

Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. When the grant relates to an asset, it is recognized as deferred revenue in the Balance sheet and transferred to the statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

**e) Impairment of Assets**

**i) Financial assets (other than at fair value)**

The company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**ii) Non financial assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount (i.e higher of the fair value less cost of sale and value in use) is determined on an individual asset basis unless the asset does not generates cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount and the carrying

amount of the asset is increased to its revised recoverable amount subject to maximum of carrying amount.

**f) Borrowing Costs**

Borrowing Costs, that are directly attributable to the acquisition or construction of assets, that necessarily take a substantial period of time to get ready for its intended use, are capitalized as part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

**g) Investments in subsidiaries, joint ventures and Associate**

Investments in subsidiaries, joint ventures and associate are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amount are recognized in the statement of profit and loss.

**h) Inventories**

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

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

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

**i) Revenue Recognition**

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue (net of variable

consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

#### **Identifying Performance Obligation:**

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

#### **Determination of Transaction Price:**

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

#### **Recognition of Revenue:**

##### **In case of sale of goods:**

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

##### **In case of construction services:**

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

Revenue from contracts is recognized by following the percentage of completion method and is measured with reference to actual completion of physical proportion of the work to the extent of work certified by the customer and acknowledged by the customer. The portion of the work which was completed, but pending for certification by the customer, is also recognized as revenue by treating the same as uncertified revenue. Any claims, variations and incentives is recognized as revenue only when the customer accepts the same. Provision

for expected loss is recognized immediately when it is probable that the total estimated cost will exceed total contract revenue.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

#### **In case of other Income:**

Interest income is recognized using the effective interest method.

Dividend income is recognized when the right to receive payment is established.

### **J) Employee Benefits**

#### **i) Defined Contribution Plans**

Company's contribution to Employees Provident Fund and Employees State Insurance are made under a defined contribution plan, and are accounted for at actual cost in the year of accrual.

#### **ii) Defined Benefit Plans**

Gratuity, a defined Benefit scheme is covered by a Group Gratuity cum Life Assurance policy with LIC. The cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial losses and gains, the effect of changes to the asset ceiling and actual return on plan assets, in excess of the yield computed by applying the discount rate used to measure the defined benefit obligation, is reflected in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Such remeasurement losses/gains are not reclassified to profit or loss subsequently.

The employees of the company are entitled to leave encashment which are both accumulating and non-accumulating in nature. The liability towards accumulated leave encashment, which are to be 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.

### **k) Foreign Currency Transactions**

The functional currency of the company, including of its foreign projects, is Indian rupee and the financial statements are presented in Indian rupee.

Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately, with the difference in the rate of exchange arising on actual receipt/payment during the year.

At each Balance Sheet date

- i) Foreign currency denominated monetary items are translated into the relevant functional currency at exchange rate at the balance sheet date. The gains and losses resulting from such translations are included in net profit in the statement of profit and loss.
- ii) Foreign currency denominated non-monetary items are reported using the exchange rate at which they were initially recognized.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in statement of profit and loss.

#### **i) Income-Taxes**

Income tax expense comprises the sum of tax currently payable and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current tax is determined at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities are recognized as income or expense in the year of enactment. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

#### **m) Provisions, Contingent Liabilities and Contingent assets**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Where the effect of time value of money is material, the amount of provisions is the present value of the expenditure required to settle the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The company does not recognize contingent liabilities but the same are disclosed in the Notes.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

#### **n) Dividends**

Provision for dividends payable (including income tax thereon) is accounted in the books of account in the year when they are approved by the share holders at the Annual General Meeting.

#### **o) Earnings per share**

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

#### **p) Leases**

The Company's leased assets primarily consist of buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract

conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised 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.

**q) Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax is adjusted for the effects of transactions of non-cash nature and items of income or expenses associated with investing and financing activities. The cash flows are segregated into Operating, investing and financing activities.

**r) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Initial recognition:**

The company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial

assets and liabilities (other than the financial assets and liabilities at fair value through profit and loss) are added to or deducted from the fair value of financial assets and liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities at fair value through profit or loss are recognized immediately in profit or loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

**Subsequent measurement:**

**i) Financial assets carried at amortised cost:**

A financial asset is subsequently measured at amortised 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. For trade receivables, the company applies simplified approach which requires expected lifetime losses to be recognized from initial recognition of receivables. The company uses historical default rates applied on the ageing of receivables to determine loss allowance on portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analyzed. 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 amortised cost using the effective interest method. The effective method is a method of calculating the amortisation 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.

**s) Recent Accounting pronouncements**

The Company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2023 with effect from April 1, 2023. The effect is described as below:

- Ind AS 1 – Presentation of Financial Statements – The amendment requires disclosure of material accounting policies instead of significant accounting policies. In the Standalone financial statements, the disclosure of accounting policies has been accordingly modified. The impact of such modifications to the accounting policies is expected to be insignificant.
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – The amendment has defined accounting estimate as well as laid down the treatment of accounting estimate to achieve the objective set out by accounting policy. There is no impact of the amendment on the Standalone Financial Statements.
- Ind AS 12 – Income taxes – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Standalone Financial Statements.

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 4.1: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Carrying Amounts of:</b>		
Land	3.42	3.42
Office Buildings	13.38	14.50
Plant and Equipment	17.61	18.22
Furniture and Fixtures	2.34	2.27
Computers	2.59	2.18
Office Equipment	4.84	4.00
Motor vehicles	42.03	27.81
Cranes	77.34	75.05
Temporary Sheds	14.20	12.07
	<b>177.75</b>	<b>159.52</b>
Capital Work-in-progress (Refer Note No 4.3)	<b>9.90</b>	<b>2.08</b>

## Notes to the Financial Statements

All amounts are in ₹ Cr, except share data and where otherwise stated

### Property, Plant and Equipment

Particulars	Land	Office Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Motor vehicles	Cranes	Temporary Sheds	Total
<b>Gross Block:</b>										
<b>As at 31<sup>st</sup> March, 2022</b>	<b>3.42</b>	<b>21.97</b>	<b>53.33</b>	<b>11.17</b>	<b>5.45</b>	<b>13.03</b>	<b>56.99</b>	<b>158.79</b>	<b>46.20</b>	<b>370.35</b>
Additions	-	-	5.13	1.42	1.15	2.01	12.77	24.23	5.98	52.69
Disposals	-	-	0.06	-	-	-	1.48	5.85	-	7.39
<b>As at 31<sup>st</sup> March, 2023</b>	<b>3.42</b>	<b>21.97</b>	<b>58.40</b>	<b>12.59</b>	<b>6.60</b>	<b>15.04</b>	<b>68.28</b>	<b>177.17</b>	<b>52.18</b>	<b>415.65</b>
Additions	-	-	4.55	0.88	1.33	2.48	23.13	14.93	10.46	57.76
Disposals	-	-	0.57	0.21	0.19	0.28	3.71	1.45	-	6.41
<b>As at 31<sup>st</sup> March, 2024</b>	<b>3.42</b>	<b>21.97</b>	<b>62.38</b>	<b>13.26</b>	<b>7.74</b>	<b>17.24</b>	<b>87.70</b>	<b>190.65</b>	<b>62.64</b>	<b>467.00</b>
<b>Accumulated Depreciation and Impairment :</b>										
<b>As at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>6.35</b>	<b>34.97</b>	<b>9.38</b>	<b>3.71</b>	<b>9.69</b>	<b>34.62</b>	<b>91.47</b>	<b>32.13</b>	<b>222.32</b>
Depreciation charge for the Year	-	1.12	5.25	0.94	0.71	1.35	7.07	14.48	7.98	38.90
On disposals	-	-	0.04	-	-	-	1.22	3.83	-	5.09
<b>As at 31<sup>st</sup> March, 2023</b>	<b>-</b>	<b>7.47</b>	<b>40.18</b>	<b>10.32</b>	<b>4.42</b>	<b>11.04</b>	<b>40.47</b>	<b>102.12</b>	<b>40.11</b>	<b>256.13</b>
Depreciation charge for the Year	-	1.12	5.12	0.78	0.80	1.61	8.64	12.50	8.33	38.90
On disposals	-	-	0.53	0.18	0.07	0.25	3.44	1.31	-	5.78
<b>As at 31<sup>st</sup> March, 2024</b>	<b>-</b>	<b>8.59</b>	<b>44.77</b>	<b>10.92</b>	<b>5.15</b>	<b>12.40</b>	<b>45.67</b>	<b>113.31</b>	<b>48.44</b>	<b>289.25</b>
<b>Net Block:</b>										
<b>As at 31<sup>st</sup> March, 2024</b>	<b>3.42</b>	<b>13.38</b>	<b>17.61</b>	<b>2.34</b>	<b>2.59</b>	<b>4.84</b>	<b>42.03</b>	<b>77.34</b>	<b>14.20</b>	<b>177.75</b>
<b>As at 31<sup>st</sup> March, 2023</b>	<b>3.42</b>	<b>14.50</b>	<b>18.22</b>	<b>2.27</b>	<b>2.18</b>	<b>4.00</b>	<b>27.81</b>	<b>75.05</b>	<b>12.07</b>	<b>159.52</b>

#### Notes:

- 1) Term loans taken by the company for purchase of Fixed assets are secured by way of hypothecation on respective assets for which loans were availed.
- 2) Working Capital Loans from banks are secured by way of first charge on Property, Plant and Equipment of the company both present and future, excluding those assets against which charge was given to equipment financiers.
- 3) None of the property plant & equipment were acquired / transferred 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 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 thereunder.

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 4.2: Right-of-use assets

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Right-of-use assets	3.88	2.20
	<b>3.88</b>	<b>2.20</b>

Particulars	Lease hold land & Improvements	Buildings	Total
<b>(A) Cost or deemed cost :</b>			
<b>Balance at March 31, 2022</b>	<b>0.55</b>	<b>9.74</b>	<b>10.29</b>
Additions	-	0.41	0.41
Disposals/adjustments	-	-	-
<b>Balance at March 31, 2023</b>	<b>0.55</b>	<b>10.15</b>	<b>10.70</b>
Additions	-	3.60	3.60
Disposals/adjustments	-	-	-
<b>Balance at March 31, 2024</b>	<b>0.55</b>	<b>13.75</b>	<b>14.30</b>
<b>(B) Accumulated Amortisation and impairment :</b>			
<b>Balance at March 31, 2022</b>	<b>0.03</b>	<b>6.60</b>	<b>6.63</b>
Amortization expense for the year	0.01	1.86	1.87
Eliminated on disposal	-	-	-
<b>Balance at March 31, 2023</b>	<b>0.04</b>	<b>8.46</b>	<b>8.50</b>
Amortization expense for the year	0.01	1.91	1.92
Eliminated on disposal	-	-	-
<b>Balance at March 31, 2024</b>	<b>0.05</b>	<b>10.37</b>	<b>10.42</b>
<b>(C) Carrying amount :</b>			
<b>As at 31<sup>st</sup> March, 2024</b>	<b>0.50</b>	<b>3.38</b>	<b>3.88</b>
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.51</b>	<b>1.69</b>	<b>2.20</b>

### Note No. 4.3: Capital Work-in-Progress

Particulars	Amount
<b>At Cost</b>	
<b>As at 31<sup>st</sup> March, 2022</b>	<b>1.73</b>
Additions	2.08
Capitalised during the year	1.73
<b>As at 31<sup>st</sup> March, 2023</b>	<b>2.08</b>
Additions	9.90
Capitalised during the year	2.08
<b>As at 31<sup>st</sup> March, 2024</b>	<b>9.90</b>



## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Capital Work-in-progress ageing schedule as on 31 March, 2024

Particulars	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	9.90	-	-	-	9.90
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 March, 2023

Particulars	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	2.08	-	-	-	2.08
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.

### Note No. 5: INTANGIBLE ASSETS

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Power Mech Brand *	0.00	0.00
Computer Software	0.41	0.16
<b>Total</b>	<b>0.41</b>	<b>0.16</b>

\* Amount below ₹ 1 Lakh

Particulars	Power Mech Brand	Computer Software	Total
<b>Gross Block :</b>			
<b>As at 31<sup>st</sup> March, 2022</b>	<b>0.00</b>	<b>1.44</b>	<b>1.44</b>
Additions	-	0.01	0.01
Disposals	-	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.00</b>	<b>1.45</b>	<b>1.45</b>
Additions	-	0.29	0.29
Disposals	-	0.00	0.00
<b>As at 31<sup>st</sup> March, 2024</b>	<b>0.00</b>	<b>1.74</b>	<b>1.74</b>
<b>Accumulated Amortization and Impairment:</b>			
<b>As at 31<sup>st</sup> March, 2022</b>	<b>0.00</b>	<b>1.25</b>	<b>1.25</b>
Amortization expense for the year	-	0.04	0.04
On disposals	-	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.00</b>	<b>1.29</b>	<b>1.29</b>
Amortization expense for the year	-	0.04	0.04

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	Power Mech Brand	Computer Software	Total
On disposals	-	0.00	0.00
<b>As at 31<sup>st</sup> March, 2024</b>	<b>0.00</b>	<b>1.33</b>	<b>1.33</b>
<b>Net Block :</b>			
<b>As at 31<sup>st</sup> March, 2024</b>	<b>0.00</b>	<b>0.41</b>	<b>0.41</b>
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.00</b>	<b>0.16</b>	<b>0.16</b>

### Note No. 6.1: INVESTMENTS (NON-CURRENT)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>A. Investment in Equity Instruments</b>		
<b>(a) (i) Quoted - Trade (Carried at fair value through OCI)</b>		
a) 24 (24) Equity shares of ₹ 10/ each in Reliance Power Limited *	0.00	0.00
<b>(ii) Quoted - Non Trade (Carried at fair value through OCI)</b>		
a) 200 (200) Equity shares of ₹ 10/ each in Assam Company Limited *	0.00	0.00
<b>Total Investment in Quoted Equity Instruments (a)</b>	<b>0.00</b>	<b>0.00</b>
<b>(b) (i) Unquoted - Trade</b>		
<b>Investment in Subsidiaries (Carried at cost) :</b>		
a) 1,85,000 (1,85,000) Equity shares of ₹ 10 each in Hydro Magus Private Limited	2.94	2.94
b) 18,937 (18,937) Equity shares of ₹ 10 each in Power Mech Industri Private Limited (Wholly owned subsidiary)	4.31	4.31
c) 1,75,000 (1,75,000) ordinary shares of RO 1 each in Power Mech Projects Limited LLC	3.02	3.02
d) 5,100 (5,100) Equity shares of ₹ 10 each in Power Mech BSCPL Consortium Private Limited	0.01	0.01
e) 1,00,000(1,00,000) Equity shares of ₹ 10 each in Power Mech SSA Structures Private Limited (Wholly owned subsidiary)	0.10	0.10
f) 1,00,000(1,00,000) Equity shares of ₹ 10 each in Aashm Avenues Private Limited (Wholly owned subsidiary)	0.10	0.10
g) 1,00,000 (1,00,000) Ordinary shares of USD 1 each in Power Mech Projects (BR) FZE (Wholly owned subsidiary) (Investment by way of subscription of assets)	0.69	0.69
h) 10,000 (10,000) Equity shares of ₹ 10 each in Power Mech Environmental Protection Private Limited. (Wholly owned subsidiary)	0.01	0.01
i) 10,000 (10,000) Equity shares of ₹ 10 each in Energy Advisory and Consulting Services Private Limited. (Wholly owned subsidiary)	0.01	0.01
j) 7,400 (7,400) Equity shares of ₹ 10 each in KBP Mining Private Limited.	0.01	0.01
k) 7,400 (Nil) Equity shares of ₹ 10 each in Kalyaneswari Tasra Mining Private Limited.	0.01	-
l) 51% (Nil) share in Vindyavasini Mining Works LLP.	-	-
m) 51% (Nil) share in Vanshika Mining Works LLP.	-	-

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
n) 51% (Nil) share in Kailash River Bed Minerals LLP.	0.01	-
o) 51% (Nil) share in Velocity Mining Works LLP.	-	-
p) 10,000 (Nil) Equity shares of ₹ 10 each in PMTS Private Limited.	0.01	-
<b>Investment in Joint Venture (Carried at cost) :</b>		
a) 1,50,00,000 (1,50,00,000) equity shares of 1 Naira each in GTA Power Mech Nigeria Limited	0.32	0.32
b) 50 (50) Equity shares of AED 1000 each in GTA Power Mech DMCC (Company with limited liability)	0.09	0.09
c) Investment in PMPL-ACPL JV (Capital introduced Nil)**	-	-
d) Investment in PMPL-STC JV (Capital introduced Nil)**	-	-
e) Investment in PMPL-KHILARI Consortium JV (Capital introduced Nil)**	-	-
f) Investment in PMPL-SRC INFRA JV - Mizoram (Capital introduced Nil)**	-	-
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)**	-	-
n) Investment in PMPL-RSVCPL JV (Capital introduced Nil)**	-	-
o) Investment in PMPL-UPPER BURHNER JV (Capital introduced Nil)**	-	-
<b>Investment in Associate (Carried at cost) :</b>		
a) 332 (332) Equity shares of SR 1000 each in MAS Power Mech Arabia	2.25	2.25
b) 490 (Nil) Equity shares of RIYALS 100 each in Power Mech LLC (Qatar)	0.11	-
<b>Total Investment in Un-Quoted Equity Instruments (b)</b>	<b>14.00</b>	<b>13.86</b>
<b>Total Investment in Equity Instruments (A)=(a+b)</b>	<b>14.00</b>	<b>13.86</b>
<b>B. Investment in Debentures of Subsidiary Company - UnQuoted: (Measured at Amortized Cost)</b>		
a) 7,400 (Nil) Debentures of ₹ 10 each in KBP Mining Private Limited.	0.01	-
<b>Total Investment in Mutual Funds (B)</b>	<b>0.01</b>	<b>-</b>
<b>C. Investment in Mutual Funds - Quoted: (Carried at fair value through OCI)</b>		
a) 20,000 (20,000) Units of SBI Infra structure fund - I - Growth ₹ 10/ each	0.09	0.06
<b>Total Investment in Mutual Funds (C)</b>	<b>0.09</b>	<b>0.06</b>
<b>Total (A+B+C)</b>	<b>14.10</b>	<b>13.92</b>
<b>Aggregate amount of : Quoted investments -</b>		

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	As at	As at
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
- At cost	0.02	0.02
- Market value	<b>0.09</b>	<b>0.06</b>
<b>Aggregate amount of unquoted investments</b>	<b>14.01</b>	<b>13.86</b>

\* Amount below ₹ 1 Lakh

\*\* The company has become a venturer in Joint Ventures incorporated during Current and Previous years. However no investment has been made in the said JV's as on date of Balance Sheet.

Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised
Investments measured at:				
<b>(i) Fair value through Other Comprehensive Income</b>				
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	0.09	-	0.06	-
<b>(ii) Investment in Subsidiary Companies, Joint Ventures and Associates (Carried at cost)</b>	14.00	-	13.86	-
<b>(iii) Investment in Debentures of Subsidiary Company (Measured at amortized cost)</b>	0.01	-	-	-
<b>Total</b>	<b>14.10</b>	<b>-</b>	<b>13.92</b>	<b>-</b>

### Note No. 6.2: INVESTMENTS (CURRENT)

Particulars	As at	As at
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>Investment in Mutual Funds - Quoted: (Carried at fair value through P&amp;L)</b>		
a) 92,793 (92,793) units of Baroda BNP Paribas Large & Mid Cap Fund	0.22	0.15
b) 2,50,000 (2,50,000) units of Baroda BNP Paribas Flexi Cap Fund	0.34	0.24
<b>Total Investment in Mutual Funds</b>	<b>0.56</b>	<b>0.39</b>
<b>Aggregate amount of : Quoted investments -</b>		
- At cost	0.34	0.34
- Market value	0.56	0.39

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 7: LOANS

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Unsecured, Considered Good</b>				
a) Employee related advances	-	-	1.77	4.05
b) Advances to related parties				
<b>- Subsidiaries</b>				
- Power Mech Industri Private Limited	-	-	27.12	31.71
- Power Mech SSA Structures Private Limited	-	-	2.22	2.21
- KBP Mining Private Limited	-	-	18.60	8.12
- Kalyaneswari Tasra Mining Private Limited	-	-	28.58	-
- Vindyavasini Mining Works LLP	-	-	42.17	-
- Vanshika Mining Works LLP	-	-	32.80	-
- Kailash River Bed Minerals LLP	-	-	18.05	-
- Velocity Mining Works LLP	-	-	22.41	-
- PMTS Private Limited	-	-	0.00	-
<b>- Subsidiary of a joint venture</b>				
GTA Power Mech FZE (GTA Power Mech Nizeria, a JV )	-	-	0.70	0.69
<b>- Associate</b>				
- Power Mech LLC (Qatar)	-	-	1.81	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>196.23</b>	<b>46.78</b>
<b>The above Loans Receivables are sub-classified as :</b>				
a) Loans considered good - Secured	-	-	-	-
b) Loans considered good - Unsecured	-	-	196.23	46.78
c) Loans which have significant increase in Credit Risk	-	-	-	-
d) Loans - Credit impaired	-	-	-	-
	-	-	196.23	46.78

Note:

- 1) No loans are due from directors or other officers of the Company either severally or jointly with any other person nor any other loans are due from firms or private companies (except those entities which are subsidiaries or joint ventures or associates) in which any director is a partner, a director or a member.
- 2) All the above advances given to subsidiaries/joint ventures are utilised for their business purposes.
- 3) Loans Repayable on demand and Without specifying the terms or period of repayment

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars of Loans granted	As at 31 <sup>st</sup> March, 2024	% out of Total Loans advanced	As at 31 <sup>st</sup> March, 2023	% out of Total Loans advanced
a) Promoters	-	-	-	-
b) Directors	-	-	-	-
c) KMP	-	-	-	-
d) Related parties	194.45	99.09	42.74	91.36

### Note No. 8: OTHER FINANCIAL ASSETS

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Security deposits with Govt. authorities and others	12.99	11.45	-	-
b) EMD with customers	39.00	37.54	-	-
c) Earmarked balances with banks held as margin money against LC and guarantees having a maturity period for more than 12 months from the date of balance sheet	62.42	59.23	-	-
d) Retention Money and Security Deposit with customers - Unsecured	183.34	225.72	141.11	117.83
e) Uncertified Revenue	-	-	673.21	523.15
<b>Total</b>	<b>297.75</b>	<b>333.94</b>	<b>814.32</b>	<b>640.98</b>
Less: Provision for doubtful receivables (Retention Money and Security Deposit with customers)	(4.14)	(4.28)	-	-
	<b>293.61</b>	<b>329.66</b>	<b>814.32</b>	<b>640.98</b>

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

#### Uncertified revenue ageing schedule as on 31 March, 2024

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Uncertified revenue	645.82	8.74	18.65	-	-	673.21

#### Uncertified revenue ageing schedule as on 31 March, 2023

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Uncertified revenue	428.87	47.13	28.13	19.02	-	523.15

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 9: OTHER ASSETS

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Unsecured, Considered Good</b>				
a) Advances for Capital goods	7.53	1.36	-	-
b) Mobilisation advances to Sub-Contractors	-	-	16.94	14.93
c) Advances to creditors against supplies	-	-	29.38	20.76
d) Advances to sub-contractors against works -Unsecured	-	-	253.57	396.09
e) Prepaid Royalty and Other expenses	-	-	10.23	15.93
f) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	45.64	54.63
Taxes paid under protest	-	-	1.88	0.94
Duty credit scrip on hand	-	-	-	0.02
g) Other advances	-	-	6.22	6.31
h) Balance in Gratuity Fund (net of obligations) (Refer disclosures under note no. 17)	-	-	2.36	0.18
<b>Total</b>	<b>7.53</b>	<b>1.36</b>	<b>366.22</b>	<b>509.80</b>
Less: Provision for doubtful advances	-	-	(4.98)	(4.16)
(Advance to sub-contractors against works)				
<b>Total</b>	<b>7.53</b>	<b>1.36</b>	<b>361.24</b>	<b>505.63</b>

Note: No advances are due from directors or other officers of the Company either severally or jointly with any other person nor any other loans are due from firms or private company in which any director is a partner, a director or a member.

### Note No. 10: INVENTORIES (At Lower of Cost and Net Realiable Values)

Particulars	As at	As at
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
a) Stores and spares	91.29	110.84
b) Work-in-progress	9.20	22.20
<b>Total</b>	<b>100.49</b>	<b>133.04</b>

Note:

- The mode of valuation of inventories has been stated in Note 3(h) in Accounting Policies.
- The cost of inventories recognised as an expense for the year ended 31st March, 2024 was ₹ 612.94 Cr (for the year ended 31st March, 2023: ₹ 520.88 Cr)
- All the above inventories are offered as security in respect of working capital loans availed by the company from all the banks.
- There are no inventories expected to be liquidated after more than twelve months.

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 11: TRADE RECEIVABLES

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Secured and considered good	-	-
b) Unsecured and considered good*	968.64	886.10
c) Consider doubtful	5.49	4.90
Less: Allowance for doubtful receivables	(5.49)	(4.90)
<b>Total</b>	<b>968.64</b>	<b>886.10</b>
<b>*Includes receivables from Subsidiary Companies/Joint ventures/ Associates:</b>		
- Hydro Magus Private Limited	4.56	4.23
- Power Mech BSCPL Consortium Private Limited	2.17	45.41
- M/S POWER MECH-M/S ACPL JV	12.53	-
- PMPL-STC JV	2.25	8.72
- PMPL-SRC INFRA JV (Mizoram)	10.57	12.70
- PMPL-SRC INFRA JV (Hassan)	0.64	1.31
- PMPL-BRCC INFRA JV	183.65	143.19
- PMPL-KHILARI Consortium JV	4.05	3.70
- PMPL-PIA JV	1.36	10.78
- POWER MECH-TAIKISHA JV	0.78	0.10
- RITES-PMPL JV	1.73	0.23
- PMPL-KVRECPL Consortium JV	0.67	-
- PMPL RSVCPPL JV	0.13	-
- Vindya Vasini Mining Works LLP	0.53	-
- Kalyaneswari Tasra Mining Private Limited.	3.23	-
- MAS Power Mech Arabia	10.42	13.45
- Power Mech Projects (BR) FZE	6.73	7.79
- POWERMECH LLC(Qatar)	0.39	-

- 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, ₹ 155.79 Cr (as at March 31, 2023: ₹ 209.63 Cr) is due from one of the Company's largest customer. Further, an amount of ₹ 325.62 Cr (as at March 31, 2023: ₹ 238.02 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 company has provided expected credit loss allowance based on provision matrix applied on the ageing of receivables which are due with estimated loss rates.



## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Trade Receivables ageing schedule as on 31 March, 2024

Particulars	Outstanding for following periods from due date of transaction					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) undisputed trade Receivables - considered good	878.35	4.18	50.57	20.73	14.81	968.64
(ii) undisputed trade Receivables - which have significant increase in credit risk	-	-	2.29	0.64	2.56	5.49
(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	-	-	(2.29)	(0.64)	(2.56)	(5.49)
<b>Total</b>	<b>878.35</b>	<b>4.18</b>	<b>50.57</b>	<b>20.73</b>	<b>14.81</b>	<b>968.64</b>

### Trade Receivables ageing schedule as on 31.03.2023

Particulars	Outstanding for following periods from due date of transaction					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) undisputed trade Receivables - considered good	767.00	14.74	54.64	48.30	1.42	886.10
(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)
<b>Total</b>	<b>767.00</b>	<b>14.74</b>	<b>54.64</b>	<b>48.30</b>	<b>1.42</b>	<b>886.10</b>

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 12: CASH AND CASH EQUIVALENTS

Particulars	As at	As at
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>i) Balances with banks</b>		
In Current accounts	25.12	37.97
ii) Cash on hand	1.16	1.08
iii) Fixed Deposits with original maturity period of less than 3 months	1.27	0.81
<b>Total</b>	<b>27.55</b>	<b>39.86</b>

### Note No. 12: OTHER BANK BALANCES

Particulars	As at	As at
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
a. Earmarked balances with banks held as margin money against LC and guarantees falls due for maturity within 12 months from the date of Balance sheet	168.63	126.34
b. Earmarked funds out of QIP 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	243.92	-
c. Earmarked balances with banks towards unclaimed dividends	0.03	0.02
<b>Total</b>	<b>412.58</b>	<b>126.36</b>

Note: Bank Deposits with more than 12 months maturity from the date of Balance Sheet was disclosed under "Other Financial Assets"

### Note No. 13: SHARE CAPITAL

#### a) Authorised Share Capital

Particulars	Equity	
	Number of Shares	Amount
<b>As at 31<sup>st</sup> March, 2022</b>	<b>26,000,000</b>	<b>26.00</b>
Changes during the Year	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>26,000,000</b>	<b>26.00</b>
Changes during the Year	-	-
<b>As at 31<sup>st</sup> March, 2024</b>	<b>26,000,000</b>	<b>26.00</b>

#### b) Issued Share Capital

Equity shares of ₹ 10/- each issued, subscribed and fully paid

Particulars	Number of Shares	Amount
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>14,710,764</b>
Increase in paid-up capital on conversion of Loan into equity	195,593	0.20
<b>As at 31<sup>st</sup> March, 2023</b>	<b>14,906,357</b>	<b>14.91</b>
Increase in paid-up capital on issue of shares pursuant to Qualified institutional placement (QIP)	901,789	0.90
<b>As at 31<sup>st</sup> March, 2024</b>	<b>15,808,146</b>	<b>15.81</b>

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### c) Rights, Preferences and restrictions attached to Equity shares

The Company has only one class of Equity shares having a face value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

### d) Details of share holders holding more than 5% of total number of shares

Name of the Share Holder	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	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	24.45%	3,864,942	25.93%
Sajja Rohit	903,413	5.71%	543,413	3.65%
S. Lakshmi	1,928,626	12.20%	3,008,626	20.18%
Vignatha Sajja	1,103,054	6.98%	1,103,054	7.40%
Aishwarya Kurra	1,527,513	9.66%	807,513	5.42%
HDFC Small Cap Fund	1,232,932	7.80%	1,247,109	8.37%
	<b>10,560,480</b>	<b>66.80%</b>	<b>10,574,657</b>	<b>70.94%</b>

### e) Details of shares held by promoters as on 31 March, 2024

Name of the promoters	As at 31 <sup>st</sup> March 2024		% Change during the FY 2023-24
	No. of shares	% of total shares	
Sajja Kishore Babu	3,864,942	24.45	0.00
Lakshmi Sajja	1,928,626	12.20	(35.90)
Sajja Rohit	903,413	5.71	66.25
Sajja Vignatha	1,103,054	6.98	0.00
Aishwarya Kurra	1,527,513	9.66	89.16
Gogineni Babu	13,858	0.09	(46.61)
Sireesha Gogineni	3,360	0.02	0.00
Sekhar Gogineni	-	-	(100.00)
Sivarama Krishna Prasad Sajja	2,000	0.01	(31.74)
Subhashini Kanteti	2,520	0.02	0.00
Uma Devi Koyi	500	0.00	(83.48)
Sai Malleswara Rao Sajja	255	0.00	0.00
Power Mech Infra Limited	195,593	1.24	0.00

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Details of shares held by promoters as on 31 March, 2023

Name of the promoters	As at 31 <sup>st</sup> 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

f) The Company is not a subsidiary Company to any of the Company. The Company had 14 Indian subsidiary Companies Hydro Magus Private Limited , Power Mech Industri Private Limited, Power Mech BSCPL Consortium Private Limited, Aashm Avenues Private Limited, Power Mech SSA Structures Private Limited, Power Mech Environmental Protection Private Limited, Energy Advisory and Consulting Services Private Limited, KBP Mining Private Limited, Kalyaneswari Tasra Mining Private Limited, PMTS Private Limited, Vindayasini Mining Works LLP, Vanshika Mining Works LLP, Kailash River Bed Minerals LLP, Velocity Mining Works LLP and 2 foreign subsidiary companies Power Mech Projects (BR )FZE and Power Mech Projects Limited LLC. None of the shares of the Company are held by its subsidiary Companies.

The Company had 13 Indian Joint venture's M/S POWER MECH-M/S ACPL JV, PMPL-STC JV, PMPL-KHILARI Consortium JV, PMPL-SRC INFRA JV (Mizoram), PMPL-SRC INFRA JV (Hassan), PMPL-BRCC INFRA JV, PMPL-PIA JV, PMPL-KVRECPL Consortium JV, RITES-PMPL JV, SCPL-PMPL JV, POWER MECH-TAIKISHA JV, PMPL-RSVCPL JV, PMPL-UPPER BURHNER JV and 2 foreign Joint venture Companies GTA Power Mech Nigeria Limited and GTA Power Mech DMCC. None of the shares of the Company are held by its joint venture Companies.

The Company also had 2 Foreign Associate companies MAS Power Mech Arabia, Power Mech LLC Qatar. None of the shares of the Company are held by its associate Company.

- g) Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date: No Bonus shares were issued during the period of five immediately preceding financial Years.
- h) No shares were issued pursuant to a contract without payment being received in cash.

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 14: OTHER EQUITY

#### Securities Premium

Particulars	Amount
<b>As at 31<sup>st</sup> March, 2022</b>	<b>160.93</b>
Add : Increase on account of Conversion of Loan into equity at a Premium of ₹ 1,268.16 per share.	24.80
<b>As at 31<sup>st</sup> March, 2023</b>	<b>185.73</b>
Add : Increase on account of issue of equity shares pursuant to Qualified institutional placement (QIP) at a Premium of ₹ 3871.17 per share.	343.34
<b>As at 31<sup>st</sup> March, 2024</b>	<b>529.07</b>

#### General Reserve

Particulars	Amount
<b>As at 31<sup>st</sup> March, 2022</b>	<b>36.96</b>
Transfers during the Year	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>36.96</b>
Transfers during the Year	-
<b>As at 31<sup>st</sup> March, 2024</b>	<b>36.96</b>

#### Retained Earnings

Particulars	Amount
<b>As at 31<sup>st</sup> March, 2022</b>	<b>781.00</b>
Add: Total comprehensive income for the year transferred from statement of profit and loss	210.05
Less: Appropriations.	
Final Dividend for the Financial year 2021-22 proposed & paid during the year	2.21
<b>As at 31<sup>st</sup> March, 2023</b>	<b>988.84</b>
Add: Total comprehensive income for the year transferred from statement of profit and loss	239.38
Less: Appropriations.	
Final Dividend for the Financial year 2022-23 proposed & paid during the year	2.98
<b>As at 31<sup>st</sup> March, 2024</b>	<b>1,225.24</b>

#### Summary of Other Equity

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Securities Premium	529.07	185.73
General Reserve	36.96	36.96
Retained Earnings	1,225.24	988.84
<b>Total</b>	<b>1,791.27</b>	<b>1,211.53</b>

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Nature of reserves:

a) Securities premium

Securities premium represents premium received on issue/conversion of shares. The reserve is utilised in accordance with the provisions of section 52 of Companies Act, 2013.

b) General reserve

The general reserve is created by way of transfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956.

Mandatory transfer to general reserve is not required under the Companies Act, 2013.

c) Retained Earnings

Retained earnings are the profits that the company has earned till date less transfers to general reserves and dividends paid to share holders.

### Note No. 15: LONG TERM BORROWINGS

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>A. Secured</b>				
<b>i. Term loans</b>				
<b>a) From Banks :</b>				
i) Axis Bank	13.43	5.31	14.96	13.43
ii) HDFC Bank	4.24	0.70	2.15	1.32
iii) ICICI Bank	0.01	0.13	0.12	7.11
iv) Kotak Mahindra Bank	1.96	6.00	4.13	7.23
v) Yes Bank	-	-	-	0.31
vi) Bank of Baroda	1.93	1.98	2.05	1.27
vii) Emirates Islamic Bank	2.31	1.18	1.28	0.69
<b>b) From Others :</b>				
i) HDB Financial Services	2.11	3.92	2.56	4.55
ii) TATA Capital	0.03	2.52	2.49	6.11
iii) Mahindra finance	0.09	0.19	0.10	1.21
iv) Al-Futtaim	0.02	0.12	0.12	0.11
<b>Total (a)</b>	<b>26.13</b>	<b>22.05</b>	<b>29.96</b>	<b>43.34</b>
<b>B. Unsecured</b>				
Deferred payment liabilities				
Due to suppliers on deferred credit basis	-	4.02	4.08	-
<b>Total (b)</b>	<b>-</b>	<b>4.02</b>	<b>4.08</b>	<b>-</b>
<b>Total (a+b)</b>	<b>26.13</b>	<b>26.07</b>	<b>34.04</b>	<b>43.34</b>

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

- 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 % per annum.
- 3) The above loans are repayable in monthly/quarterly installments.
- 4) Maturity pattern of above term loans (Non-Current) is as follows.  
Banks : 2025-26 - ₹ 15.40 & 2026-27 - ₹ 8.49.  
Companies : 2025-26 - ₹ 1.68 & 2026-27 - ₹ 0.57.
- 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.

### Note No. 16: OTHER FINANCIAL LIABILITIES

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Retention Money & Security deposits recovered from Sub-Contractors	111.91	86.40	27.70	24.56
b) Creditors for capital goods	-	-	0.42	0.75
c) Interest accrued and due	-	-	0.23	0.16
d) Unclaimed dividend	-	-	0.03	0.02
e) Employee related payments	-	-	67.71	62.72
f) Share application money refundable	-	-	-	0.11
g) Other Liabilities	-	-	35.85	36.57
	<b>111.91</b>	<b>86.40</b>	<b>131.94</b>	<b>124.89</b>
a) Lease liability (Refer Note no. 46)	1.88	0.86	2.11	0.83
<b>Total</b>	<b>113.79</b>	<b>87.26</b>	<b>134.05</b>	<b>125.72</b>

Note:

- (i) The segregation of above Retention Money & Security deposits are made based on the time schedule in execution of works, estimated works undertaken in next year and terms of release as agreed with sub-contractors.

### Note No. 17: PROVISIONS

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Provision for employee benefits				
- Leave Encashment (Unfunded)	3.45	3.74	0.77	0.86
<b>Total</b>	<b>3.45</b>	<b>3.74</b>	<b>0.77</b>	<b>0.86</b>

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### EMPLOYEE BENEFITS

#### a. Defined contribution plans

The Company makes Provident Fund and Employees' State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. The Company recognised ₹ 25.65 Cr (Year ended March 31, 2023: ₹ 28.23 Cr) for provident fund contributions, and ₹ 3.45 Cr (Year ended March 31, 2023: ₹ 3.66 Cr) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

#### b. Defined benefit plans

The Company provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

#### Risk Management:

**Investment risk** - The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Interest rate risk** - The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**Longevity risk** - The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk** - The present value of the defined benefit plan is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

#### (i) Balance Sheet

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Present value of obligation	16.87	13.74
Fair Value of plan assets	19.23	13.92
<b>Net Liability/(Asset) recognised in the Balance Sheet</b>	<b>(2.36)</b>	<b>(0.18)</b>

#### (ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Plan Obligation	Plan Assets	Deficit/(Surplus)
<b>As at March 31, 2022</b>	12.53	9.72	2.81
Current service cost	3.55	-	3.55
Interest cost	0.84	-	0.84
Interest Income	-	0.84	(0.84)
Actuarial gain arising from changes in experience adjustments	(0.60)	-	(0.60)
Actuarial gain arising from changes in financial assumptions	(0.30)	-	(0.30)
Contributions by employer	-	5.77	(5.77)
Benefit payments	(2.28)	(2.28)	-





## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	Plan Obligation	Plan Assets	Deficit/(Surplus)
Return on plan assets, excluding interest income	-	(0.13)	0.13
<b>As at March 31, 2023</b>	<b>13.74</b>	<b>13.92</b>	<b>(0.18)</b>
Current service cost	4.80	-	4.80
Interest cost	0.89	-	0.89
Interest Income	-	1.21	(1.21)
Actuarial gain arising from changes in experience adjustments	0.41	-	0.41
Actuarial gain arising from changes in financial assumptions	0.71	-	0.71
Contributions by employer	-	7.96	(7.96)
Benefit payments	(3.68)	(3.69)	0.01
Return on plan assets, excluding interest income	-	(0.17)	0.17
<b>As at March 31, 2024</b>	<b>16.87</b>	<b>19.23</b>	<b>(2.36)</b>

### (iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31st March, 2024
<b>Employee Benefit Expenses</b>	
Current service cost	4.80
Past Service cost	
Interest cost	0.89
Interest Income	(1.21)
<b>Net impact on profit before tax</b>	<b>4.48</b>
<b>Remeasurement of the net defined benefit plans:</b>	
Actuarial gain arising from changes in Financial assumptions	0.71
Actuarial (gain)/loss arising from changes in Experience adjustments	0.41
Return on plan assets, excluding interest income	0.17
<b>Net impact on other comprehensive income</b>	<b>1.29</b>

Particulars	Year ended 31st March, 2023
<b>Employee Benefit Expenses</b>	
Current service cost	3.55
Past Service cost	-
Interest cost	0.84
Interest Income	(0.84)
<b>Net impact on profit before tax</b>	<b>3.55</b>
<b>Remeasurement of the net defined benefit plans:</b>	
Actuarial gain arising from changes in Financial assumptions	(0.30)
Actuarial (gain)/loss arising from changes in Experience adjustments	(0.60)
Return on plan assets, excluding interest income	0.13
<b>Net impact on other comprehensive income</b>	<b>(0.77)</b>

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### (iv) Assets

The major categories of plan assets as a % of the total plan assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Insurance policies	100%	100%

### (v) Investment details

Particulars	As at 31st March, 2024	As at 31st March, 2023
Insurance Policies	19.23	13.92

### (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, 2024	As at 31st March, 2023
Discount rate	7.22%	7.51%
Salary escalation rate	3.00%	3.00%

### (vii) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below have been determined based on the reasonably possible changes of the assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in key assumption while holding all other assumptions constant. The result of sensitivity analysis is given below.

Particulars	Defined benefit obligation As at 31st March, 2024
Salary Escalation - Up by 1%	19.42
Salary Escalation - Down by 1%	14.73
Withdrawal Rates - Up by 1%	17.81
Withdrawal Rates - Down by 1%	15.75
Discount Rates - Up by 1%	14.89
Discount Rates - Down by 1%	19.25
Mortality Rates - Up by 1%	16.90
Mortality Rates - Down by 1%	16.83

### (viii) Maturity profile of Defined Benefit Obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non Current
Defined Benefit Obligation	0.74	3.19	49.40

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 18: DEFERRED TAX

The following is the analysis of deferred tax Assets/(Liabilities) presented in the Balance Sheet

Particulars	Components	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Liability:</b>		
Towards depreciation	-	-
<b>Asset:</b>		
Disallowances under Income-tax	4.78	4.54
Towards depreciation	6.25	6.29
<b>Total</b>	<b>11.03</b>	<b>10.83</b>

### Movement in Deferred Tax Assets/(Liabilities)

Component	As at 31 <sup>st</sup> March, 2022	(Credit)/ Charge to Statement of P&L	As at 31 <sup>st</sup> March, 2023	(Credit)/ Charge to Statement of P&L	As at 31 <sup>st</sup> March, 2024
<b>Deferred tax asset in relation to:</b>					
Depreciation	5.34	(0.95)	6.29	0.04	6.25
Expenses allowable under Income tax when paid	4.92	0.38	4.54	(0.24)	4.78
<b>Total</b>	<b>10.26</b>	<b>(0.57)</b>	<b>10.83</b>	<b>(0.20)</b>	<b>11.03</b>

### Note No. 19: OTHER LIABILITIES

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Mobilisation advances received from customers	130.33	72.90	87.11	130.75
b) Advances received from customers against supplies or works	-	-	2.26	21.82
c) Statutory Liabilities	-	-	73.05	66.86
d) Deferred government grants (Refer note (i) below)	0.37	0.45	-	-
<b>Total</b>	<b>130.70</b>	<b>73.35</b>	<b>162.42</b>	<b>219.43</b>

Note: i) a) The company received government grants in the nature of export incentives and the same is utilised against import of Capital goods and capitalised to Property, Plant and Equipment.

b) The deferred government grant will be recognised in statement of profit and loss over the period in proportion to the depreciation expense on the assets to which such grant is utilized is recognised.

(ii) The segregation of mobilisation advances received from customers has been made based on the estimated work to be completed in next year and as per the terms of agreement entered with customers, turnover, terms of release of amount and estimates of the management.

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 20: SHORT TERM BORROWINGS

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>A. Secured</b>		
1. v repayable on demand:		
Working capital loans from Banks		
i) State Bank of India	43.41	86.45
ii) RBL Bank	19.98	-
iii) Axis Bank	3.03	-
iv) IDFC First Bank	14.96	12.55
v) Punjab National Bank	15.92	17.37
vi) Bank of India	15.15	19.91
vii) IndusInd Bank	4.08	4.27
viii) Union bank of India	27.88	33.87
ix) Bank of Baroda	38.37	64.54
x) UCO Bank	20.01	44.77
xi) Central Bank of India	7.19	-
xii) Bandan Bank	29.38	49.10
xiii) Karnataka Bank	19.44	22.95
xiv) IOB Bank	4.95	-
2. Current maturities of long-term debt (Refer Note no. 15)	34.04	43.34
<b>B. Un Secured</b>		
1. Loans repayable on demand :		
a) Working Capital Loans from Banks		
i) Bank of Bahrain & Kuwait	24.90	48.80
<b>Total</b>	<b>322.69</b>	<b>447.92</b>

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 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 sanctioned/renewed during the year under review, had been filed with the Registrar of Companies, within the prescribed time or within the extended time along with 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.

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 21: TRADE PAYABLES

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Dues to : Small and Micro Enterprises	1.67	1.16
: Other than Small and Micro Enterprises (Including Acceptances)*	681.24	744.04
<b>Total</b>	<b>682.91</b>	<b>745.20</b>

\* Acceptances include arrangements where suppliers of goods and services are initially paid by banks/financiers.

#### Ageing of Trade Payables as on 31.03.2024

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	1.61	0.01	0.05	-	1.67
(ii) Others	556.07	47.11	24.05	54.01	681.24
(iii) Unbilled Dues	-	-	-	-	-
(iv) Disputed dues MSME	-	-	-	-	-
(v) Disputed dues others	-	-	-	-	-

#### Ageing of Trade Payables as on 31.03.2023

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	1.10	0.02	0.04	-	1.16
(ii) Others	618.43	53.55	29.37	42.69	744.04
(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 and available with the Company with regard to the status of their suppliers under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT), on which the auditors have relied, the disclosure requirement with regard to the payment made/due to Micro, Small and Medium Enterprises are given below.

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	1.67	1.16
(b) Interest due there on	0.36	0.35
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	0.46	0.37
(b) Interest paid along with such payments during the year	0.10	0.02
(c) Interest due and payable at the end of the year on such payments made during the year.	-	0.24

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
3. Amount of Interest for the year u/s 16 of the Act accrued and remaining un-paid at the end of the year	0.12	0.11
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.	0.36	0.35

### Note No. 22: CURRENT INCOME-TAX (ASSET)/LIABILITIES (NET)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Provision for Income-tax	471.97	327.57
Less: Advance Income-tax and TDS	456.14	384.69
	<b>15.83</b>	<b>(57.12)</b>

### Income-tax recognised in profit or loss

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
<b>Current Tax</b>		
Tax expense in respect of current year Income	99.30	73.14
Short Provision of Current tax (Refer Note no. 51)	30.65	-
	<b>129.95</b>	<b>73.14</b>
<b>Deferred Tax</b>		
Deferred Tax (credit)/charge in respect of Current year	(0.20)	(0.57)
	<b>(0.20)</b>	<b>(0.57)</b>
<b>Total tax expense recognised in profit or loss</b>	<b>129.75</b>	<b>72.57</b>

The current income- tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Profit before tax (including remeasurement gain on defined benefit plans)	369.10	282.61
Enacted Tax Rates in India	25.17%	25.17%
Computed Tax expense	92.91	71.13
<b>Add: Tax effects of expenses which are not deductible in determining taxable profit</b>		
- Depreciation difference	0.42	1.38
- Expenses(net of Income) not deductible for tax purposes	5.92	0.67
Tax on Ind AS adjustments	0.05	(0.04)
<b>Current Tax Provision (A)</b>	<b>99.30</b>	<b>73.14</b>
<b>Short Provision of Current Tax (Refer Note no. 51) (B)</b>	<b>30.65</b>	<b>-</b>
Increase of Deferred tax Asset on account of fixed Assets	0.04	(0.95)
Decrease of Deferred tax Asset on account of other Assets	(0.24)	0.38
<b>Deferred Tax (Credit) / Charge (C)</b>	<b>(0.20)</b>	<b>(0.57)</b>
<b>Total Tax Expense (A+B+C)</b>	<b>129.75</b>	<b>72.57</b>

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 23: REVENUE FROM OPERATIONS

Particulars	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
<b>Contract receipts:</b>		
Income from contracts and services	4,058.25	3,531.34
<b>Other operating revenue :</b>		
Crane and equipment hire charges received	1.21	0.75
<b>TOTAL</b>	<b>4,059.46</b>	<b>3,532.09</b>

### Note No. 24: OTHER INCOME

Particulars	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
Interest from banks and others (at amortized cost)	24.00	8.25
Interest on unwinding portion of Rental Deposits (at amortized cost)	0.07	0.08
Profit on sale of assets	1.74	1.62
Fair value gain on current investments	0.17	-
Gain on exchange fluctuations	-	3.05
Sale of Duty credit scrip and deferment of govt. grants	0.06	0.05
Corporate Guarantee commission	2.04	-
<b>TOTAL</b>	<b>28.08</b>	<b>13.05</b>

### Note No. 25: COST OF MATERIALS CONSUMED

Particulars	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
Opening Stock	110.84	117.44
Add: Purchases	593.39	514.28
	<b>704.23</b>	<b>631.72</b>
Less : Closing Stock	91.29	110.84
<b>TOTAL</b>	<b>612.94</b>	<b>520.88</b>

### Note No. 26: CHANGES IN INVENTORIES OF WORK -IN- PROGRESS

Particulars	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
Opening work-in-progress	22.20	8.37
	<b>22.20</b>	<b>8.37</b>
Closing work-in-progress	9.20	22.20
	<b>9.20</b>	<b>22.20</b>
<b>Increase / (Decrease) in Work-in-progress</b>	<b>(13.00)</b>	<b>13.83</b>

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 27: CONTRACT EXECUTION EXPENSE

Particulars	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
Sub-contract expenses	2,067.52	1,661.17
Radiography charges	12.77	17.20
Royalty Charges	51.33	175.77
Hire charges	41.20	38.58
Rent at Project sites	25.73	24.62
Power and fuel	7.33	6.20
Insurance	6.20	4.73
Vehicles movement and other freight expenses	27.33	25.19
Repairs and maintenance : Plant and machinery	21.09	19.72
Other assets	4.28	3.38
Fuel and vehicle maintenance	84.98	70.99
Travelling expenses at projects	12.61	11.75
<b>TOTAL</b>	<b>2,362.37</b>	<b>2,059.30</b>

### Note No. 28: EMPLOYEE BENEFIT EXPENSE

Particulars	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
Salaries and Wages	455.02	449.64
Remuneration to managerial personnel	20.09	11.71
Contribution to provident and other funds	29.10	31.89
Staff welfare expenses	29.19	30.06
Contribution towards group gratuity	4.48	3.55
<b>TOTAL</b>	<b>537.88</b>	<b>526.85</b>

### Note No. 29: FINANCE COST

Particulars	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
Interest paid to banks and others	70.73	79.12
Loan Processing charges	6.01	7.58
Interest on Income-tax (Net of interest on Income Tax refund)	13.58	0.54
Exchange fluctuations on deferred credit payment	0.06	0.11
Finance cost on lease liability	0.46	0.25
<b>TOTAL</b>	<b>90.84</b>	<b>87.60</b>



## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 30: DEPRECIATION AND AMORTISATION

Particulars	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
Depreciation	38.90	38.90
Amortisation	0.04	0.04
Amortization of Right-to-use assets (Refer Note No.46)	1.91	1.87
<b>TOTAL</b>	<b>40.85</b>	<b>40.81</b>

Refer note no 3(c) given under Material accounting policies for method of providing depreciation.

### Note No. 31: OTHER EXPENSE

Particulars	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
Directors Sitting Fee	0.15	0.12
Payments to auditors		
Towards Statutory audit	0.15	0.15
Towards tax audit and taxation matters	0.02	0.01
Rates and taxes	7.83	4.56
Fair value changes on current investments	-	0.05
Miscellaneous expenses	41.34	29.29
Bad debts writtenoff	3.52	4.31
Less : Provision withdrawn	(0.70)	(2.15)
Provision towards doubtful debts and advances	1.97	4.13
CSR expenses	2.41	1.20
Loss on sale of assets/Assets writtenoff	0.05	0.02
Loss on exchange fluctuations	2.53	-
<b>TOTAL</b>	<b>59.27</b>	<b>41.69</b>

### Note No. 32: Categories of Financial instruments

The Carrying amounts and fair value of financial instruments by categories as at 31 March, 2024 and 31 March, 2023 are as follows:

Particulars	Carrying value		Fair value	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Financial assets</b>				
<b>Measured at Amortised cost</b>				
(i) Other financial assets	1,108.12	970.88	1,107.94	970.64
(ii) Loans and advances	196.23	46.78	196.23	46.78
(iii) Investment in Debentures of a Subsidiary company	0.01	-	0.01	-
<b>Measured at FVTOCI</b>				
(i) Investments in equity instruments/ Mutual Funds	0.02	0.02	0.09	0.06

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

<b>Measured at FVTPL</b>				
(i) Investments in Mutual Funds	0.34	0.34	0.56	0.39
<b>Measured at cost</b>				
(i) Investment in Subsidiaries, Joint ventures & Associates	14.00	13.86	14.00	13.86
<b>Total assets</b>	<b>1,318.72</b>	<b>1,031.88</b>	<b>1,318.83</b>	<b>1,031.73</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
(i) Borrowings (including current maturities of Long term borrowings)	60.17	69.42	60.17	69.42
(ii) Other financial liabilities	243.85	211.29	243.85	211.29
(iii) Lease liabilities	3.99	1.69	3.99	1.69
<b>Total liabilities</b>	<b>308.01</b>	<b>282.40</b>	<b>308.01</b>	<b>282.40</b>

### Note No. 33: Fair value hierarchy

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The categories used are as follows:

**Level 1: Quoted prices for identified instruments in an active market.**

**Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and**

**Level 3: Inputs which are not based on observable market data.**

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets are measured at the fair value at the end of each reporting period.

The following table gives information about how the fair value of these financial assets and financial liabilities are determined in particular, the valuation technique and other inputs used.

Financial Assets	Fair Value as at		Fair Value hierarchy	Valuation technique and key input
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023		
1) Investments in Quoted Mutual Funds	0.65	0.45	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

\* Amount below ₹ 1 Lakh

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and short term borrowings at carrying value because their carrying amounts approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of long term borrowings, other financial assets and financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.



## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 34: Financial Risk Management

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, trade and other receivables.

The Company's business activities are exposed to a variety of financial risks namely credit risk, liquidity risk and foreign currency risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of Directors of the Company.

#### A. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligation. Credit risk encompasses 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 the company are from public sector and accounts for more than 28% 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 retention and deposit amounts.

(in ₹ Cr)

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Turnover from top Customer	868.35	693.45
Dues from top customer	183.65	355.05
Turnover from other top 4 customers	1,444.11	1,314.07
Dues from other top 4 customers	445.86	244.14

#### Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks held as margin money against guarantees and retention money and security deposits with customers which are to be released on fulfillment of conditions as specified in the work orders.

The Company's maximum exposure of credit risk as at March 31, 2024, March 31, 2023 is the carrying value of each class of financial assets.

#### B. Foreign currency risk management

Foreign currency risk is the risk that the Fair value or Future cashflows of an exposure will fluctuate due to changes in foreign currency rates. Exposures can arise on account of various assets and liabilities which are denominated in currencies other than Indian rupee. The Company has not entered in to any forward exchange contract to hedge against currency risk.

- a) The company, in addition to its Indian operations, operates outside India through its project centres.  
Particulars of Unhedged foreign currency exposures of Indian operations as at Balance sheet date:

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

(in ₹ Cr)

Particulars	Currency	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Letter of Credit	USD	4.08	4.02

- b) The Income and expenditure of the foreign projects are denominated in currencies other than Indian Currency. Accordingly the company enjoys natural hedge in respect of its assets and liabilities of foreign projects. The company's unhedged foreign currency exposure in respect of these project centres is limited to uncovered amount, the particulars of which are given below.

(in ₹ Cr)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Net Investment in		
USD - US Dollars	10.77	10.11
SAR - Saudi Arabian Riyals	-	0.04
AED - Arab Emirates Dirham	57.81	32.49
BDT - Bangladeshi Taka	161.38	181.61
LYD - Libyan Dinars	1.48	1.47
KWD - Kuwaiti Dinar	(3.54)	4.24
	<b>227.90</b>	<b>229.96</b>

The company does not have any risk of currency fluctuation since it's entire liability in foreign currency is covered by its receivables.

The unhedged exposures are naturally hedged by future foreign currency earnings linked to foreign currency.

The uncovered amount if any, is subject to foreign currency fluctuations.

### C. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has availed credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2024 and March 31, 2023. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Company regularly maintains the rolling forecasts to ensure that it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits.

The company is repaying its borrowings as per the schedule of repayment and no amount was pending for remittance beyond its due date.

In case of borrowings from banks, the maturity pattern has been given under Note no. 15.

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### D. Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on Management's judgment of its strategic day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

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

The following table summarises the capital of the company.

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Equity	<b>1,807.08</b>	<b>1,226.44</b>
Short Term Borrowings	288.64	404.57
Long Term Borrowings (including Current maturities of Long term debt)	60.17	69.42
Cash and Cash Equivalents (including other bank balances)	(502.54)	(225.45)
<b>Net Debt</b>	<b>(153.73)</b>	<b>248.54</b>
Total Capital (Equity+Net Debt)	1,653.35	1,474.98
<b>Gearing Ratio (Net Debt / Equity)</b>	<b>(8.51%)</b>	<b>20.27%</b>

Note No.	Particulars	31.03.2024	31.03.2023
<b>35</b>	<b>Contingent Liabilities and Commitments</b>		
<b>A.</b>	<b>Contingent Liabilities</b>		
<b>a)</b>	<b>Claims against the company not acknowledged as debts</b>		
	VAT	1.80	1.80
	Goods & Service Tax (GST)	13.66	8.28
<b>b)</b>	<b>Guarantees</b>		-
	(i) Corporate guarantee given to bank in respect of limits sanctioned to subsidiary companies to the extent of balance outstanding (Guarantees given for their business activities)		
	- Kalyaneswari Tasra Mining Pvt Ltd	23.83	-
<b>B.</b>	<b>Commitments</b>		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	22.78	4.24
<b>36</b>	Guarantees given by the company's bankers and outstanding. The said guarantees were covered by way of pledge of Fixed Deposit receipts with the bankers.	1,652.63	1,221.45
<b>37</b>	CIF value of Imports made by the company during the year		
<b>a)</b>	<b>Consumables &amp; Spare parts</b>	1.25	0.06
<b>b)</b>	<b>Capital goods</b>	1.62	4.61

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

Note No.	Particulars	31.03.2024	31.03.2023
<b>38</b>	Earnings in foreign currency		
	Abu Dhabi	135.88	119.52
	Bangladesh	92.43	203.75
	Kuwait	0.04	-
	Nigeria	61.76	34.05
	Sharjah	27.12	10.45
	Saudi	0.59	-
	Qatar	2.14	-
<b>39</b>	Expenditure in foreign currency		
a)	Expenditure on contracts executed outside India (Including Consumables and Spares)		
	Abu Dhabi	119.48	105.87
	Bangladesh	66.57	176.77
	Kuwait	3.12	0.49
	Shuqaiq	0.03	4.34
	Libya	0.00	0.02
	Sharjah	17.82	7.56
b)	Foreign travel	0.05	0.05

### Note No. 40: EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
a) Gross amount required to be spent by the company during the year	2.11	1.06
b) Amount spent during the year (Contribution paid to Power Mech Foundation/others)	2.41	1.20
c) Related party transactions in relation to Corporate Social Responsibility	2.24	1.18
d) Details of excess/short amount spent	0.30	0.14
e) Nature of CSR activities undertaken by Power Mech Foundation		
(i) Providing Education		
(ii) Promoting health care		
(iii) Facilities for setting up home for Orphanages & Old-Age homes		



## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 41: Particulars disclosed pursuant to IND AS-24 “Related party transactions”

<b>A)</b> i)	Key Managerial personnel	S. Kishore Babu, Chairman and Managing director
ii)	Relatives of Key Managerial personnel	S. Lakshmi – Director W/o S.Kishore Babu S. Rohit s/o S.Kishore Babu S. Kishore Babu (HUF) S. Vignatha D/o S.Kishore Babu Nekkanti Sri sidartha (Son in Law of 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
iv)	Subsidiary companies	Hydro Magus Private Limited Power Mech Industri Private Limited Power Mech Projects Limited LLC Power Mech BSCPL Consortium Private Limited Power Mech SSA Structures Private Limited Aashm Avenues Private Limited Power Mech projects (BR) FZE Power Mech Environmental Protection Private Limited Energy Advisory and Consulting Services Private Limited. KBP Mining Private Limited Kalyaneswari Tasra Mining Private Limited PMTS Private Limited Vindya vasini Mining Works LLP Vanshika Mining Works LLP Kailash River Bed Minerals LLP Velocity Mining Works LLP

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

v)	Joint Venture	GTA Power Mech Nigeria Limited M/S POWER MECH-M/S ACPL JV PMPL-STC-JV Power Mech-Khilari Consortium JV PMPL-SRC INFRA JV - (Mizoram) PMPL-SRC INFRA JV - (Hassan) PMPL-BRCC INFRA JV PMPL-PIA JV PMPL-KVRECPL Consortium JV RITES-PMPL JV SCPL-PMPL JV PMPL-TAIKISHAN JV PMPL-RSVCPL JV PMPL-UPPER BURHNER JV GTA Power Mech DMCC
vi)	Associate companies	Mas Power Mech Arabia Power Mech LLC Qatar
vii)	Wholly Owned Subsidiary of a Joint Venture company	GTA Power Mech FZE

### B) Transactions with related parties

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company/LLP	Joint Venture	Associate Company
<b>i)</b>	<b>Rent Paid (Excluding GST)</b>						
<b>a)</b>	S. Kishore Babu	0.36 (0.23)					
<b>b)</b>	S. Lakshmi		0.12 (0.16)				
<b>c)</b>	S. Kishore Babu (HUF)		- (0.02)				
<b>d)</b>	S.Vignatha		0.12 (0.12)				
<b>e)</b>	Power Mech Infra Private Limited			2.02 (1.84)			
<b>f)</b>	Power Mech foundation			0.01			





## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

SI No.	Particulars	KMP	Rela- tives of KMP	Companies controlled by KMP/ Relatives of KMP	Subsid- iary Com- pany/LLP	Joint Venture	Associ- ate Com- pany
				(0.01)			
<b>ii)</b>	<b>Remuneration Paid</b>						
a)	S. Kishore Babu	20.09					
		(11.71)					
b)	S.Rohit		0.30				
			(0.36)				
<b>iii)</b>	<b>Sub-Contract Expenses &amp; Hire charges Paid</b>						
a)	Power Mech Industri Private Limited				-		
					(0.25)		
<b>iv)</b>	<b>Stores Material Purchased from</b>						
a)	Power Mech Industri Private Limited				0.05		
					(0.00)		
b)	Hydro Magus Private Limited				-		
					(0.04)		
c)	Power Mech Projects (BR) FZE				1.25		
					-		
<b>v)</b>	<b>Receipts from Sale of assets</b>						
a)	Nekkanti Sri Sidartha		0.02				
			-				
b)	Kalyaneswari Tasra Mining Pvt Ltd				0.17		
					-		
<b>vi)</b>	<b>Receipts from Commission on Corporate Guarantee</b>						
a)	Kalyaneswari Tasra Mining Private Limited.				0.76		
					-		
b)	KBP Mining Private Limited				1.28		
					-		
<b>vii)</b>	<b>Contract receipts from sale of services</b>						
a)	MAS Power Mech Arabia						0.59
							-
b)	M/s. Power Mech - M/s. ACPL JV					19.22	
						(26.40)	
c)	Power Mech-STS-JV					1.85	
						(15.42)	
d)	Power Mech-Khilari Consortium JV					3.71	
						(16.91)	

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company/LLP	Joint Venture	Associate Company
e)	PMPLSRC INFRA JV - (Mizoram)					105.78	
						(116.30)	
f)	PMPL SRC INFRA JV (Hassan)					50.42	
						(71.42)	
g)	PMPL - PIA JV					47.36	
						(44.29)	
h)	PMPL KVRECPL Consortium JV					0.93	
						(0.50)	
i)	PMPL-BRCC INFRA JV					868.35	
						(512.88)	
j)	RITES-PMPL JV					95.58	
						(9.52)	
k)	M/s.SCPL-PMPL JV					0.48	
						(0.64)	
l)	POWERMECH-TAIKISHAJV					87.99	
						(5.05)	
m)	Kalyaneswari Tasra Mining Private Limited				8.47		
					-		
n)	Vindyavasini Mining Works LLP				0.46		
					-		
o)	Power Mech Industri Private Limited				-		
					(1.95)		
p)	Power Mech Projects (BR) FZE				7.92		
					(14.43)		
<b>viii) Donations/CSR Contributon paid</b>							
a)	Power Mech foundation			2.24			
				(1.18)			
<b>ix) Sitting fee paid to directors</b>							
a)	G D V Prasada Rao	0.01					
		(0.04)					
b)	T Sankaralingam	-					
		(0.04)					
c)	Vivek Paranjpe	0.04					
		(0.02)					
d)	Lasya Yerramneni	0.05					
		(0.03)					



## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

SI No.	Particulars	KMP	Rela- tives of KMP	Companies controlled by KMP/ Relatives of KMP	Subsid- iary Com- pany/LLP	Joint Venture	Associ- ate Com- pany
e)	J P Chalasani	0.05					
		-					
<b>x)</b>	<b>Interest paid</b>						
a)	Power Mech Infra Limited				-		
					(2.57)		
<b>xi)</b>	<b>Loans Repaid</b>						
a)	Power Mech Infra Limited				-		
					(25.00)		
<b>xii)</b>	<b>Issue On Conversion of Loan</b>						
a)	Power Mech Infra Limited				-		
					(25.00)		
<b>xiii)</b>	<b>Loans Given</b>						
a)	Power Mech Industri Private Limited					28.05	
						(6.78)	
b)	Power Mech SSA Structures Private Limited					0.01	
						-	
c)	KBP Mining Private Limited					10.47	
						(5.22)	
d)	Kalyaneswari Tasra Mining Private Limited.					28.58	
						-	
e)	Vindyavasini Mining Works LLP					42.17	
						-	
f)	Vanshika Mining Works LLP					32.80	
						-	
g)	Kailash River Bed Minerals LLP					18.05	
						-	
h)	Velocity Mining Works LLP					22.41	
						-	
i)	PMTS Private Limited					0.00	
						-	
j)	Power Mech LLC Qatar						1.81
							-
<b>iv)</b>	<b>Loan repaid</b>						
a)	Power Mech Industri Private Limited					32.63	
						(2.78)	

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### C) Balances outstanding as on 31.03.2024

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/ Relatives of KMP	Subsidiary Company/ LLP	Joint Venture	Associate Company
i)	Investment in Hydro Magus Private Limited				2.94		
					(2.94)		
ii)	Investment in Power Mech Industri Private Limited				4.31		
					(4.31)		
iii)	Investment in MAS Power Mech Arabia						2.25
							(2.25)
iv)	Investment in Power Mech LLC Qatar						0.12
							-
v)	Investment in Power Mech Projects Limited LLC				3.02		
					(3.02)		
vi)	Investment in Power Mech BSCPL consortium Private Limited				0.01		
					(0.01)		
vii)	Investment in Power Mech SSA Structures Private Limited				0.10		
					(0.10)		
viii)	Investment in Aashm Avenues Private Limited				0.10		
					(0.10)		
ix)	Investment in Power Mech Power Mech Projects (BR) FZE				0.69		
					(0.69)		
x)	Investment in Power Mech Environmental Protection Private Limited.				0.01		
					(0.01)		
xi)	Investment in Energy Advisory and Consulting Services Private Limited.				0.01		
					(0.01)		
xii)	Investment in KBP Mining Private Limited.				0.01		
					(0.01)		
xiii)	Investment in Kalyaneswari Tasra Mining Private Limited.				0.01		
					-		
xiv)	Investment in PMTS Private Limited.				0.01		
					-		



## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/ Relatives of KMP	Subsidiary Company/ LLP	Joint Venture	Associate Company
xv)	Investment in Kailash River Bed Minerals LLP.				0.01		
					-		
xvi)	Investment in GTA Power Mech Nigeria Limited					0.32	
						(0.32)	
xvii)	Investment in GTA Power Mech DMCC (Company with limited liability)					0.09	
						(0.09)	
xviii)	Debentures in KBP Mining Private Limited.				0.01		
					-		
xix)	Due from Power Mech Infra Limited			(0.21)			
				(1.21)			
xx)	Rental Deposit with Power Mech Infra Limited			0.89			
				(0.89)			
	Remuneration Payable						
	S. Kishore Babu	2.53					
		(2.95)					
	S. Rohit		0.07				
			(0.07)				
xxi)	Rent Payable						
	S. Kishore Babu	0.01					
		(0.04)					
	S. Lakshmi		0.01				
			(0.01)				
	S.Vignatha		-				
			(0.01)				
	Power Mech foundation				-		
				(0.01)			
xxii)	Advances Due from Power Mech Industri Private Limited				27.13		
					(31.71)		
xxiii)	Advances Due from Power Mech SSA Structures Private Limited				2.22		
					(2.21)		
xxiv)	Advances Due from KBP Mining Private Limited				18.60		
					(8.12)		
xxv)	Advances Due from Kalyaneswari Tasra Mining Private Limited				28.58		
					-		

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/ Relatives of KMP	Subsidiary Company/ LLP	Joint Venture	Associate Company
xxvi)	Advances Due from Vindyasini Mining Works LLP				42.17		
					-		
xxvii)	Advances Due from Vanshika Mining Works LLP				32.80		
					-		
xxviii)	Advances Due from Kailash River Bed Minerals LLP				18.05		
					-		
xxix)	Advances Due from Velocity Mining Works LLP				22.41		
					-		
xxx)	Advances Due from PMTS Private Limited				0.00		
					-		
xxxi)	Advances Due from GTA Power Mech FZE					0.70	
						(0.69)	
xxxii)	Advances Due from Power Mech LLC Qatar						1.81
							-
xxxiii)	Trade Receivable - Hydro Magus Private Limited				4.56		
	(including Retention money and Security Deposits)				(4.23)		
xxxiv)	Trade Receivable - Power Mech BSCPL Consortium Private Limited				35.03		
	(including Retention money and Security Deposits)				(78.28)		
xxxv)	Trade Receivable - Mas Power Mech Arabia						10.42
							(13.45)
xxxvi)	Trade Receivable - Power Mech LLC Qatar						0.39
							-
xxxvii)	Trade Receivable - Power Mech Projects (BR) FZE				6.73		
					(7.79)		
xxxviii)	Trade Receivable - M/S POWER MECH-M/S ACPL JV					13.37	
	(including Retention money and Security Deposits)					(0.74)	
xxxix)	Trade Receivable - PMPL-STJ JV					4.63	
	(including Retention money and Security Deposits)					(11.10)	



## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company/LLP	Joint Venture	Associate Company
<b>xl)</b>	Trade Receivable - PMPL-KHILARI Consortium JV					9.85	
	(including Retention money and Security Deposits)					(8.95)	
<b>xli)</b>	Trade Receivable - PMPL-SRC INFRA JV - Mizoram					10.63	
	(including Retention money and Security Deposits)					(12.76)	
<b>xlii)</b>	Trade Receivable - PMPL-SRC INFRA JV - Hassan					0.64	
	(including Retention money and Security Deposits)					(1.31)	
<b>xliii)</b>	Trade Receivable - PMPL-PIA JV					5.94	
	(including Retention money and Security Deposits)					(14.02)	
<b>xliv)</b>	Trade Receivable - PMPL-KVRECPL Consortium JV					0.67	
	(including Retention money and Security Deposits)					(0.31)	
<b>xlv)</b>	Trade Receivable - PMPL-BRCC INFRA JV					183.65	
	(including Retention money and Security Deposits)					(143.19)	
<b>xlvi)</b>	Trade Receivable - RITES-PMPL JV					1.73	
	(including Retention money and Security Deposits)					(0.50)	
<b>xlvii)</b>	Trade Receivable - POWER MECH-TAIKISHA JV					6.00	
	(including Retention money and Security Deposits)					(0.10)	
<b>xlviii)</b>	Trade Receivable - PMPL RSVCPJ JV					0.13	
	(including Retention money and Security Deposits)					-	
<b>xl ix)</b>	Trade Receivable - Vindya vasini Mining Works LLP.				0.53		
	(including Retention money and Security Deposits)				-		
<b>L)</b>	Trade Receivable - Kalyaneswari Tasra Mining Private Limited.				3.23		
	(including Retention money and Security Deposits)				-		
<b>LI)</b>	Mobilisation advance from GTA Power Mech FZE					10.13	
						(10.13)	

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company/LLP	Joint Venture	Associate Company
LII)	Advance from GTA Power Mech FZE					1.88	
						(1.88)	
LIII)	Trade Payable to Power Mech Projects (BR) FZE				1.15		
					-		
LIV)	Security Deposit -Power Mech BSCPL Consortium Private Limited				1.12		
					(1.12)		

### Note No. 42:

Balances with all the customers and suppliers accounts are subject to confirmation and reconciliation.

### Note No. 43: Segment Reporting:

**Business Segment :** The company predominantly operates only in construction and maintenance activities. This in the context of IND AS - 108 "Operating Segments " is considered to constitute only one business segment.

**Geographical Segment:** The Company has operations within India and outside India and as per IND AS 108 - "operating segment ", the Segment information has been presented under the notes to consolidated financial statements.

### Note No. 44: Key Financial Ratios

Particulars	Numerator	Denominator	Unit of Measurement	FY 2023-24	FY 2022-23	Variation in %
Current Ratio*	Current Assets	Current Liabilities	No.of times	2.19	1.58	38%
Debt-Equity Ratio #	Total Debt	Shareholder's Equity	No.of times	0.19	0.39	(50%)
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	No.of times	2.97	2.58	15%
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	%	16%	19%	(16%)
Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	No.of times	5.14	4.13	24%
Trade receivables Turnover Ratio	Net Credit Sales	Avg. Accounts Receivable	No.of times	4.38	4.62	(5%)
Trade payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	No.of times	3.74	3.43	9%
Net Capital Turnover Ratio #	Net Sales	Working Capital	No.of times	2.60	3.94	(34%)
Net Profit Ratio	Net Profit	Net Sales	%	6%	6%	0%
Return on Capital Employed	Earning before interest and taxes	Capital Employed	%	15%	17%	(12%)



## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	Numerator	Denominator	Unit of Measurement	FY 2023-24	FY 2022-23	Variation in %
Return on Investment	Income during the year	Time weighted average of investments				
(a) Return on Mutual funds			%	35%	0%	
(b) Return on Long-term investments			%	0%	0%	

\* The variance in current ratio and net capital turnover ratio is because of increase in current assets due to parking of QIP funds in fixed deposits with banks .

# Variance in debt equity ratio is because of increase in shareholder funds by issue of shares at premium pursuant to qualified institutional placement.

### Note No. 45: Calculation of Earnings per Share:

Sl. No	Particulars	2023-24	2022-23
1)	<b>Basic and Diluted Earning per share</b>		
	No. of shares at the beginning of the year	14,906,357	14,710,764
	Change in equity during the year	394,225	93,242
	Total Weighted average number of shares	15,300,582	14,804,006
	Face value per share (in ₹)	10.00	10.00
	Profit attributable to equity share holders	240.64	209.27
	Basic and Diluted Earning per share (in ₹)	157.28	141.38

### Note No. 46: Leases

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>(i) The following is the breakup of current and non-current lease liabilities</b>		
Current liabilities	2.11	0.83
Non-current liabilities	1.88	0.86
<b>Total</b>	<b>3.99</b>	<b>1.69</b>
<b>(ii) The following is the movement of lease liabilities</b>		
Balance at the Opening/Transition date	1.69	3.36
Additions during the year	3.85	0.39
Finance cost accrued during the year	0.46	0.25
Payment of lease liabilities during the year	(2.01)	(2.31)
Balance at the end	<b>3.99</b>	<b>1.69</b>
<b>(iii) Maturity analysis of lease liabilities</b>		
Less than one year	2.11	0.83
One to five years	1.88	0.86
More than five years	-	-
<b>Total</b>	<b>3.99</b>	<b>1.69</b>

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### (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, 2024	For the year ended March 31, 2023
Interest on lease liabilities (Refer Note 29)	0.46	0.25
Depreciation of Right-of-use assets (Refer Note 4.2)	1.91	1.87
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	2.01	2.31

(v) The impact on the profit for the year is not material.

### Note No. 47: Disclosure pursuant to Indian Accounting Standards

#### a) Movement in expected credit losses :

Particulars	Provision on contract assets	
	Retention money & security deposits with customers & Debtors	Advances given to sub contractors against works
<b>Opening balance as at 01.04.2023</b>	9.18	4.16
Changes in allowance for expected credit loss		
- Provision for expected credit loss	1.15	0.82
- Reversal of Provision for expected credit loss	(0.70)	-
<b>Closing balance as at 31.03.2024</b>	<b>9.63</b>	<b>4.98</b>

#### Pursuant to Ind AS 115 "Revenue from contracts with customers"

#### b) Movement in contract balances :

Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023	Net increase/ Decrease
<b>Contract Receivables</b>			
Dues from customers	968.64	886.10	82.54
<b>Contract assets</b>			
Retention & SD amounts due from customers	324.45	343.55	(19.11)
<b>Contract payables</b>			
Due to Sub Contractors	428.55	435.08	(6.54)
<b>Contract Liabilities</b>			
Retention & SD amount due to Sub Contractors	139.60	110.96	28.64

#### 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 recognized in the current year from performance obligations satisfied in the previous periods.

#### d) Performance obligation :

The transaction price allocated to the remaining performance obligations is ₹ 22,821 Cr which will be recognized as revenue over the respective project durations. Generally the project duration of contracts with customers will be 1-3 years.



## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 48: Dividend:

The board of Directors at its meeting held on 20.05.2024 have recommended a final dividend of ₹ 2.00/- each per share of face value of ₹ 10/- each for the financial year ended 31<sup>st</sup> March, 2024. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as a liability.

### Note No. 49:

#### Disclosure as per Regulation 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

##### (i) Loans and advances in the nature of advances given to Subsidiary/Joint Venture Companies:

Name of the Company and relationship	Balance as on 31 <sup>st</sup> March, 2024	Maximum Balance Outstanding for the year 2023-24	Balance as on 31 <sup>st</sup> March, 2023	Maximum Balance Outstanding for the year 2022-23
<b>Subsidiaries</b>				
Power Mech Industri pvt ltd	27.12	35.17	31.71	32.63
Power Mech SSA Structures Private Limited	2.22	2.24	2.21	2.21
KBP Mining Private Limited	18.60	18.60	8.12	8.16
Kalyaneswari Tasra Mining Private Limited	28.58	28.58	-	-
Vindyavasini Mining Works LLP	42.17	42.17	-	-
Vanshika Mining Works LLP	32.80	32.80	-	-
Kailash River Bed Minerals LLP	18.05	18.05	-	-
Velocity Mining Works LLP	22.41	22.41	-	-
PMTS Private Limited	0.00	0.00	-	-
<b>Wholly owned subsidiary of Joint venture</b>				
GTA Power Mech FZE (Subsidiary of GTA Power Mech Nigeria JV)	0.70	0.70	0.69	0.69
<b>Associate Company</b>				
Power Mech LLC (Qatar)	1.81	1.81	-	-

(ii) Details of investments made and guarantees given under Section 186 of the Companies Act, 2013 are disclosed in Note 6 and Note 36 respectively.

(iii) All the above loans and guarantees were given for carrying on their business activities.

### Note No. 50:

#### 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 Company 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 Company.

##### (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.

## Notes to the Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### (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 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 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 Company 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 Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

### Note No. 51:

Consequent to the search operations conducted by the Income Tax Department under section 132 of the Income Tax Act, 1961 in the month of July, 2022, the company received notices under section 148 of the Act for filing return of income for A.Y 2016-2017 to AY 2021-22. In response to the said notices, the company filed return of income by disclosing the Income as admitted. Pending outcome of the assessments the company made a provision towards Income Tax Liability (including interest) aggregating to ₹ 51.38 Crore for the year ending 31.03.2024 being the tax liability on the amount admitted and disclosed in the return of income filed and management is of opinion that no further provision is required.

### Note No. 52:

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

As per our report of even date

**For K S RAO & CO**  
**Chartered Accountants**

Firm Registration Number: 003109S

**Sd/-**  
**(GopiKrishna Chowdary Manchinella)**

Partner

Membership Number: 235528

Place: Hyderabad

Date: 20.05.2024

**UDIN:24235528BKBEHW7849**

For and on behalf of the Board

**Sd/-**  
**S.Kishore Babu**

Chairman and Managing Director

DIN: (00971313)

**Sd/-**  
**N Nani Aravind**  
Chief Financial Officer

**Sd/-**  
**Mohith Kumar Khandelwal**  
Company Secretary



# Consolidated Financials

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated financial statements of **POWER MECH PROJECTS LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Joint ventures and associates comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2024, 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 material 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, 2024 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:

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 and the parent company received notices under section 148 of the Act for filing return of Income for the AY 2016-17 to AY 2021-22. In response to the said notices, the parent company filed return of income by disclosing the income as admitted. Pending outcome of the assessments, the parent company made provision towards Income-tax liability (including interest) aggregating to ₹ 51.38 crore for the year ending March 31, 2024 being the tax liability on the amount admitted and disclosed in the return of income filed and the management of the parent company is of opinion that no further provision is required.

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	<p>Revenue recognition of long term contracts of the Holding company</p> <p>The holding company has revenue from construction contracts and long term operating and maintenance agreements.</p> <p>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.</p> <p>We focussed this area because of significant management judgement required in:</p> <p>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.</p>	<p>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.</p> <p>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.</p>

Sl.No	Key Audit matter	How the matter was addressed in our audit
<p><b>2.</b></p>	<p>Trade receivables of Holding company</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>We considered this matter to be significant to our audit due to the quantum of the receivables and their period of outstanding.</p> <p>Advances with sub-contractors in Holding Company</p> <p>The Holding Company has significant amount of Trade advances with Sub-contracts and their recoverability/ adjustment against subsequent works carried requires management judgement due to the specific risks associated with these recoveries.</p> <p>There is an element of management judgement in assessment of extent of the recoverability of long outstanding trade advances after the end of the contractual credit period.</p> <p>Management of the parent company assessed the recoverability of these trade advances by reviewing the contractors ageing profile, credit history, subsequent orders proposed to be placed with them, nature and ownership of organisation and status of subsequent settlements and determined whether an impairment provision is required.</p> <p>We considered this matter to be significant to our audit due to the quantum of the advances and their period of outstanding.</p>	<p>Our audit procedures in relation to the recoverability of trade receivables included</p> <ul style="list-style-type: none"> <li>• Understood and tested the holding company's credit control procedures and tested key controls over granting credit to customers</li> <li>• Tested ageing of trade receivables at the year ended on a sample basis</li> <li>• Obtained list of long outstanding receivables and identified any debtors with financial difficulty through discussion with management.</li> <li>• Assessed the recoverability of these outstanding receivables through our discussion with management and with reference to detailed receivables listings for the subsequent period.</li> <li>• 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.</li> <li>• Assessed the recoverability of the balances by comparing the outstanding amounts as at year end against subsequent recoveries</li> <li>• 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.</li> </ul> <p>Considering all these, we found that the judgment made by the management in assessment of recoverability of receivables are found to be appropriate.</p> <p>Our audit procedures in relation to the recoverability of trade advances to sub-contractors provided while execution of sub-contracts awarded included.</p> <ul style="list-style-type: none"> <li>• Understood and tested the Holding Company's policies of providing advances and tested the design and operating effectiveness of key controls over granting of advances to sub-contractors.</li> <li>• Tested ageing of advances recoverable at the year ended on a sample basis.</li> <li>• Examined holding company's management assessment of recoverability of the advances</li> <li>• Obtained list of long outstanding advances and identified any sub-contractors with financial difficulty through discussion with management of holding company.</li> <li>• Assessed the recoverability of these outstanding advances through our discussion with management of the holding company and with reference to detailed recoveries made for the subsequent period.</li> <li>• Also examined the arrangements/ correspondences with sub-contractors to assess the arrangement agreed with the sub-contractors and assessed the recoverability of the significant outstanding advances.</li> <li>• 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 sub-contractors are from unorganised sectors.</li> <li>• Also discussed with the holding company's management about the probability of providing new works to the sub-contractors and the chances of recoverability of the outstanding advances against the works to be executed.</li> </ul> <p>Considering all these, we found that the judgment made by the holding company's management in assessment of recoverability of receivables are found to be appropriate.</p>





## 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 safeguarding the assets of the Group and its JV and associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Board of directors of the companies included in the Group and its JV and associate are responsible for assessing the ability of the Group and its JV and associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the respective companies are responsible for overseeing the financial reporting process of the Group and of its JV and associate.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its JV and associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its JV and associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

We communicate with those charged with governance of the Holding company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

- a) The accompanying financial statements includes financial results of 2 overseas subsidiaries, 1 overseas Joint Ventures, 1 subsidiary of overseas JV and 1 foreign associate which have been audited by other auditors.

These statements also includes annual financial results of 1 overseas JV and 1 Foreign associate which have not been audited by their auditors.

Also, these Consolidated financial statements includes financial results of 12 Indian subsidiary companies and 13 Indian Joint Ventures which have been audited by other auditors.

- b) (i) The Consolidated financial statements includes total assets of ₹ 31.42 crores as at 31<sup>st</sup> March, 2024 and total revenues of ₹ 29.91 crores, total profit after tax of ₹ 7.33 crores and total comprehensive loss of ₹ 18.10 crores for the year ended 31<sup>st</sup> March, 2024 respectively of 2 overseas subsidiaries which have been audited by the auditors of the respective companies.
- (ii) The consolidated financial statements also includes groups share of net loss after tax and total comprehensive loss of ₹ 1.04 crores for the year ended 31<sup>st</sup> March, 2024 respectively of 1 overseas joint venture, 1 subsidiary of one of the JV and 1 Associate which have been audited by the auditors of the respective companies.
- (iii) These consolidated financial statements also includes groups share of net loss after tax and total comprehensive loss of ₹ 2.99 crores for the year ended 31<sup>st</sup> March, 2024 respectively of 1 foreign associate and 1 foreign JV which has not been audited by their auditors.



- c) (i) The financial statements also includes total assets of ₹315.21 Crores as at 31st March, 2024, total revenues of ₹ 134.18 Crores, total net profit after tax of ₹ 4.25 Crores and total comprehensive Income of ₹ 4.27 crores for the year ended 31st March, 2024 of 12 Indian subsidiary companies which have been audited by other auditors.
- (ii) The financial statements also includes groups share of net profit after tax and total comprehensive income of ₹ 0.50 crores for the year ended 31<sup>st</sup> March, 2024 of 13 Indian Joint Ventures which have been audited by other auditors.

The unaudited financial statements in respect of 1 overseas Joint Venture and 1 overseas associate which have not been audited by their auditors 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

- 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:
  - 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.
  - 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.
  - 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.
  - 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.
  - On the basis of the written representations received from the directors of the holding company as on March 31, 2024 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, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - 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.

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.

vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries and based on the other auditor's reports of its subsidiary companies, incorporated in India whose financial statements have been audited under the Act, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.



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.

**Sd/-**

**For K.S. Rao & Co**

Chartered Accountants  
(Firm Registration No. 003109S)

Date: 20.5.2024

Place: Hyderabad

UDIN: **24235528BKBEHZ5194**

**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 31<sup>st</sup> March, 2024, 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.

#### **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 2024, 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.

Sd/-

**For K.S. Rao & Co**

Chartered Accountants  
(Firm Registration No. 003109S)

Date: 20.5.2024  
Place: Hyderabad  
UDIN: **24235528BKBEHZ5194**

**Gopikrishna Chowdary Manchinella**

Partner  
Membership No. 235528

**Consolidated Balance Sheet as at 31st March, 2024**

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	Note No.	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Assets</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	4.1	223.11	182.31
(b) Right-of-use assets	4.2	5.67	4.01
(c) Capital Work-in-progress	5	11.27	2.73
(d) Intangible Assets	6	2.69	2.46
(e) Financial Assets			
(i) Investments	7.1	36.24	35.74
(ii) Loans	8	-	-
(iii) Other financial assets	9	374.27	331.69
(f) Deferred Tax Asset (Net)	20	10.61	12.46
(g) Other Non-current assets	10	9.89	1.37
<b>Total Non-Current assets</b>		<b>673.75</b>	<b>572.77</b>
<b>2 Current Assets</b>			
(a) Inventories	11	121.82	147.34
(b) Financial Assets			
(i) Investments	7.2	0.56	0.39
(ii) Trade Receivables	12	1,039.65	893.51
(iii) Cash and cash equivalents	13	51.84	44.47
(iv) Other Bank Balances	13	427.99	127.06
(v) Loans	8	4.39	4.88
(vi) Other Financial Assets	9	831.65	678.21
(c) Current tax Assets (Net)	24	-	60.37
(d) Other Current assets	10	415.91	525.17
<b>Total Current assets</b>		<b>2,893.81</b>	<b>2,481.40</b>
<b>Total Assets</b>		<b>3,567.56</b>	<b>3,054.17</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	14	15.81	14.91
(b) Other Equity	15	1,822.19	1,260.47
		<b>1,838.00</b>	<b>1,275.38</b>
<b>2 Non-Controlling Interests</b>	16	1.64	1.34
<b>Liabilities</b>			
<b>3 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Long-term borrowings	17	37.46	26.07
(ii) Lease liabilities	18	1.88	0.86
(iii) Other financial liabilities	18	116.26	86.76
(b) Provisions	19	3.70	4.31
(c) Deferred Tax Liabilities (Net)	20	-	-
(d) Other non-current liabilities	21	150.89	89.66
<b>Total Non-Current liabilities</b>		<b>310.19</b>	<b>207.66</b>
<b>4 Current liabilities</b>			
(a) Financial Liabilities			
(i) Short-term borrowings	22	354.29	449.06
(ii) Lease liabilities	18	2.11	0.83
(iii) Trade payables	23		
a) Total outstanding dues of micro enterprises and small enterprises		1.67	1.16
b) Total outstanding dues of Creditors other than micro enterprises and small enterprises		717.83	747.91
(iv) Other financial liabilities	18	144.30	134.25
(b) Other current liabilities	21	184.78	235.60
(c) Provisions	19	0.88	0.98
(d) Current tax Liabilities (Net)	24	11.87	-
<b>Total Current liabilities</b>		<b>1,417.73</b>	<b>1,569.79</b>
<b>Total Liabilities</b>		<b>1,727.92</b>	<b>1,777.45</b>
<b>Total Equity and Liabilities</b>		<b>3,567.56</b>	<b>3,054.17</b>

Corporate Information

1

Basis of Preparation and Material 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 and on behalf of the Board

**For K S RAO & CO****Sd/-****Chartered Accountants****S.Kishore Babu**

Firm Registration Number: 003109S

Chairman and Managing Director

DIN: (00971313)

**Sd/-****Sd/-****(GopiKrishna Chowdary Manchinella)****N Nani Aravind****Sd/-**

Partner

Chief Financial Officer

**Mohith Kumar Khandelwal**

Membership Number: 235528

Place: Hyderabad

Date: 20.05.2024

UDIN: 24235528BKBEHZ5194

Company Secretary



**Consolidated Statement of Profit and Loss** for the Year ended 31st March, 2024

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars		Note No.	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
I	Revenue from Operations	25	4,206.65	3,601.19
II	Other Income	26	27.75	17.00
III	<b>Total Income (I+II)</b>		<b>4,234.40</b>	<b>3,618.19</b>
IV	<b>Expenses</b>			
	Cost of Material Consumed	27	621.69	536.18
	(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	28	3.67	(16.75)
	Contract Execution expenses	29	2,448.82	2,092.82
	Employee benefits expense	30	572.79	542.83
	Finance Costs	31	93.93	89.54
	Depreciation and Amortization expense	32	44.04	42.91
	Other expenses	33	63.62	42.56
	<b>Total Expenses (IV)</b>		<b>3,848.56</b>	<b>3,330.09</b>
V	<b>Profit before share of profit from Joint Venture, exceptional items and tax (III-IV)</b>		385.84	288.10
VI	Share of Profit/(Loss) from Joint Venture		(3.54)	(8.13)
VII	<b>Profit before exceptional items and tax (V+VI)</b>		<b>382.30</b>	<b>279.97</b>
VIII	Exceptional Items		-	-
IX	<b>Profit before tax (VII-VIII)</b>		<b>382.30</b>	<b>279.97</b>
X	<b>Tax Expense:</b>			
	Current tax	24	101.41	73.14
	Short Provision of Current tax		30.65	-
	Deferred tax charge/(Credit)		1.85	(0.48)
XI	<b>Profit for the year (IX-X)</b>		<b>248.39</b>	<b>207.31</b>
XII	<b>Other Comprehensive Income</b>			
	A. Items that will not be re-classified to profit and Loss account			
	a) Changes in Fair value of Investments		0.03	0.01
	b) Remeasurement of defined employee benefit plans		(1.27)	0.83
	B. Items that will be re-classified to profit and Loss account			
	a) Exchange fluctuations on revaluation of foreign operations		(25.44)	(0.62)
XIII	<b>Total Comprehensive Income for the year (XI+XII)</b>		<b>221.71</b>	<b>207.53</b>
	<b>Profit for the year before Other Comprehensive Income</b>		<b>248.39</b>	<b>207.31</b>
	Attributable to			
	Equity holders of the parent		248.07	209.11
	Non-Controlling Interests		0.32	(1.80)
	<b>Total Comprehensive Income for the year</b>		<b>221.71</b>	<b>207.53</b>
	Attributable to			
	Equity holders of the parent		221.40	209.28
	Non-Controlling Interests		0.31	(1.75)
XIV	Earnings per Share - Basic & Diluted	49	162.13	141.26

Corporate Information

1

Basis of Preparation and Material 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 and on behalf of the Board

**For K S RAO & CO**  
**Chartered Accountants****Sd/-**  
**S.Kishore Babu**  
Chairman and Managing Director  
DIN: (00971313)

Firm Registration Number: 003109S

**Sd/-**  
**(GopiKrishna Chowdary Manchinella)****Sd/-**  
**N Nani Aravind**  
Chief Financial Officer**Sd/-**  
**Mohith Kumar Khandelwal**  
Company SecretaryPartner  
Membership Number: 235528Place: Hyderabad  
Date: 20.05.2024**UDIN: 24235528BKBEHZ5194**

**Consolidated Cash Flow Statement** for the Year ended 31st March, 2024

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	2023-24	2022-23
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	382.30	279.97
Add/Less: Adjustments for :		
Depreciation	44.04	42.91
FCTR Movement	(25.44)	(0.62)
Interest and Finance charges	80.34	89.00
Interest on Income Tax	13.58	0.54
Loss on sale of assets	0.05	0.04
Fair value gain on current investments	(0.17)	0.05
Net gain arising on financial assets measured at FVTPL	(0.07)	(0.08)
Interest income	(20.92)	(8.33)
Amortisation of Deferred Government grants	(0.06)	(0.05)
Profit on sale of assets	(1.75)	(1.62)
Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income	(1.27)	0.83
Share of Loss from Joint Venture and associates	3.54	8.13
<b>Operating profit before working capital changes</b>	<b>474.17</b>	<b>410.77</b>
Movements in Working Capital		
Adjustments for (increase)/decrease in operating assets:		
- Trade Receivables	(146.14)	(226.94)
- Inventories	25.52	(9.68)
- Other Assets	(93.05)	(191.95)
Adjustments for increase/(decrease) in operating liabilities:		
- Trade Payables	(29.57)	209.77
- Other Liabilities and Provisions	45.31	63.55
<b>Cash generated from operations</b>	<b>276.24</b>	<b>255.52</b>
Less: Direct taxes paid	(71.64)	(73.26)
<b>Net cash from Operating activities (A)</b>	<b>204.60</b>	<b>182.26</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(92.32)	(53.65)
Proceeds from sale of fixed assets	2.32	4.11
Investment /Redemption in Mutual Funds (Net)	-	2.01
Margin money deposits with banks and other balances	(60.19)	(51.80)
Earmarked funds out of QIP proceeds	(243.92)	-
Interest received (Excl interest on rental deposit)	20.92	8.33
<b>Net cash used in Investing activities (B)</b>	<b>(373.19)</b>	<b>(91.00)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Equity Share Capital by way of conversion of Unsecured Loan	-	25.00
Repayment of unsecured loan	-	(25.00)
Proceeds from Share capital at a premium	343.30	-
Proceeds from Share capital	0.90	-
Proceeds from/(Repayment of) borrowings	(83.38)	(27.01)
Interest and Finance charges paid	(79.88)	(88.75)
Lease rent paid	(2.01)	(2.31)
Dividend paid	(2.98)	(2.21)
<b>Net cash from/(used in) financing activities (C)</b>	<b>175.95</b>	<b>(120.28)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>7.37</b>	<b>(29.02)</b>
Cash and cash equivalents at the beginning of the period	44.47	73.49
Cash and cash equivalents at the end of the period	51.84	44.47
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>7.37</b>	<b>(29.02)</b>

**Consolidated Cash Flow Statement for the Year ended 31st March, 2024**

All amounts are in ₹ Crores, except share data and where otherwise stated

**Notes to Cashflow Statement**

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	2023-24	2022-23
Cash on hand	1.29	1.15
In Current accounts	49.28	42.51
Deposits having maturity period for less than 3 months	1.27	0.81
<b>Total</b>	<b>51.84</b>	<b>44.47</b>

**Reconciliation of Changes in Liability arising from Financing activities for the year ending 31 March, 2024**

Particulars	Opening	Ind As 116 adoption	Cash flows	Non-Cash changes	Net cash flow	Closing
Long term borrowings	69.40	-	-	0.06	13.92	83.38
Short term borrowings	405.71	-	-	-	(97.34)	308.37
Lease Liabilities (Refer Note no. 50)	1.69	3.85	(2.01)	0.46	(1.55)	3.99

**Reconciliation of Changes in Liability arising from Financing activities for the year ending 31 March, 2023**

Particulars	Opening	Ind As 116 adoption	Cash flows	Non-Cash changes	Net cash flow	Closing
Long term borrowings	82.47	-	-	0.11	(13.20)	69.40
Short term borrowings	444.68	-	-	(25.00)	(13.97)	405.71
Lease Liabilities (Refer Note no. 50)	3.36	0.39	(2.31)	0.25	(2.06)	1.69

Corporate Information

1

Basis of Preparation and Material 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 and on behalf of the Board

**For K S RAO & CO**  
**Chartered Accountants**

Firm Registration Number: 003109S

**Sd/-****S.Kishore Babu**

Chairman and Managing Director

DIN: (00971313)

**Sd/-****(GopiKrishna Chowdary Manchinella)**

Partner

Membership Number: 235528

Place: Hyderabad

Date: 20.05.2024

**UDIN: 24235528BKBEHZ5194****Sd/-****N Nani Aravind**

Chief Financial Officer

**Sd/-****Mohith Kumar Khandelwal**

Company Secretary

**Consolidated Statement of Changes in Equity** for the Year ended 31st March, 2024

All amounts are in ₹ Crores, except share data and where otherwise stated

**A. Equity share capital**

Particulars	Number of Shares	Total
<b>As at 31<sup>st</sup> March, 2022</b>	<b>1,47,10,764</b>	<b>14.71</b>
Issue of shares on conversion of Loan into equity	1,95,593	0.20
<b>As at 31<sup>st</sup> March, 2023</b>	<b>1,49,06,357</b>	<b>14.91</b>
Issue of shares pursuant to Qualified Institutional Placement (QIP)	9,01,789	0.90
<b>As at 31<sup>st</sup> March, 2024</b>	<b>1,58,08,146</b>	<b>15.81</b>

**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	Actuarial Gains/ (Loses)	
<b>Balance at the end of reporting period - 31<sup>st</sup> March 2022</b>	<b>160.93</b>	<b>37.00</b>	<b>(0.23)</b>	<b>825.67</b>	<b>0.03</b>	<b>5.20</b>	<b>1,028.60</b>
Profit for the year attributable to equity share holders of parent	-	-	-	209.11	0.01	0.83	209.95
Other Comprehensive loss	-	-	(0.67)	-	-	-	(0.67)
Securities Premium on conversion of loan into equity	24.80	-	-	-	-	-	24.80
<b>Total Comprehensive income for the year</b>	<b>24.80</b>	<b>-</b>	<b>(0.67)</b>	<b>209.11</b>	<b>0.01</b>	<b>0.83</b>	<b>234.08</b>
Less : Appropriations							-
Final Dividend for the Financial year 2021-22 proposed & paid during the year	-	-	-	2.21	-	-	2.21
<b>Balance at the end of reporting period - 31<sup>st</sup> March 2023</b>	<b>185.73</b>	<b>37.00</b>	<b>(0.90)</b>	<b>1,032.57</b>	<b>0.04</b>	<b>6.03</b>	<b>1,260.47</b>
Profit for the year attributable to equity share holders of parent	-	-	-	248.07	-	-	248.07
Other Comprehensive loss	-	-	(25.43)	-	0.03	(1.27)	(26.67)
Securities Premium on issue of shares pursuant to Qualified Institutional Placement(QIP)	343.30	-	-	-	-	-	343.30
<b>Total Comprehensive income for the year</b>	<b>343.30</b>	<b>-</b>	<b>(25.43)</b>	<b>248.07</b>	<b>0.03</b>	<b>(1.27)</b>	<b>564.70</b>
Less : Appropriations							-
Final Dividend for the Financial year 2022-23 proposed & paid during the year	-	-	-	2.98	-	-	2.98
<b>Balance at the end of reporting period - 31<sup>st</sup> March 2024</b>	<b>529.03</b>	<b>37.00</b>	<b>(26.33)</b>	<b>1,277.66</b>	<b>0.07</b>	<b>4.76</b>	<b>1,822.19</b>

Corporate Information

Basis of Preparation and Material Accounting Policies

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 Registration Number: 003109S

**Sd/-**  
**(GopiKrishna Chowdary Manchinella)**

Partner

Membership Number: 235528

Place: Hyderabad

Date: 20.05.2024

UDIN: 24235528BKBEHZ5194

For and on behalf of the Board

**Sd/-**  
**S.Kishore Babu**

Chairman and Managing Director

DIN: (00971313)

**Sd/-**  
**N Nani Aravind**  
Chief Financial Officer**Sd/-**  
**Mohith Kumar Khandelwal**  
Company Secretary

## Material 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)	
			31.03.2024	31.03.2023
Hydro Magus Private Limited	India	Maintenance contracts	88%	88%
Power MechIndustri 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%
Kalyaneswari Tasra Mining Private Limited	India	Exploring, design & engineering, developing, operating and working on mines	74%	-
PMTS Private Limited	India	Software Development and Support services	100%	-
Vanshika Mining Works LLP	India	Sand Mining	51%	-
Velocity Mining Works LLP	India	Sand Mining	51%	-
Vindyavasini Mining Works LLP	India	Sand Mining	51%	-
Kailash River bed Minerals LLP	India	Mining and quarrying of River bed Minerals	51%	-
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 Ventures**

Name of the company	Country of incorporation	Principal activities	Year ended	
			31.03.2024	31.03.2023
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 – SRCINFRAJV – Mizoram	India	Construction works	74%	74%
PMPL – SRCINFRAJV – Hassan	India	Construction works	60%	60%
PMPL – BRCCINFRAJV	India	Construction works	70%	70%
PMPL-KVRECPL Consortium JV	India	Construction works	82%	82%
Rites-PMPL JV	India	Construction Works	51%	51%
SCPL-PMPL JV	India	Construction Works	20%	20%
M/s. Power Mech – M/s. Taikisha JV	India	Construction Works	66%	66%
PMPL-PIA JV	India	Construction works	79%	79%
PMPL-RSVCPL JV	India	Construction works	75%	-
PMPL-UPPER BURHNER JV	India	Construction works	60%	-
GTA Power Mech Nigeria Limited	Nigeria	Turbine repair	50%	50%
GTA Power Mech DMCC	Dubai	Construction works	50%	50%

**c) Associates**

Name of the company	Country of incorporation	Principal activities	Year ended	
			31.03.2024	31.03.2023
MAS Power Mech Arabia	Saudi Arabia	Installation and Maintenance services	49%	49%
Power Mech LLC Qatar	Qatar	Construction works	49%	-

**Note No. 2 : BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by the Ministry of Corporate affairs, pursuant to section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the parent Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.



Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceased to control the subsidiary.

Profit and loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. 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.

### 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 31<sup>st</sup> March except in case of two overseas associates where financial statements have been drawn upto 31<sup>st</sup> December, 2023 and for consolidation purposes additional financial information for the q.e 31<sup>st</sup> March, 2024 has been prepared by the management and the transactions for the period from 1<sup>st</sup> January to 31<sup>st</sup> March, 2024 are not material.

#### **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 : MATERIAL ACCOUNTING POLICIES**

#### **a) Use of estimates and Judgements**

The preparation of the Group's financial statements in conformity requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements and estimates that have been made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

#### **i) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets:**

Property, plant and equipment / intangible assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

#### **ii) Recoverability of trade receivable:**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, past history of receivables, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.



**iii) Fair value measurement of financial instruments:**

Some of the assets and liabilities of the group are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the group uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The group also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

**iv) Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**v) Impairment of non-financial assets:**

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken

into account, if no such transactions can be identified, an appropriate valuation model is used.

**vi) Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**vii) Income Taxes:**

The tax jurisdiction of Indian companies considered in the Group is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

**viii) Defined benefit obligations:**

The Group uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine the obligations for employee benefits at each reporting period.

**ix) Revenue recognition:**

The Group uses the percentage of completion method in accounting for its fixed price contracts and is measured with reference to actual completion of physical proportion of the work to the extent of work certified by the customer. Measurement of physical quantum of work completed is based on estimates at the reporting date.

**x) Other estimates:**

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the group estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

**b) Property, plant and equipment**

An item of Property, Plant and Equipment that qualified as an asset is measured at initial recognition at Cost. Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The cost comprises of purchase price, applicable duties and taxes, direct expenditure attributable on making the asset ready for its intended use and interest on borrowings for acquisition of qualifying asset upto the date the asset is ready for its intended use.

Advances paid for acquisition of Property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Cost of the assets not put to use before such date are disclosed under 'Capital Work-in-progress'. Any subsequent expenditure relates to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. Items of spare parts are recognized as Property, plant and equipment when they meet the definition of Property, plant and equipment. The cost and related depreciation are eliminated from the property, plant and equipment upon sale or retirement of the asset and the resultant gain or losses are recognized in statement of profit and loss.

**c) Intangible assets**

Intangible assets are stated at cost of acquisition less accumulated amortization. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis from the date they are available for use.

**d) Depreciation and Amortization**

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

The management estimates the useful lives for the fixed assets and the said useful lives are disclosed in the accounting policies of respective companies in the group.

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

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

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

Depreciation and amortization methods, useful lives and residual values are reviewed periodically at the end of each financial year with the effect of any change in estimate accounted for on a prospective basis.

**e) Government Grants**

Government grants are not recognized until there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. When the grant relates to an asset, it is recognized as deferred revenue in the Balance sheet and transferred to the statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

**f) Investment in Joint venture and associate**

Investment in jointly controlled entity and associate is accounted for using the "equity method" less accumulated impairment, if any. Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the jointly controlled entity and associate since the date of acquisition. Goodwill relating to the entity is included in the carrying amount of the investment.

The statement of profit and loss reflects the group's share of the results of the operations of the jointly controlled entity and associate. The amount of

OCI of these entities are included in the groups OCI. Unrealised gains and losses resulting from transactions between the group and its entity are eliminated to the extent of interest in jointly controlled entity and associate.

### 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 generate 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.

#### 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.

The employees of the entities are entitled to leave encashment which are both accumulating and non-accumulating in nature. The liability towards accumulated leave encashment, which are to be encashable only at the time of retirement, death while in service or on termination of employment, is determined by actuarial valuation using projected unit credit method.

The liability towards non-accumulated leave encashment over and above accumulated leaves, being short term employee benefit and eligible to encash after the end of each financial year, is provided based on actual liability computed at the end of each year.

#### **l) Foreign Currency Transactions**

These consolidated financial statements are presented in Indian rupee which is the functional currency of the parent company.

In preparing the financial statements of each individual group entity, transactions in foreign currencies are recognized at the rates of exchange prevailing at the dates of the transactions. Gains/losses on settlement of the transaction are recognized in the statement of profit and loss.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured at historical cost in foreign currency, are translated using the exchange rate at the date of transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Any loss/gain on conversion of monetary items are recognized in statement of profit and loss.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The exchange differences arising on translation for consolidation are recognized in other comprehensive income and accumulated in equity and attributed to non-controlling interests proportionately. On disposal of foreign operation, the OCI component relating to that particular foreign operation is reclassified to consolidated statement of profit and loss.

#### **m) Income-Taxes**

Income tax expense comprises the sum of tax currently payable and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current tax is determined at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted by the balance sheet date and are expected to apply to taxable

income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities are recognized as income or expense in the year of enactment. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

#### **n) Provisions, Contingent Liabilities and Contingent assets**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Where the effect of time value of money is material, the amount of provisions is the present value of the expenditure required to settle the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The company does not recognize contingent liabilities but the same are disclosed in the Notes.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

#### **o) Dividends**

Provision for dividends payable (including income tax thereon) is accounted in the books of account in the year when they are approved by the shareholders at the Annual General Meeting.

#### **p) Earnings per share**

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

bonus issue, the above calculations are adjusted retrospectively for the previous year figures also.

#### q) Leases

The Company's leased assets primarily consist of buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### r) Cash flow statement

Cash flows are reported using the indirect method, whereby the profit before tax is adjusted for the effects of transactions of non-cash nature and items of income or expenses associated with investing and financing activities. The cash flows are segregated into Operating, investing and financing activities.

#### s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Initial recognition:

The group recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than the financial assets and liabilities at fair value through profit and loss) are added to or deducted from the fair value of financial assets and liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities at fair value through profit or loss are recognized immediately in profit or loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

##### Subsequent measurement:

- (i) Financial assets carried at amortized cost:
 

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) Financial assets at fair value through other comprehensive income.
 

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

- (iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

**De-recognition of financial asset**

The company de-recognises financial assets when the contractual right to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

**Impairment of financial assets:**

The company applies expected credit loss (ECL) model for measurement and recognition of loss assets in case of trade receivables and other financial assets. 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 Company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2023 with effect from April 1, 2023. The effect is described as below:

- Ind AS 1 – Presentation of Financial Statements – The amendment requires disclosure of material accounting policies instead of significant accounting policies. In the Consolidated financial statements, the disclosure of accounting policies has been accordingly modified. The impact of such modifications to the accounting policies is expected to be insignificant.
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – The amendment has defined accounting estimate as well as laid down the treatment of accounting estimate to achieve the objective set out by accounting policy. There is no impact of the amendment on the Consolidated Financial Statements.
- Ind AS 12 – Income taxes – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Consolidated Financial Statements.

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 4.1 : PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Carrying Amounts of:</b>		
Land	3.42	3.42
Office Buildings	27.52	29.22
Plant and Equipment	23.90	24.70
Furniture and Fixtures	2.58	2.28
Computers	3.43	2.35
Office Equipment	5.41	4.15
Motor vehicles	58.14	28.33
Cranes	84.48	75.68
Temporary Sheds	14.23	12.18
	<b>223.11</b>	<b>182.31</b>
Capital Work-in-progress (Refer Note No. 5)	<b>11.27</b>	<b>2.73</b>



## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 4.1 : Property, Plant and Equipment

Particulars	Land	Office Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Motor vehicles	Cranes	Temporary Sheds	Total
<b>Gross Block:</b>										
<b>As at 31<sup>st</sup> March, 2022</b>	<b>3.42</b>	<b>40.16</b>	<b>64.85</b>	<b>11.27</b>	<b>5.80</b>	<b>13.45</b>	<b>60.02</b>	<b>159.91</b>	<b>46.19</b>	<b>405.07</b>
Additions	-	-	5.19	1.43	1.25	2.07	12.85	24.23	6.15	53.17
Disposals	-	-	0.47	-	0.06	0.01	2.82	5.85	-	9.21
<b>As at 31<sup>st</sup> March, 2023</b>	<b>3.42</b>	<b>40.16</b>	<b>69.57</b>	<b>12.70</b>	<b>6.99</b>	<b>15.51</b>	<b>70.05</b>	<b>178.29</b>	<b>52.34</b>	<b>449.03</b>
Additions	-	-	5.17	1.22	2.06	3.01	39.92	21.69	10.46	83.53
Disposals	-	-	0.57	0.21	0.21	0.32	3.71	1.46	-	6.48
<b>As at 31<sup>st</sup> March, 2024</b>	<b>3.42</b>	<b>40.16</b>	<b>74.17</b>	<b>13.71</b>	<b>8.84</b>	<b>18.20</b>	<b>106.26</b>	<b>198.52</b>	<b>62.80</b>	<b>526.08</b>
<b>Accumulated Depreciation including accumulated Impairment losses:</b>										
<b>As at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>9.26</b>	<b>39.15</b>	<b>9.46</b>	<b>3.96</b>	<b>9.97</b>	<b>36.75</b>	<b>91.90</b>	<b>32.13</b>	<b>232.58</b>
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	-	-	0.38	-	0.06	0.01	2.49	3.84	-	6.78
<b>As at 31<sup>st</sup> March, 2023</b>	<b>-</b>	<b>10.95</b>	<b>44.87</b>	<b>10.42</b>	<b>4.65</b>	<b>11.36</b>	<b>41.72</b>	<b>102.62</b>	<b>40.17</b>	<b>266.76</b>
Depreciation charge for the year	-	1.69	5.93	0.89	0.85	1.71	9.84	12.73	8.40	42.04
On disposals	-	-	0.53	0.18	0.09	0.28	3.44	1.31	-	5.83
<b>As at 31<sup>st</sup> March, 2024</b>	<b>-</b>	<b>12.64</b>	<b>50.27</b>	<b>11.13</b>	<b>5.41</b>	<b>12.79</b>	<b>48.12</b>	<b>114.04</b>	<b>48.57</b>	<b>302.97</b>
<b>Net Block:</b>										
<b>As at 31<sup>st</sup> March, 2024</b>	<b>3.42</b>	<b>27.52</b>	<b>23.90</b>	<b>2.58</b>	<b>3.43</b>	<b>5.41</b>	<b>58.14</b>	<b>84.48</b>	<b>14.23</b>	<b>223.11</b>
<b>As at 31<sup>st</sup> March, 2023</b>	<b>3.42</b>	<b>29.22</b>	<b>24.70</b>	<b>2.28</b>	<b>2.35</b>	<b>4.15</b>	<b>28.33</b>	<b>75.68</b>	<b>12.18</b>	<b>182.31</b>

### 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 / transferred 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 respective 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.

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 4.2 : Right-of-use assets

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Right-of-use assets	5.67	4.01
	<b>5.67</b>	<b>4.01</b>

Particulars	Lease hold land & Improvements	Buildings	Total
<b>(A) Cost or deemed cost :</b>			
<b>As at 31<sup>st</sup> March, 2022</b>	<b>2.56</b>	<b>9.74</b>	<b>12.30</b>
Additions	-	0.41	0.41
Disposals/adjustments	-	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>2.56</b>	<b>10.15</b>	<b>12.71</b>
Additions	-	3.60	3.60
Disposals/adjustments	-	-	-
<b>As at 31<sup>st</sup> March, 2024</b>	<b>2.56</b>	<b>13.75</b>	<b>16.31</b>
<b>(B) Accumulated Amortisation and impairment :</b>			
<b>As at 31<sup>st</sup> March, 2022</b>	<b>0.17</b>	<b>6.63</b>	<b>6.80</b>
Amortisation expense for the year	0.01	1.89	1.90
Eliminated on disposal	-	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.18</b>	<b>8.52</b>	<b>8.70</b>
Amortisation expense for the year	0.01	1.93	1.94
Eliminated on disposal	-	-	-
<b>As at 31<sup>st</sup> March, 2024</b>	<b>0.19</b>	<b>10.45</b>	<b>10.64</b>
<b>(C) Carrying amount :</b>			
<b>As at 31<sup>st</sup> March, 2024</b>	<b>2.37</b>	<b>3.30</b>	<b>5.67</b>
<b>As at 31<sup>st</sup> March, 2023</b>	<b>2.38</b>	<b>1.63</b>	<b>4.01</b>

### Note No. 5 : Capital Work-in-Progress

Particulars	Amount
<b>Carrying value - At Cost</b>	
<b>As at 31<sup>st</sup> March, 2022</b>	<b>2.38</b>
Additions	2.08
Capitalised during the year	1.73
<b>As at 31<sup>st</sup> March, 2023</b>	<b>2.73</b>
Additions	10.62
Capitalised during the year	2.08
<b>As at 31<sup>st</sup> March, 2024</b>	<b>11.27</b>

#### Capital Work-in-progress ageing schedule as on 31 March, 2024

Particulars	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	10.63	-	0.64	-	11.27
Projects temporarily suspended	-	-	-	-	-

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

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 March, 2023

Particulars	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.

### Note No. 6 : INTANGIBLE ASSETS

Particulars	As at	As at
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Power Mech Brand *	0.00	0.00
Computer Software	0.42	0.19
Goodwill	2.27	2.27
	<b>2.69</b>	<b>2.46</b>

\* Amounts below ₹ 1 Lakh

Particulars	Power Mech Brand	Computer Software	Goodwill	Total
<b>Gross Block :</b>				
<b>As at 31<sup>st</sup> March, 2022</b>	<b>0.00</b>	<b>1.54</b>	<b>2.27</b>	<b>3.81</b>
Additions	-	0.01	-	0.01
Disposals	-	-	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.00</b>	<b>1.55</b>	<b>2.27</b>	<b>3.82</b>
Additions	-	0.30	-	0.30
Disposals	-	0.00	-	0.00
<b>As at 31<sup>st</sup> March, 2024</b>	<b>0.00</b>	<b>1.85</b>	<b>2.27</b>	<b>4.12</b>
<b>Accumulated Amortisation and impairment :</b>				
<b>As at 31<sup>st</sup> March, 2022</b>	<b>0.00</b>	<b>1.31</b>	<b>-</b>	<b>1.31</b>
Amortisation expense for the year	-	0.06	-	0.06
On disposals	-	-	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.00</b>	<b>1.37</b>	<b>-</b>	<b>1.37</b>
Amortisation expense for the year	-	0.06	-	0.06
On disposals	-	0.00	-	0.00
<b>As at 31<sup>st</sup> March, 2024</b>	<b>0.00</b>	<b>1.43</b>	<b>-</b>	<b>1.43</b>
<b>Net Block :</b>				
<b>As at 31<sup>st</sup> March, 2024</b>	<b>0.00</b>	<b>0.42</b>	<b>2.27</b>	<b>2.69</b>
<b>As at 31<sup>st</sup> March, 2023</b>	<b>0.00</b>	<b>0.19</b>	<b>2.27</b>	<b>2.46</b>

- None of the intangible assets were acquired/transferred by way of business combinations.
- The carrying values of any of the assets does not include any changes made on account of revaluation as on date of balance sheet.

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 7.1 : INVESTMENTS (NON-CURRENT)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>A. Investment in Equity Instruments</b>		
<b>(a) (i) Quoted - Trade (carried at fair value through OCI)</b>		
a) 24 (24) Equity shares of ₹10/ each in Reliance Power Limited*	0.00	0.00
<b>(ii) Quoted - Non Trade (carried at fair value through OCI)</b>		
a) 200 (200) Equity shares of ₹.10/ each in Assam Company Limited*	0.00	0.00
<b>Total Investment in Quoted Equity Instruments (a)</b>	<b>0.00</b>	<b>0.00</b>
<b>(b) (i) Unquoted - Trade</b>		
<b>Investment in Joint Venture (Carried at cost) :</b>		
a) 1,50,00,000 (1,50,00,000) equity shares of 1 Naira each in GTA Power Mech Nigeria Limited	31.27	31.32
b) 50 (50) Equity shares of AED 1000 each in GTA Power Mech DMCC	0.44	0.44
c) Investment in PMPL-ACPL JV (Capital introduced Nil)	1.52	1.43
d) Investment in PMPL-STC JV (Capital introduced Nil)	0.80	0.90
e) Investment in PMPL-KHILARI Consortium JV (Capital introduced Nil)	0.52	0.50
f) Investment in PMPL-SRC INFRA JV - Mizoram (Capital introduced Nil)**	1.58	1.09
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)**	-	-
n) Investment in PMPL-RSVCPL JV (Capital introduced Nil)**	-	-
o) Investment in PMPL-UPPER BURHNER JV (Capital introduced Nil)**	-	-
<b>Total Investment in Un-Quoted Equity Instruments (b)</b>	<b>36.13</b>	<b>35.68</b>
<b>Total Investment in Equity Instruments (A = a+b)</b>	<b>36.13</b>	<b>35.68</b>
<b>B. Investment in Mutual Funds - Quoted (Carried at fair value through OCI)</b>		
a) 20,000(20,000) units of SBI Infra structure fund - I - Growth ₹.10/ each	0.11	0.06
<b>Total Investment in Mutual Funds (B)</b>	<b>0.11</b>	<b>0.06</b>
<b>Total (A+B)</b>	<b>36.24</b>	<b>35.74</b>
<b>Aggregate amount of : Quoted investments -</b>		
- At cost	0.02	0.02
- Market value	<b>0.11</b>	<b>0.06</b>
<b>Aggregate amount of un-Quoted investments</b>	<b>36.13</b>	<b>35.68</b>



## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised
<b>Financial assets measured at:</b>				
<b>(i) Fair value through Other Comprehensive Income</b>				
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	0.11	-	0.06	-
<b>(ii) Using Equity method for Investments in Joint Ventures and Associates as per Ind As 28</b>	<b>36.13</b>	<b>-</b>	<b>35.68</b>	<b>-</b>
	<b>36.24</b>	<b>-</b>	<b>35.74</b>	<b>-</b>

\* Amounts below 1 Lakh

\*\* The company has become a venturer in Joint Ventures incorporated during Current and Previous years. However no investment has been made in the said JV's as on date of Balance Sheet.

### Note No. 7.2 : INVESTMENTS (CURRENT)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Investment in Mutual Funds - Quoted: (Carried at fair value through P&amp;L)</b>		
a) 92,793 (92,793) units of Baroda PNB Paribas Large & Mid Cap Fund	0.22	0.15
b) 2,50,000 (2,50,000) units of Baroda BNP Paribas Flexi Cap Fund	0.34	0.24
<b>Total Investment in Mutual Funds (B)</b>	<b>0.56</b>	<b>0.39</b>
<b>Aggregate amount of : Quoted investments -</b>		
- At cost	0.34	0.34
- Market value	<b>0.56</b>	<b>0.39</b>

### Note No. 8 : LOANS

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Unsecured, Considered Good</b>				
a) Employee related advances	-	-	1.88	4.19
b) Power Mech LLC Qatar (Associate)	-	-	1.81	-
c) Loans to others - GTA Power Mech FZE (Subsidiary to GTA Power Mech Nizeria Ltd, a JV)	-	-	0.70	0.69
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4.39</b>	<b>4.88</b>

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

The above Loans Receivables are sub-classified as :

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Loans considered good - Secured	-	-	-	-
b) Loans considered good - Unsecured	-	-	4.39	4.88
c) Loans which have significant increase in Credit Risk	-	-	-	-
d) Loans - Credit impaired	-	-	-	-
	-	-	<b>4.39</b>	<b>4.88</b>

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 31 <sup>st</sup> March, 2024	% out of Total Loans advanced	As at 31 <sup>st</sup> March, 2023	% out of Total Loans advanced
a) Promoters	-	-	-	-
b) Directors	-	-	-	-
c) KMP	-	-	-	-
d) Related parties	2.51	57.21	0.69	14.11

### Note No. 9 : OTHER FINANCIAL ASSETS

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Security deposits with Govt. authorities and others	13.63	11.60	0.02	0.02
b) EMD with customers	117.87	37.64	-	-
c) Earmarked balances with banks held as margin money against LC and guarantees having a maturity period for more than 12 months from the date of Balance sheet	62.42	59.23	-	-
d) Retention Money and Security Deposit with customers	184.49	227.50	141.51	118.07
e) Uncertified Revenue	-	-	690.12	560.12
<b>Total</b>	<b>378.41</b>	<b>335.97</b>	<b>831.65</b>	<b>678.21</b>
Less: Provision for doubtful receivables (Retention Money and Security Deposit with customers)	(4.14)	(4.28)	-	-
	<b>374.27</b>	<b>331.69</b>	<b>831.65</b>	<b>678.21</b>

The bifurcation of Retention money & Security deposit with customers between current and non current is made based on the terms of contract, time schedule in the execution of work orders, fulfilment of conditions for release of Retention money and Security deposit and based on estimates by management.



## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Uncertified revenue ageing schedule as on 31 March, 2024

Particulars	Outstanding for following periods from due date of transaction					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Uncertified revenue	657.71	8.74	18.65	-	5.02	<b>690.12</b>

### Uncertified revenue ageing schedule as on 31 March, 2023

Particulars	Outstanding for following periods from due date of transaction					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Uncertified revenue	459.90	47.13	28.13	19.41	5.55	<b>560.12</b>

### Note No. 10 : OTHER ASSETS

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Unsecured, Considered Good</b>				
a) Advances for Capital goods	7.53	1.37	-	-
b) Mobilisation advances to Sub - Contractors	-	-	16.94	14.93
c) Advances to creditors against supplies	-	-	32.11	22.73
d) Advances to sub-contractors against works				
Unsecured	-	-	257.40	410.00
e) Prepaid Royalty and other expenses	-	-	34.99	15.96
f) R&R expenses	2.36	-	-	-
g) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	68.69	57.26
Works contract tax (TDS)	-	-	1.00	1.16
Custom Duty Receivable	-	-	-	0.02
Taxes paid under protest	-	-	1.88	0.94
h) Other advances	-	-	6.27	6.33
i) Balance in Gratuity Fund (net of obligations) (Refer disclosures under note no 19)	-	-	1.61	-
<b>Total</b>	<b>9.89</b>	<b>1.37</b>	<b>420.89</b>	<b>529.33</b>
Less : Provision for doubtful advances (Advance to sub-contractors against works)	-	-	(4.98)	(4.16)
<b>Total</b>	<b>9.89</b>	<b>1.37</b>	<b>415.91</b>	<b>525.17</b>

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.

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 11 : INVENTORIES (At Lower of Cost and Net Realizable Values)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Stores and spares	92.28	114.13
b) Construction Work-in-progress	29.54	33.21
<b>Total</b>	<b>121.82</b>	<b>147.34</b>

Note:

- The mode of valuation of inventories has been stated in Note 3(i) in Accounting Policies.
- The cost of inventories recognised as an expense for the year ended 31<sup>st</sup> March, 2024 was ₹. 621.69 Cr (for the year ended 31<sup>st</sup> March, 2023: ₹. 536.18 Cr)
- All the above inventories are offered as security in respect of working capital loans availed by the company from all the banks.
- There are no inventories expected to be liquidated after more than twelve months.

### Note No. 12 : TRADE RECEIVABLES

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Secured and considered good	-	-
b) Unsecured and considered good	1,039.65	893.51
c) Consider doubtful	5.49	4.90
Less: Allowance for doubtful receivables	(5.49)	(4.90)
<b>Total</b>	<b>1,039.65</b>	<b>893.51</b>

- 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.
- Of the trade receivables balance, ₹.155.79 Cr (as at March 31, 2023 : ₹. 209.63 Cr) is due from one of the Parent Company's largest customer. Further, an amount of ₹.325.62 Cr. (as at March 31, 2023 : ₹.238.02 Cr) is due from customers who represent more than 5% of the total balance of trade receivables.
- 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 March, 2024

Particulars	Outstanding for following periods from due date of transaction					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) undisputed trade Receivables - considered good	934.00	11.92	51.30	21.20	21.23	1,039.65
(ii) undisputed trade Receivables - which have significant increase in credit risk	-	-	2.29	0.64	2.56	5.49
(iii) undisputed trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade Receivables - considered good	-	-	-	-	-	-



## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	Outstanding for following periods from due date of transaction					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(v) Disputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade Receivables - credit impaired	-	-	-	-	-	-
(vii) Provision for expected credit loss	-	-	(2.29)	(0.64)	(2.56)	(5.49)
<b>Total</b>	<b>934.00</b>	<b>11.92</b>	<b>51.30</b>	<b>21.20</b>	<b>21.23</b>	<b>1,039.65</b>

### Trade Receivables ageing schedule as on 31 March, 2023

Particulars	Outstanding for following periods from due date of transaction					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(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	-	-	-	-	-	-
(vii) Provision for expected credit loss	-	-	(0.84)	(2.60)	(1.46)	(4.90)
<b>Total</b>	<b>771.12</b>	<b>15.46</b>	<b>50.90</b>	<b>50.90</b>	<b>5.13</b>	<b>893.51</b>

### Note No. 13 : CASH AND CASH EQUIVALENTS

Particulars	As at	As at
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>i) Balances with banks</b>		
In Current accounts	49.28	42.51
ii) Cash on hand	1.29	1.15
iii) Fixed Deposits with original maturity period of less than 3 months	1.27	0.81
<b>Total</b>	<b>51.84</b>	<b>44.47</b>

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 13 : OTHER BANK BALANCES

Particulars	As at	As at
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
a. Earmarked balances with banks held as margin money against LC and guarantees falls due for maturity within 12 months from the date of Balance sheet	184.04	127.04
b. Earmarked funds out of QIP 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	243.92	-
c. Earmarked balances with banks towards unclaimed dividends	0.03	0.02
<b>Total</b>	<b>427.99</b>	<b>127.06</b>

Note: Bank Deposits with more than 12 months maturity from the date of Balance Sheet was disclosed under "Other Financial Assets"

### Note No. 14 : SHARE CAPITAL

#### a) Authorised Share Capital

Particulars	Equity	
	Number of Shares	Amount
<b>As at 31<sup>st</sup> March, 2022</b>	<b>2,60,00,000</b>	<b>26.00</b>
Changes during the year	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>2,60,00,000</b>	<b>26.00</b>
Changes during the year	-	-
<b>As at 31<sup>st</sup> March, 2024</b>	<b>2,60,00,000</b>	<b>26.00</b>

#### b) Issued Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid

Particulars	Number of Shares	Amount
<b>As at 31<sup>st</sup> March, 2022</b>	<b>1,47,10,764</b>	<b>14.71</b>
Increase in paid-up capital on conversion of Loan into equity	1,95,593	0.20
<b>As at 31<sup>st</sup> March, 2023</b>	<b>1,49,06,357</b>	<b>14.91</b>
Increase in paid-up capital on issue of shares pursuant to Qualified institutional placement (QIP)	9,01,789	0.90
<b>As at 31<sup>st</sup> March, 2024</b>	<b>1,58,08,146</b>	<b>15.81</b>

#### 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.

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### d) Details of share holders holding more than 5% of total number of shares

Name of the Share Holder	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	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	24.45%	38,64,942	25.93%
Sajja Rohit	9,03,413	5.71%	5,43,413	3.65%
S. Lakshmi	19,28,626	12.20%	30,08,626	20.18%
Vignatha Sajja	11,03,054	6.98%	11,03,054	7.40%
Aishwarya Kurra	15,27,513	9.66%	8,07,513	5.42%
HDFC Small Cap Fund	12,32,932	7.80%	12,47,109	8.37%
	<b>1,05,60,480</b>	<b>66.80%</b>	<b>1,05,74,657</b>	<b>70.94%</b>

### e) Details of shares held by promoters as on 31.03.2024

Name of the promoters	As at 31 <sup>st</sup> March 2024		% Change during the FY 2023-24
	No. of shares	% of total shares	
Sajja Kishore Babu	38,64,942	24.45	0.00
Lakshmi Sajja	19,28,626	12.20	(35.90)
Sajja Rohit	9,03,413	5.71	66.25
Sajja Vignatha	11,03,054	6.98	-
Aishwarya Kurra	15,27,513	9.66	89.16
Gogineni Babu	13,858	0.09	(46.61)
Sireesha Gogineni	3,360	0.02	0.00
Sekhar Gogineni	-	-	(100.00)
Sivarama Krishna Prasad Sajja	2,000	0.01	(31.74)
Subhashini Kanteti	2,520	0.02	0.00
Uma Devi Koyi	500	0.00	(83.48)
Sai Malleswara Rao Sajja	255	0.00	0.00
Power Mech Infra Limited	1,95,593	1.24	0.00

### Details of shares held by promoters as on 31.03.2023

Name of the promoters	As at 31 <sup>st</sup> March 2023		% Change during the FY 2022-23
	No. of shares	% of total shares	
Sajja Kishore Babu	38,64,942	25.93	0.00
Lakshmi Sajja	30,08,626	20.18	(19.31)
Sajja Rohit	5,43,413	3.65	2,699.22
Sajja Vignatha	11,03,054	7.40	187.96
Aishwarya Kurra	8,07,513	5.42	822.73
Gogineni Babu	25,958	0.17	-
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	1,95,593	1.31	100.00

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

- 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 preceding financial years.
- g) **No shares were issued by the parent company pursuant to a contract without payment being received in cash.**

### Note No. 15 : OTHER EQUITY

#### Securities Premium Reserve

Particulars	Amount
<b>As at 31<sup>st</sup> March, 2022</b>	<b>160.93</b>
Add : Increase on account of Conversion of Loan into equity at a Premium of ₹ 1,268.16 per share.	24.80
<b>As at 31<sup>st</sup> March, 2023</b>	<b>185.73</b>
Add : Increase on account of issue of equity shares pursuant to Qualified institutional placement (QIP) at a Premium of ₹ 3,871.17 per share.	343.30
<b>As at 31<sup>st</sup> March, 2024</b>	<b>529.03</b>

#### General Reserve

Particulars	Amount
<b>As at 31<sup>st</sup> March, 2022</b>	<b>37.00</b>
Transfers during the Year	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>37.00</b>
Transfers during the Year	-
<b>As at 31<sup>st</sup> March, 2024</b>	<b>37.00</b>

#### Foreign Currency Translation Reserve Account

Particulars	Amount
<b>As at 31<sup>st</sup> March, 2022</b>	<b>(0.23)</b>
Changes during the Year	(0.67)
<b>As at 31<sup>st</sup> March, 2023</b>	<b>(0.90)</b>
Changes during the Year	(25.43)
<b>As at 31<sup>st</sup> March, 2024</b>	<b>(26.33)</b>

#### Retained Earnings

Particulars	Amount
<b>As at 31<sup>st</sup> March, 2022</b>	<b>830.90</b>
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
<b>As at 31<sup>st</sup> March, 2023</b>	<b>1,038.64</b>
Add: Total comprehensive income for the year transferred from statement of profit and loss	246.83
Less: Appropriations	
Final Dividend for the Financial year 2022-23 proposed & paid during the year	2.98
<b>As at 31<sup>st</sup> March, 2024</b>	<b>1,282.49</b>



## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Summary of Other Equity

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Securities Premium	529.03	185.73
General Reserve	37.00	37.00
Foreign Currency Translation Reserve Account	(26.33)	(0.90)
Retained Earnings	1,282.49	1,038.64
	<b>1,822.19</b>	<b>1,260.47</b>

#### 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 transfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

c) 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.

### Note No. 16 : MINORITY INTEREST

Particulars	Amount
<b>As at 31<sup>st</sup> March, 2022</b>	<b>3.09</b>
Changes during the Year	(1.75)
Dividend paid	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>1.34</b>
Changes during the Year	0.30
Dividend paid	-
<b>As at 31<sup>st</sup> March, 2024</b>	<b>1.64</b>

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 17 : LONG TERM BORROWINGS

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>A. Secured</b>				
<b>i. Term Loans</b>				
a) From Banks :				
i) Axis Bank	24.75	5.31	26.83	13.43
ii) HDFC Bank	4.24	0.70	2.15	1.32
iii) ICICI Bank	0.01	0.13	0.12	7.11
iv) Kotak Mahindra Bank	1.96	6.00	4.13	7.23
v) Yes Bank	-	-	-	0.31
vi) Bank of Baroda	1.93	1.98	2.05	1.27
vii) Emirates Islamic Bank	2.31	1.18	1.28	0.69
b) From Others :				
i) HDB Financial Services	2.11	3.92	2.56	4.55
ii) TATA Capital	0.03	2.52	2.49	6.11
iii) Mahindra Finance	0.09	0.19	0.10	1.21
iv) Al-Futtaim	0.03	0.12	0.13	0.11
<b>Total (a)</b>	<b>37.46</b>	<b>22.05</b>	<b>41.84</b>	<b>43.34</b>
<b>B. Unsecured</b>				
Deferred payment liabilities				
Due to suppliers on deferred credit basis	-	4.02	4.08	-
<b>Total (b)</b>	<b>-</b>	<b>4.02</b>	<b>4.08</b>	<b>-</b>
<b>Total (a+b)</b>	<b>37.46</b>	<b>26.07</b>	<b>45.92</b>	<b>43.34</b>

- 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.
- The above loans carries interest varies from 7.35% to 12.50%
- The above loans are repayable in monthly/quarterly installments.
- Maturity pattern of above term loans (non-current) is as follows  
Banks : 2024-25 - ₹ 22.82 & 2025-26 - ₹ 12.38  
Companies : 2024-25 - ₹ 1.68 & 2025-26 - ₹ 0.58
- 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.
- No defaults were made in repayment of above term loans

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 18 : OTHER FINANCIAL LIABILITIES

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Retention Money & Security deposits recovered from Sub-Contractors	116.26	86.76	28.08	25.05
b) Creditors for capital goods	-	-	0.63	0.82
c) Interest accrued and due	-	-	0.23	0.16
d) Interest accrued but not due	-	-	-	-
d) Unclaimed dividend	-	-	0.03	0.02
e) Employee related payments	-	-	71.58	64.50
f) Share application money refundable	-	-	-	0.11
g) Other Liabilities	-	-	43.75	43.59
	<b>116.26</b>	<b>86.76</b>	<b>144.30</b>	<b>134.25</b>
a) Lease liability as per Ind As 116 (Refer Note No. 50)	1.88	0.86	2.11	0.83
<b>Total</b>	<b>118.14</b>	<b>87.62</b>	<b>146.41</b>	<b>135.08</b>

Note:

- (i) The segregation of above Retention Money & Security deposits are made based on the time schedule in execution of works, estimated works undertaken in next year and terms of release as agreed with sub-contractors.

### Note No. 19 : PROVISIONS

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	-	0.36	-	0.03
- Leave Encashment (Unfunded)	3.70	3.95	0.88	0.95
<b>Total</b>	<b>3.70</b>	<b>4.31</b>	<b>0.88</b>	<b>0.98</b>

### 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 ₹ 27.65 Cr (Year ended March 31, 2023: ₹ 29.11 Cr) for provident fund contributions, and ₹ 3.66 Cr (Year ended March 31, 2023: ₹ 3.81 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.

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### (i) Balance Sheet

The assets, liabilities and surplus/(deficit) position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Present value of obligation	17.78	14.31
Fair Value of plan assets	19.39	13.92
<b>(Asset)/Liability recognised in the Balance Sheet</b>	<b>(1.61)</b>	<b>0.39</b>

### (ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Plan Obligation	Plan Assets	Deficit/(Surplus)
<b>As at March 31, 2022</b>	<b>12.98</b>	<b>9.72</b>	<b>3.26</b>
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
<b>As at March 31, 2023</b>	<b>14.31</b>	<b>13.92</b>	<b>0.39</b>
Current service cost	5.13	-	5.13
Past service cost	-	-	-
Interest cost	0.93	-	0.93
Interest income	-	1.21	(1.21)
Actuarial gain arising from changes in experience adjustments	0.35	-	0.35
Actuarial gain arising from changes in financial assumptions	0.76	-	0.76
Contributions by employer	-	8.11	(8.11)
Benefit payments	(3.70)	(3.68)	(0.02)
Return on plan assets, excluding interest income	-	(0.17)	0.17
<b>As at March 31, 2024</b>	<b>17.78</b>	<b>19.39</b>	<b>(1.61)</b>





## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### (iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
<b>Employee Benefit Expenses</b>		
Current service cost	5.13	3.70
Past service cost		
Interest cost	0.93	0.87
Interest Income	(1.21)	(0.84)
<b>Net impact on profit before tax</b>	<b>4.85</b>	<b>3.73</b>
Remeasurement of the net defined benefit plans:		
Actuarial gain arising from changes in Financial assumptions	0.74	(0.31)
Actuarial (gain)/loss arising from changes in Experience adjustments	0.36	(0.65)
Return on plan assets, excluding interest income	0.17	0.13
<b>Net impact on other comprehensive income before tax</b>	<b>1.27</b>	<b>(0.83)</b>

### (iv) Assets

The major categories of plan assets as a % of the total plan assets

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Insurance Policies*	100%	100%

### (v) Investment details

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Insurance Policies*	19.39	13.92

\* 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 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Discount rate	7.22%	7.51%
Salary escalation rate	3.00%	3.00%

### (vii) Sensivity analysis

Significant actuarial 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 occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in key assumption while holding all other assumptions constant. The sensitivity analysis is given below:

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	Defined benefit obligation As at 31 <sup>st</sup> March, 2024
Salary Escalation - Up by 1%	20.42
Salary Escalation - Down by 1%	15.48
Withdrawal Rates - Up by 1%	18.72
Withdrawal Rates - Down by 1%	16.56
Discount Rates - Up by 1%	15.65
Discount Rates - Down by 1%	20.24
Mortality Rates - Up by 1%	17.77
Mortality Rates - Down by 1%	17.70

(viii) Maturity profile of defined benefit obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non current
Defined Benefit obligation	0.77	3.34	51.98

### Note No. 20 : DEFERRED TAX

The following is the analysis of deferred tax (Assets)/Liabilities presented in the Balance Sheet

Particulars	Components	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Liability:</b>		
Towards depreciation	-	-
<b>Asset:</b>		
Disallowances under Income-tax	5.38	4.97
On account of Unabsorbed Losses	0.41	3.63
Towards depreciation	3.45	3.71
MAT Credit entitlement	1.37	0.15
<b>Total</b>	<b>10.61</b>	<b>12.46</b>

Movement in Deferred Tax Assets/(Liabilities)

Component	As at 31 <sup>st</sup> March, 2024	Credit/ (Charge) to Statement of P&L	As at 31 <sup>st</sup> March, 2023	Credit/ (Charge) to Statement of P&L	As at 31 <sup>st</sup> March, 2022
<b>Deferred tax Assets/(Liabilities) in relation to:</b>					
Depreciation	3.45	0.26	3.71	2.01	5.72
Expenses allowable under Income tax when paid	5.38	(0.41)	4.97	(2.49)	2.48
On account of unabsorbed losses	0.41	3.22	3.63	(0.00)	3.63
MAT Credit entitlement	1.37	(1.22)	0.15	-	0.15
<b>Total</b>	<b>10.61</b>	<b>1.85</b>	<b>12.46</b>	<b>(0.48)</b>	<b>11.98</b>

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 21 : OTHER LIABILITIES

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Mobilisation advances received from customers	130.33	72.90	87.11	145.26
b) Advances received from customers against supplies or works	-	-	14.72	22.40
c) Provision for Loss in Associate	20.19	16.31	-	-
d) Statutory Liabilities	-	-	82.95	67.94
e) Deferred government grants	0.37	0.45	-	-
<b>Total</b>	<b>150.89</b>	<b>89.66</b>	<b>184.78</b>	<b>235.60</b>

Note:

- 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.
- The segregation of mobilization advances received from customers has been made based on the estimated work to be completed in next year and as per the terms of agreement entered with customers, turnover, terms of release of amount and estimates of the management.

### Note No. 22 : SHORT TERM BORROWINGS

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>A. Secured</b>		
1. Loans repayable on demand :		
a) Working Capital Loans From Banks		
i) State Bank of India	43.40	86.45
ii) RBL Bank	19.98	-
iii) Axis Bank	3.03	-
iv) IDFC First Bank	14.96	12.55
v) Punjab National Bank	15.92	17.37
vi) Bank of India	15.15	19.91
vii) IndusInd Bank	4.08	4.27
viii) Union Bank of India	27.88	33.87
ix) Bank of Baroda	38.37	64.54
x) UCO Bank	20.01	44.77
xi) Central Bank of India	7.19	-
xii) Bandhan Bank	29.38	49.10
xiii) Karnataka Bank	19.44	22.95
xiv) IOB Bank	4.95	-
2. Current maturities of long-term debt (Refer Note no.17)	45.92	43.35

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b><u>B. Un Secured</u></b>		
1. Loans repayable on demand :		
a) Working Capital Loans from Banks		
i) Bank of Bahrain & Kuwait	24.90	48.80
2. Short term loans :		
i) Inter Corporate loan		
i) From AMR India Limited	1.13	1.13
ii) From National Energy Trading and Service	18.60	-
<b><u>C. Debentures</u></b>		
Compulsorily Convertible Debentures from AMR India Limited*	0.00	-
<b>Total</b>	<b>354.29</b>	<b>449.06</b>

\* Amounts below 1 Lakh

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 sanctioned/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.

### Note No. 23 : TRADE PAYABLES

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Dues to : Small and Micro Enterprises	1.67	1.16
: Other than Small and Micro Enterprises (including Acceptances) *	717.83	747.91
<b>Total</b>	<b>719.50</b>	<b>749.07</b>

\* Acceptances include arrangements where suppliers of goods and services are initially paid by banks/financiers

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Ageing of Trade Payables as on 31 March, 2024

Particulars	Outstanding for following periods from due date of transaction				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	1.61	0.01	0.05	-	1.67
(ii) Others	586.69	48.56	24.62	57.96	717.83
(iii) Unbilled Dues	-	-	-	-	-
(iv) Disputed dues MSME	-	-	-	-	-
(v) Disputed dues others	-	-	-	-	-

### Ageing of Trade Payables as on 31 March, 2023

Particulars	Outstanding for following periods from due date of transaction				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(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	-	-	-	-	-

### 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 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	1.67	1.16
(b) Interest due there on	0.36	0.35
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	0.46	0.37
(b) Interest paid along with such payments during the year	0.10	0.02
(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	0.12	0.11
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.	0.36	0.35

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 24 : CURRENT INCOME-TAX(ASSETS)/LIABILITIES (NET)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Provision for Income-tax	477.27	330.77
Less: Advance Income-tax and TDS	465.40	391.14
	<b>11.87</b>	<b>(60.37)</b>

### Income-tax recognised in profit or loss

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
<b>Current Tax</b>		
Tax expense in respect of current year Income	101.41	73.14
Short Provision of Current tax (Refer Note no.54)	30.65	-
	<b>132.06</b>	<b>73.14</b>
<b>Deferred Tax</b>		
Deferred Tax (credit)/charge in respect of Current year	1.85	(0.48)
	<b>1.85</b>	<b>(0.48)</b>
<b>Total tax expense recognised in statement of profit or loss</b>	<b>133.91</b>	<b>72.66</b>

### Note No. 25 : REVENUE FROM OPERATIONS

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
<b>Contract receipts:</b>		
Income from contracts and services	4,205.80	3,600.44
<b>Other operating revenue :</b>		
Crane hire charges received	0.85	0.75
<b>TOTAL</b>	<b>4,206.65</b>	<b>3,601.19</b>

### Note No. 26 : OTHER INCOME

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Interest from banks and others	20.92	8.33
Interest on unwinding portion of Rental Deposits (at amortized cost)	0.07	0.08
Rent received	1.45	1.39
Profit on sale of assets	1.75	0.24
Insurance claims received on Property plant and equipment damaged	-	1.38
Fair value gain on current investments	0.17	-
Gain on exchange fluctuations	-	2.48
Forex Gain on revaluation	3.30	3.05
Sale of Duty credit scrip and deferment of govt. grants	0.06	0.05
Interest on Income tax refund	0.03	0.00
<b>TOTAL</b>	<b>27.75</b>	<b>17.00</b>



## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 27 : COST OF MATERIALS CONSUMED

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Opening Stock	114.13	121.20
Add: Purchases	599.84	529.11
	<b>713.97</b>	<b>650.31</b>
Less : Closing Stock	92.28	114.13
<b>TOTAL</b>	<b>621.69</b>	<b>536.18</b>

### Note No. 28 : CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
<b>Opening work-in-progress</b>	33.21	16.46
	<b>33.21</b>	<b>16.46</b>
<b>Closing work-in-progress</b>	29.54	33.21
	<b>29.54</b>	<b>33.21</b>
<b>Increase / (Decrease) in inventories</b>	<b>(3.67)</b>	<b>16.75</b>

### Note No. 29 : CONTRACT EXECUTION EXPENSE

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Sub-contract expenses	2,118.57	1,688.64
Radiography charges	12.93	17.31
Royalty Charges	80.40	175.77
Hire charges	42.85	40.40
Rent at Project sites	26.72	24.95
Power and fuel	7.70	6.34
Insurance	6.40	5.09
Vehicles movement and other freight expenses	27.79	25.91
Repairs and maintenance : Plant and machinery	21.55	20.55
Other assets	4.73	3.66
Fuel and vehicle maintenance	86.01	71.35
Travelling expenses at projects	13.17	12.85
<b>TOTAL</b>	<b>2,448.82</b>	<b>2,092.82</b>

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 30 : EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Salaries and Wages	485.21	463.35
Remuneration to managerial personnel	20.09	11.71
Contribution to provident and other funds	31.32	32.95
Staff welfare expenses	31.32	31.09
Contribution towards group gratuity	4.85	3.73
<b>TOTAL</b>	<b>572.79</b>	<b>542.83</b>

### Note No. 31 : FINANCE COST

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Interest paid to banks and others	58.59	69.87
Bank charges and BG commission	15.23	11.19
Loan Processing charges	6.01	7.58
Interest on Income-tax	13.58	0.54
Exchange fluctuations on deferred credit payment	0.06	0.11
Finance cost on lease liability	0.46	0.25
<b>TOTAL</b>	<b>93.93</b>	<b>89.54</b>

### Note No. 32 : DEPRECIATION AND AMORTISATION

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Depreciation	42.04	40.96
Amortisation	0.06	0.06
Depreciation on Right-to-use assets	1.94	1.89
<b>TOTAL</b>	<b>44.04</b>	<b>42.91</b>

Refer note no 3(d) given under Material accounting policies for method of providing depreciation.

### Note No. 33 : OTHER EXPENSE

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Directors Sitting Fee	0.15	0.12
Payments to auditors		
Towards Statutory audit	0.17	0.23
Towards tax audit and taxation matters	0.02	0.02
Rates and taxes	8.63	4.72
Fair value gain on current investments	-	0.05
Miscellaneous expenses	44.81	29.89



## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	Year ended	Year ended
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Bad debts writtenoff	3.52	4.31
Less : Provision withdrawn	(0.70)	(2.15)
Provision towards doubtful debts and advances	1.97	4.13
CSR expenses	2.47	1.20
Loss on sale of assets/Assets writtenoff	0.05	0.04
Loss on exchange fluctuations	2.53	0.00
<b>TOTAL</b>	<b>63.62</b>	<b>42.56</b>

### Note No. 34 : Categories of Financial instruments

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2024, 31st March, 2023 are as follows:

Particulars	Fair value		Carrying value	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b><u>Financial assets</u></b>				
<b><u>Measured at Amortised cost</u></b>				
(i) Other financial assets	1,205.93	1,009.90	1,206.10	1,010.14
(ii) Loans and advances	4.39	4.88	4.39	4.87
<b><u>Measured at FVTOCI</u></b>				
(i) Investments in equity instruments and Mutual Funds	0.11	0.06	0.02	0.02
<b><u>Measured at FVTPL</u></b>				
(i) Investments in Mutual Funds	0.56	0.39	0.34	0.34
<b><u>Measured at cost</u></b>				
(i) Investment in Joint ventures & Associates	36.13	35.68	36.13	35.68
<b>Total assets</b>	<b>1,247.12</b>	<b>1,050.91</b>	<b>1,246.98</b>	<b>1,051.05</b>
<b><u>Financial liabilities</u></b>				
<b><u>Measured at amortised cost</u></b>				
(i) Borrowings (including current maturities of Long term borrowings)	83.38	69.41	83.38	69.41
(ii) Other financial liabilities	260.56	221.00	260.56	221.00
(iii) Lease liabilities	3.99	1.69	3.99	1.69
<b>Total liabilities</b>	<b>347.93</b>	<b>292.10</b>	<b>347.93</b>	<b>292.10</b>

### 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.

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

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
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023		
1) Investments in Quoted Mutual Funds	0.67	0.45	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

\* Amounts below 1 Lakh

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and short term borrowings at carrying value because their carrying amounts approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of bank borrowings, other financial assets and financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

### Note No. 36 : Financial Risk Management

The group's business activities are exposed to a variety of financial risks namely credit risk, liquidity risk and foreign currency risk. The group's senior management has the overall responsibility for establishing and governing the group's risk management framework. The group's risk management policies are established to identify and analyse the risks faced by the group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of Directors of the group.

#### A. Credit Risk

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

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

#### Receivables from customers

Concentration of credit risk with respect to trade receivables are limited since major customers of the Company are from public sector and accounts for more than 30% 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 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Turnover from top Customer	868.35	693.45
Dues from top customer	183.65	355.05
Turnover from other top 4 customers	1,444.11	1,314.07
Dues from other top 4 customers	445.86	244.14

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### 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, 2024, March 31, 2023, 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 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Letter of Credit	USD	4.08	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:

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Net Foreign currency exposure in</b>		
USD - US Dollars	10.77	10.11
SAR - Saudi Arabian Riyals	-	0.04
AED - Arab Emirates Dirham	57.81	32.49
BDT - Bangladeshi Taka	161.38	181.61
LYD - Libyan Dinars	1.48	1.47
OMR - Oman Riyals	(3.54)	4.24
<b>Total</b>	<b>227.90</b>	<b>229.96</b>

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, 2024 and March 31, 2023. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

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 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Equity</b>	<b>1,839.64</b>	<b>1,276.72</b>
Short Term Borrowings	308.37	405.71
Long Term Borrowings (including Current maturities of Long term debt)	79.30	65.39
Cash and Cash Equivalents (including other bank balances)	(542.25)	(230.76)
<b>Net Debt</b>	<b>(154.58)</b>	<b>240.34</b>
Total Capital (Equity+Net Debt)	1,685.06	1,517.06
<b>Gearing Ratio (Net Debt / Equity)</b>	<b>(8.40%)</b>	<b>18.82%</b>

### Note No. 37 : CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31.03.2024	31.03.2023
<b>A. Contingent Liabilities</b>		
a) Claims against the Company not acknowledged as debts		
VAT	1.80	1.80
Goods & Service Tax (GST)	13.66	8.28
<b>B. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	24.64	4.24

### Note No. 38

Particulars	31.03.2024	31.03.2023
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.	1,652.63	1,221.45



## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 39

Particulars	31.03.2024	31.03.2023
CIF value of Imports made by the Group during the year		
a) Consumables & Spare parts	1.25	0.06
b) Capital goods	1.62	4.61

### Note No. 40 : EARNINGS IN FOREIGN EXCHANGE CURRENCY

Particulars	31.03.2024	31.03.2023
a) Contract receipts (Projects executed outside India)		
Abu Dhabi	135.88	119.52
Bheramara	92.43	203.75
Kuwait	0.04	-
Nigeria	53.83	19.61
Sharjah	27.12	10.45
Saudi	0.59	-
Qatar	2.14	-

### Note No. 41 : EXPENDITURE IN FOREIGN CURRENCY

Particulars	31.03.2024	31.03.2023
a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
Abu Dhabi	119.48	105.87
Bheramara	66.57	176.77
Kuwait	3.12	0.49
Shuqaiq	0.03	4.34
Libya	0.00	0.02
Sharjah	17.82	7.56
b) Foreign travel	0.05	0.05

### Note No. 42 : EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
a) Gross amount required to be spent by the parent Company during the year*	2.11	1.06
b) Amount spent during the year (Contribution paid to Power Mech Foundation/others)	2.47	1.20
c) Related party transactions in relation to Corporate Social Responsibility	2.24	1.18
d) Details of excess amount spent	0.36	0.14
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 Section 135 does not apply

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### Note No. 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%
Kalyaneswari Tasra Mining Private Limited.	India	74.00%
Vindyavasini Mining Works LLP	India	51.00%
Vanshika Mining Works LLP	India	51.00%
Kailash River Bed Minerals LLP	India	51.00%
Velocity Mining Works LLP	India	51.00%
PMTS 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-STC 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%
POWER MECH-TAIKISHA JV	India	66%
RITES-PMPL JV	India	51%
M/s. SCPL-PMPL JV	India	20%
PMPL-RSVCPL JV	India	75%
PMPL-UPPER BURHNER JV	India	60%



## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### 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%
Power Mech LLC Qatar	Qatar	49%

#### Note No. 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
<b>Parent</b>				
Power Mech Projects Limited	98.07%	1,804.19	107.98%	239.39
<b>Subsidiaries</b>				
Hydro Magus Private Limited	0.18%	3.36	(0.40%)	(0.88)
Power Mech Industri Private Limited	0.00%	1.67	1.72%	3.81
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	0.04%	0.65	0.00%	(0.00)
Power Mech Projects Limited LLC	(0.22%)	(4.00)	(0.09%)	(0.20)
Power Mech Projects (BR) FZE	0.85%	15.58	(8.04%)	(17.82)
Power Mech Environmental Protection Private Limited	0.00%	(0.02)	0.00%	(0.00)
KBP Mining Private Limited	(0.02%)	(0.34)	(0.15%)	(0.33)
Energy Advisory and Consulting Services Private Limited	0.00%	(0.00)	0.00%	(0.00)
Kalyaneswari Tasra Mining Private Limited.	0.03%	0.49	0.22%	0.49
Vindyavasini Mining Works LLP	0.04%	0.80	0.36%	0.80
Vanshika Mining Works LLP	(0.01%)	(0.25)	(0.11%)	(0.25)
Kailash River Bed Minerals LLP	0.00%	(0.06)	(0.03%)	(0.06)
Velocity Mining Works LLP	0.00%	-	0.00%	-
PMTS Private Limited	0.00%	(0.00)	0.00%	(0.00)

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b><u>Joint Venture</u></b>				
M/s. PMPL- M/s. ACPL JV	0.08%	1.52	0.04%	0.09
PMPL-KHILARI Consortium JV	0.03%	0.52	0.01%	0.02
PMPL-STS JV	0.04%	0.80	(0.05%)	(0.10)
PMPL-SRC INFRA JV (MIZORAM)	0.09%	1.58	0.22%	0.49
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%	-
PMPL-RSVCPL JV	0.00%	-	0.00%	-
PMPL-UPPER BURHNER JV	0.00%	-	0.00%	-
GTA Power Mech NIGERIA Limited	0.00%	0.02	(0.00%)	(0.00)
GTA Power Mech DMCC	0.02%	0.44	0.00%	0.01
GTA Power Mech FZE	1.70%	31.25	(0.02%)	(0.05)
<b><u>Associate</u></b>				
MAS Power Mech Arabia (MASPA)	(1.04%)	(19.19)	(1.35%)	(3.00)
Power Mech LLC Qatar	(0.05%)	(0.99)	(0.45%)	(0.99)
Share of Minority	0.09%	1.64	0.14%	0.31
	<b>100%</b>	<b>1,839.64</b>	<b>100%</b>	<b>221.71</b>



**ANNEXURE-A : SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES AS PER COMPANIES ACT, 2013**

All amounts are in ₹ Crores, except share data and where otherwise stated

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 Share-holding
<b>Subsidiaries</b>													
1	Hydro Magus Private Limited	INR	0.21	7.09	6.18	13.47	0.12	(1.00)	0.00	(1.00)	-	(1.00)	88%
2	Power Mech Industri Private Limited	INR	0.02	3.69	38.58	42.29	57.68	7.06	3.26	3.80	0.02	3.81	100%
3	Power Mech BSCPL Consortium Private Limited	INR	0.01	1.28	36.24	37.53	-	(0.01)	-	(0.01)	-	(0.01)	51%
4	Power Mech SSA Structures Private Limited	INR	0.10	(0.01)	2.22	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	(0.02)	0.01	0.00	-	(0.00)	-	(0.00)	-	(0.00)	100%
7	KBP Mining Private Limited	INR	0.01	(0.45)	20.62	20.17	-	(0.58)	(0.13)	(0.45)	-	(0.45)	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	Kalyaneswari Tasra Mining Private Limited	INR	0.01	0.66	97.83	98.50	40.97	0.88	0.22	0.66	-	0.66	74%
10	Vindhyavasin Mining Works LLP.	INR	0.01	1.56	44.66	46.23	25.57	2.38	0.82	1.56	-	1.56	51%
11	Vanshika Mining Works LLP.	INR	0.01	(0.50)	32.42	31.93	11.41	(0.50)	-	(0.50)	-	(0.50)	51%
12	Kailash River Bed Minerals LLP.	INR	0.01	(0.11)	36.78	36.68	-	(0.11)	-	(0.11)	-	(0.11)	51%
13	Velocity Mining Works LLP	INR	0.01	-	22.41	22.42	-	-	-	-	-	-	51%
14	PMTS Private Limited	INR	0.01	(0.00)	0.18	0.19	-	(0.00)	-	(0.00)	-	(0.00)	100%
15	Power Mech Projects (BR) FZE	NGN	3.60	251.03	229.71	484.35	274.16	62.79	-	62.79	-	62.79	100%
16	Power Mech Projects Limited LLC	Oman Rials	0.03	(0.03)	0.01	0.00	-	(0.00)	-	(0.00)	-	(0.00)	70%
<b>Joint ventures</b>													
1	M/s. PMPL - M/s. ACLPJ JV (Capital introduced Nil)	INR	-	1.93	16.70	18.63	19.41	0.19	0.07	0.12	-	0.12	80%
2	PMPL-STJ JV (Capital introduced Nil)	INR	-	1.09	10.33	11.42	2.38	(0.14)	-	(0.14)	-	(0.14)	74%
3	PMPL-KHILARI Consortium JV (Capital introduced Nil)	INR	-	0.69	18.65	19.34	3.75	0.04	0.01	0.02	-	0.02	75%
4	PMPL - SRC INFRA JV (MIZORAM) (Capital introduced Nil)	INR	-	2.57	30.89	33.46	107.91	1.05	0.39	0.66	-	0.66	74%
5	PMPL - SRC INFRA JV (HASSAN) (Capital introduced Nil)	INR	-	-	5.67	5.67	84.27	-	-	-	-	-	60%
6	PMPL-BRCC INFRA JV (Capital introduced Nil)	INR	-	-	441.16	441.16	1,422.62	-	-	-	-	-	70%
7	PMPL-KVRECP Consortium JV (Capital introduced Nil)	INR	-	-	4.39	4.39	23.27	(0.00)	(0.00)	(0.00)	-	(0.00)	82%
8	PMPL-PIA JV (Capital introduced Nil)	INR	-	-	10.97	10.97	63.89	(0.00)	-	(0.00)	-	(0.00)	79%
9	POWER MECH-TAIKISHA JV (Capital introduced Nil)	INR	-	-	36.73	36.73	131.91	-	-	-	-	-	66%
10	RITES-PMPL JV (Capital introduced Nil)	INR	-	-	7.73	7.73	203.01	-	-	-	-	-	51%
11	SCPL-PMPL JV	INR	-	-	3.57	3.57	21.89	-	-	-	-	-	20%
12	GTA Power Mech NIGERIA Limited	NGN	3.00	313.69	164.29	480.99	147.55	(1.47)	-	(1.47)	-	(1.47)	50%
13	GTA Power Mech DMCC	AED	0.01	0.04	0.01	0.06	0.07	0.00	-	0.00	-	0.00	50%
<b>Associates</b>													
1	MAS Power Mech Arabia (MASPA)	SAR	0.25	(1.88)	2.03	0.40	0.09	(0.28)	-	(0.28)	-	(0.28)	49%
2	PROJECTS LIMITED LLC (Qatar)	Qatari Rials	0.01	(0.09)	0.16	0.08	0.02	(0.09)	-	(0.09)	-	(0.09)	49%

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### 45. Particulars disclosed pursuant to AS-18 "Related party transactions"

<b>A)</b>	i) Key Managerial personnel	- S. Kishore Babu, Chairman and Managing director of Power Mech Projects Limited - K.Ajay Kumar, Managing Director 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 - Nekkanti Sri sidartha (Son in Law of S.Kishore Babu)
	iii) Companies/Firms controlled by KMP/ Relatives of KMP	Power Mech Infra Private Limited Bombay Avenue Developers Private Limited Power Mech Foundation Lakshmi Agro Farms Vaishno infra services Vignatha Solar Private Limited

### B) Transactions with related parties

#### i) Rent & Electricity Charges Paid

SI No.	Particulars	KMP	Relatives of KMP	Companies con-trolled by KMP/Relatives of KMP
a)	S. Kishore Babu	0.36 (0.23)		
b)	S. Lakshmi		0.12 (0.16)	
c)	S. Kishore Babu (HUF)		- (0.02)	
d)	S.Vignata		0.12 (0.12)	
e)	Power Mech Infra Private Limited			2.02 (1.84)
f)	Power Mech foundation			0.01 (0.01)

#### ii) Remuneration Paid

SI No.	Particulars	KMP	Relatives of KMP	Companies con-trolled by KMP/Relatives of KMP
a)	S. Kishore Babu	20.09 (11.71)		
b)	S.Rohit		0.30 (0.36)	
c)	Ajay Kumar	0.05 (0.05)		



## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### iii) Receipts from Sale of assets

SI No.	Particulars	KMP	Relatives of KMP	Companies con-trolled by KMP/Relatives of KMP
a)	Nekkanti Sri sidartha		0.02	
			-	

### iv) Amount paid towards Corporate Social Responsibility (CSR)

SI No.	Particulars	KMP	Relatives of KMP	Companies con-trolled by KMP/Relatives of KMP
a)	Power Mech Foundation			2.24
				(1.18)

### Interest paid

SI No.	Particulars	KMP	Relatives of KMP	Companies con-trolled by KMP/Relatives of KMP
a)	Power Mech Infra Private Limited			-
				(2.57)

### Loans Repaid

SI No.	Particulars	KMP	Relatives of KMP	Companies con-trolled by KMP/Relatives of KMP
a)	Power Mech Infra Private Limited			-
				(25.00)

### Fresh issue of equity shares by way of conversion of Unsecured Loan

SI No.	Particulars	KMP	Relatives of KMP	Companies con-trolled by KMP/Relatives of KMP
a)	Power Mech Infra Private Limited			-
				(25.00)

## C) Balances outstanding as on 31.03.2024

SI No.	Particulars	KMP	Relatives of KMP	Companies con-trolled by KMP/Relatives of KMP
i)	Due to Power Mech Infra Private Limited			(0.18)
				(1.24)
	Rental Deposit with Power Mech Infra Private Limited			0.89
				(0.89)
	Dues From Power Mech Foundation			0.07
				(0.07)
ii)	<b>Remuneration Payable</b>			
	S. Kishore Babu	2.53		
		(2.95)		
	S. Rohit		0.07	
			(0.07)	
	Ajay Kumar	0.00		
		(0.00)		

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

SI No.	Particulars	KMP	Relatives of KMP	Companies con-trolled by KMP/Relatives of KMP
iii)	<b>Rent Payable</b>			
	S. Kishore Babu	0.01		
		(0.04)		
	S. Lakshmi		0.01	
			(0.01)	
	S. Vignatha		-	
			(0.01)	
	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 2023-24	Segment Assets as on 31.03.2024	Capitla Expenditure for the year 2023-24
With in India	3,864.71	3,218.94	88.63
(Previous year)	(3,185.04)	(2,665.90)	(50.45)
Outside India	341.94	348.61	3.70
(Previous year)	(416.14)	(388.43)	(3.20)

48. Key Financial Ratios

Particulars	Numerator	Denominator	Unit of Measurement	FY 2023-24	FY 2022-23	Variation in %
Current Ratio*	Current Assets	Current Liabilities	No.of times	2.04	1.58	29%
Debt-Equity Ratio	Total Debt	Shareholder's Equity	No.of times	0.21	0.37	(43%)
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	No.of times	2.76	2.56	8%
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	%	16%	18%	(11%)
Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	No.of times	4.59	3.88	18%
Trade receivables Turnover Ratio	Net Credit Sales	Avg. Accounts Receivable	No.of times	4.35	4.62	(6%)
Trade payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	No.of times	3.72	3.47	7%
Net Capital Turnover Ratio #	Net Sales	Working Capital	No.of times	2.85	3.95	(28%)

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

Particulars	Numerator	Denominator	Unit of Measurement	FY 2023-24	FY 2022-23	Variation in %
Net Profit Ratio	Net Profit	Net Sales	%	6%	6%	3%
Return on Capital Employed	Earning before interest and taxes	Capital Employed	%	21%	21%	1%
<b>Return on Investment</b>						
(a) Return on Mutual funds	Income during the year	Time weighted average of investments	%	30%	0%	

\* The variance in current ratio and net capital turnover ratio is because of increase in current assets due to parking of QIP funds in fixed deposits with banks.

# Variance in debt equity ratio is because of increase in shareholder funds by issue of shares at premium pursuant to qualified institutional placement.

### 49. Calculation of Earnings per Share:

Sl. No	Particulars	2023-24	2022-23
1)	<b>Basic and Diluted Earning per share</b>		
	No. of shares at the beginning of the year	1,49,06,357	1,47,10,764
	Change in equity during the year	3,94,225	93,242
	Weighted average number of shares	1,53,00,582	1,48,04,006
	Face value per share (in ₹)	10.00	10.00
	Profit after tax attributable to equity share holders and after minority interest	248.07	209.11
	Basic and Diluted Earning per share (in ₹)	<b>162.13</b>	<b>141.26</b>

### 50. Leases

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>(i) The following is the breakup of current and non-current lease liabilities</b>		
Current liabilities	2.11	0.83
Non-current liabilities	1.88	0.86
<b>Total</b>	<b>3.99</b>	<b>1.69</b>
<b>(ii) The following is the movement of lease liabilities</b>		
Balance at the Opening/Transition date	1.69	3.36
Additions during the year	3.85	0.39
Finance cost accrued during the year	0.46	0.25
Payment of lease liabilities during the year	(2.01)	(2.31)
<b>Balance at the end</b>	<b>3.99</b>	<b>1.69</b>
<b>(iii) Maturity analysis of lease liabilities</b>		
Less than one year	2.11	0.83
One to five years	1.88	0.86
More than five years	-	-
<b>Total</b>	<b>3.99</b>	<b>1.69</b>

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### (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, 2024	For the year ended March 31, 2023
Interest on lease liabilities (Refer Note 31)	0.46	0.25
Depreciation of Right-of-use assets (Refer Note 4.2)	1.94	1.89
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	2.01	2.31

### (v) The impact on the profit for the year is not material.

## 51. Disclosure pursuant to Indian Accounting Standards

### a) Movement in expected credit losses :

Particulars	Retention money & security deposits with customers	Advances given to sub contractors against works
<b>Opening balance as at 01.04.2023</b>	9.18	4.16
Changes in allowance for expected credit loss		
- Provision for expected credit loss	1.16	0.81
- Reversal of Provision for expected credit loss	(0.70)	-
<b>Closing balance as at 31.03.2024</b>	<b>9.64</b>	<b>4.97</b>

Pursuant to Ind AS 115 "Revenue from contracts with customers"

### b) Movement in contract balances:

Particulars	31.03.2024	31.03.2023	Net Increase/ Decrease
<b>Contract Receivables</b>			
Dues from customers	1,039.65	893.51	146.14
<b>Contract assets</b>			
Retention & SD amounts due from customers	321.86	341.28	(19.42)
<b>Contract payables</b>			
Due to Sub Contractors	463.62	435.81	27.81
<b>Contract Liabilities</b>			
Retention & SD amount due to Sub Contractors	144.33	111.81	32.52

### 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 recognized in the current year from performance obligations satisfied in the previous periods.

### d) Performance obligation

The transaction price allocated to the remaining performance obligations is ₹ 57,053 Cr which will be recognized as revenue over the respective project durations. Generally the project duration of contracts with customers will be 1-30 years.



## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

### 52. Dividend:

The board of Directors of the parent Company at its meeting held on 20.05.2024 have recommended a dividend of ₹ 2.00/- each per share of face value of ₹ 10/- each for the financial year ended 31<sup>st</sup> March, 2024. 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.

## Notes to the Consolidated Financial Statements

All amounts are in ₹ Crores, except share data and where otherwise stated

**54.** Consequent to the search operations conducted by the Income Tax Department under section 132 of the Income Tax Act, 1961 in the month of July, 2022, the company received notices under section 148 of the Act for filing return of income for A.Y 2016-2017 to AY 2021-22. In response to the said notices, the company filed return of income by disclosing the Income as admitted. Pending outcome of the assessments the company made a provision towards Income Tax Liability (including interest) aggregating to ₹51.38 Crore for the year ending 31.03.2024 being the tax liability on the amount admitted and disclosed in the return of income filed and management is of opinion that no further provision is required.

**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 Registration Number: 003109S

**Sd/-**  
**(GopiKrishna Chowdary Manchinella)**

Partner

Membership Number: 235528

Place: Hyderabad

Date: 20.05.2024

**UDIN: 24235528BKBEHZ5194**

For and on behalf of the Board

**Sd/-**  
**S.Kishore Babu**

Chairman and Managing Director

DIN: (00971313)

**Sd/-**  
**N Nani Aravind**  
Chief Financial Officer

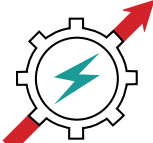
**Sd/-**  
**Mohith Kumar Khandelwal**  
Company Secretary



# Celebrating 25 years of Unlimited Growth



**POWER MECH**



**Growth Unlimited**

## POWER MECH PROJECTS LIMITED

CIN: L74140TG1999PLC032156

### **Registered & Corporate Office:**

Plot No. 77, Jubilee Enclave, Madhapur, Hyderabad - 500081, Telangana.

Tel: +91 40 30444444 | Fax: +91 40 30444400

E-mail: [info@powermech.net](mailto:info@powermech.net) | [www.powermechprojects.com](http://www.powermechprojects.com)