



POWER MECH[®]

Date: 29-09-2018

To,
Corporate Relations Department,
BSE Limited,
PJ Towers, Dalal Street,
Fort, Mumbai – 400001

To,
National Stock Exchange of India Limited,
Exchange Plaza,
BandraKurla Complex,
Bandra (E), Mumbai - 400051

Dear Sir,

Sub: - Submission of Annual Report of the Company for the FY 2017-18 as per Regulation 34 of SEBI (LODR) Regulations, 2015.

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

Pursuant to the Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith Annual Report for the FY 2017-18.

Kindly take the same on record.

Thanking You,

Yours Faithfully
For Power Mech Projects Limited

R. Tibrewal
Rohit Tibrewal
Company Secretary



POWER MECH PROJECTS LIMITED

AN ISO 9001, ISO 14001 & OHSAS 18001 CERTIFIED COMPANY

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

Phone : 040-30444444
Fax : 040-30444400
E-mail : info@powermech.net
Website : www.powermechprojects.in

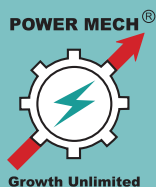


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POWER MECH PROJECTS LIMITED

A CLEAR STRATEGY FOCUSED GROWTH



19th Annual Report
2017-18

3x660 MW, Barh STPP, Boiler, Critical Piping and Auxiliaries



EXPLORE ONLINE:

<https://www.powermechprojects.com>

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Company Information

Board of Directors

Shri S Kishore Babu	Chairman & Managing Director
Smt S Lakshmi	Non-Executive Director
Shri M Rajiv Kumar	Non-Executive Director
Shri G D V Prasada Rao	Independent Director
Shri T Sankarlingam	Independent Director
Shri Sutanu Behuria	Independent Director
Shri Vivek Paranjpe	Independent Director

Shri J Satish	Chief Financial Officer
Shri Rohit Tibrewal	Company Secretary

Audit Committee

Shri Sutanu Behuria	Chairman
Shri T Sankarlingam	Member
Shri G D V Prasada Rao	Member

Nomination and Remuneration Committee

Shri T Sankarlingam	Chairman
Smt S Lakshmi	Member
Shri G D V Prasada Rao	Member

Stakeholder's Relationship Committee

Shri M Rajiv Kumar	Chairman
Smt S Lakshmi	Member
Shri G D V Prasada Rao	Member

Corporate Social Responsibility Committee

Shri S Kishore Babu	Chairman
Smt S Lakshmi	Member
Shri G D V Prasada Rao	Member

Investment Committee

Shri S Kishore Babu	Chairman
Shri M Rajiv Kumar	Member
Shri G D V Prasada Rao	Member

Registered & Corporate Office

Plot No: 77, Jubilee Enclave Road
Opp: Hitex, Madhapur, Hyderabad - 500 081

Statutory Auditors

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

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-500 082

Internal Auditors

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

Bankers

State Bank of India
Oriental Bank of Commerce
Axis Bank
IDFC Bank Ltd
HDFC Bank Ltd
RBL Bank Ltd
ICICI Bank
Standard Chartered Bank
Bank of Bahrain and Kuwait

Registrar & Share Transfer Agent

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

REGIONAL OFFICES INDIA

Eastern Region

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

Western Region

402, Swastik Pride
Opp ICICI Bank Chembur (E)
Mumbai, Maharashtra - 400074
Tel: +91 99678869372
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Central Region

Old Nanda Colony,
Kamptee Talaka
Koradi Post, Nagpur Dist.
Maharashtra - 441111
Tel: +91 7103663000
Fax: +91 7103663030
E-mail: nagpur@powermech.net

Northern Region

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

SUBSIDIARY COMPANIES AND JOINT VENTURES

Hydro Magus Pvt. Ltd.

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

Power Mech Industri Private Limited

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

Power Mech BSCPL Consortium Private Limited

Plot No: 77, Jubilee Enclave Road
Opp: Hitex, Madhapur
Hyderabad-500 081

Mas Power Mech Arabia

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

GTA Powermech Nigeria Ltd

Abel-Abu Point, Ebute-Igbogbo Road
Ikorodu, Lagos-104101
Nigeria
Tel: +234 0815 6161217
+234 09071003872
E-mail: financenigeria@powermech.net

Power Mech Projects Limited LLC

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

INTERNATIONAL OFFICES

UAE

Dubai - Regional Headquarters

2006, Citadel Tower
Business Bay
Dubai, P.O Box: 215452, UAE
Tel: +9714 4565948
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Abu Dhabi

4th Floor, Sheraton Building
Zayed 1st Street, Al Khalidiya
P.O Box: 29915, Abu Dhabi, U.A.E
Tel: +97126675555
Fax: +97126675123
E-mail: projects@powermech.net

Kuwait

M/s Nouri Industrial Est. Co,
P.B No:2829, Safat-13029, Area-2
Building No:86
Ardiya Industrial Area, Kuwait
Tel: +965 24333355
Fax: +965 24344085
E-mail: kuwait@powermech.net

2x500 MW, Nyveli TPP,
Boiler, ESP, Critical Piping and
Auxiliaries





VISION

Maintain high standards in workmanship, meet customer requirements to the brim, achieve timely completion of projects by adopting innovative methods and planning, enhance organizational skills through periodic training and retention of human resources and tireless pursuit for excellence all the time.

MISSION

To be an outstanding company and dominant player among the peers and delight the customers through products and services with continuous improvement.

The Journey So Far

Power Mech Projects Limited has about two decades long history behind its illustrious journey. Being one among the leading infrastructure-construction companies, based in Hyderabad, India with a global presence it is highly credited in providing spectrum of services in power and infrastructure sectors. It was established in the year 1999 by an enthusiastic engineering entrepreneur, Mr. S. Kishore Babu with a chosen motto of providing service with high standards in quality, safety and timeline, the three virtues which are still holding the Company in high esteem. As the Company today stands remarkably taller amongst contemporary players in the field with large work force and huge fleet of cranes and machines, it is capable of handling and executing over 4,00,000 MT annually while operating up to 55 sites simultaneously.

The Company during the nineteen years of existence has undertaken projects of all types, sizes and under extreme environments in India and abroad. It has the privilege of having successfully undertaken prestigious power projects including Ultra Mega Power Projects, Super Critical Thermal Power Projects, Sub Critical Power Projects, Heat Recovery Steam Generators, Waste Heat Recovery Steam Generators, Circulating Fluidized Bed Combustion Steam Generators, Gas Turbine Generators, Hydro Electric Projects, Operation & Maintenance of running plants and entire civil works for power plants. The company has diversified its area of operation to Railways, Transmission & Distribution (Electrical), Steel and Process Industry, Refinery, Hydro projects, Manufacturing, Laying of Cross Country Piping etc. A strong foothold has been established in the International Operations covering a dozen Nations in Asia and Africa.

1999

- **Incorporation of the company**
- Foray in power sector business

2002-04

- First ETC of 1 X 63 Tph and 2 X 165 Tph AFBC Boilers, 20.85 MW & 55 MW, Raigarh, BHEL
- First AMC of 655 MW Combined Cycle Dual Fuel 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 including ESP, Mejia, BHEL
- Erection of Structural, Steam Generator & Auxiliaries of 3 Boilers for India's two UMPP 800 MW unit (Gujarat, Tata Power), Doosan & 6X660 MW unit, Sasan, R Infra

2x660 MW, Solapur STPP, Boiler, ESP and Critical Piping



2010-12

- Major orders in Super Critical Projects 660 MW, Erection, Structural Fabrication works, 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
- Entry in Hydro Power, O&M and mini EPC

2014-16

- Listing on BSE & NSE with overwhelming response subscribed by 38 times
- Major O&M of 4X600 MW at Jharsuguda, Vedanta
- Started manufacturing unit operation at Noida
- Entry in Steel Sector, Erection & Fabrication work 3.0 MTPA & 2.7 MTPA, Nagarnar (NMDC) & Angul (JSPL)
- First FGD Work 500 MW, Vindhyachal, GE

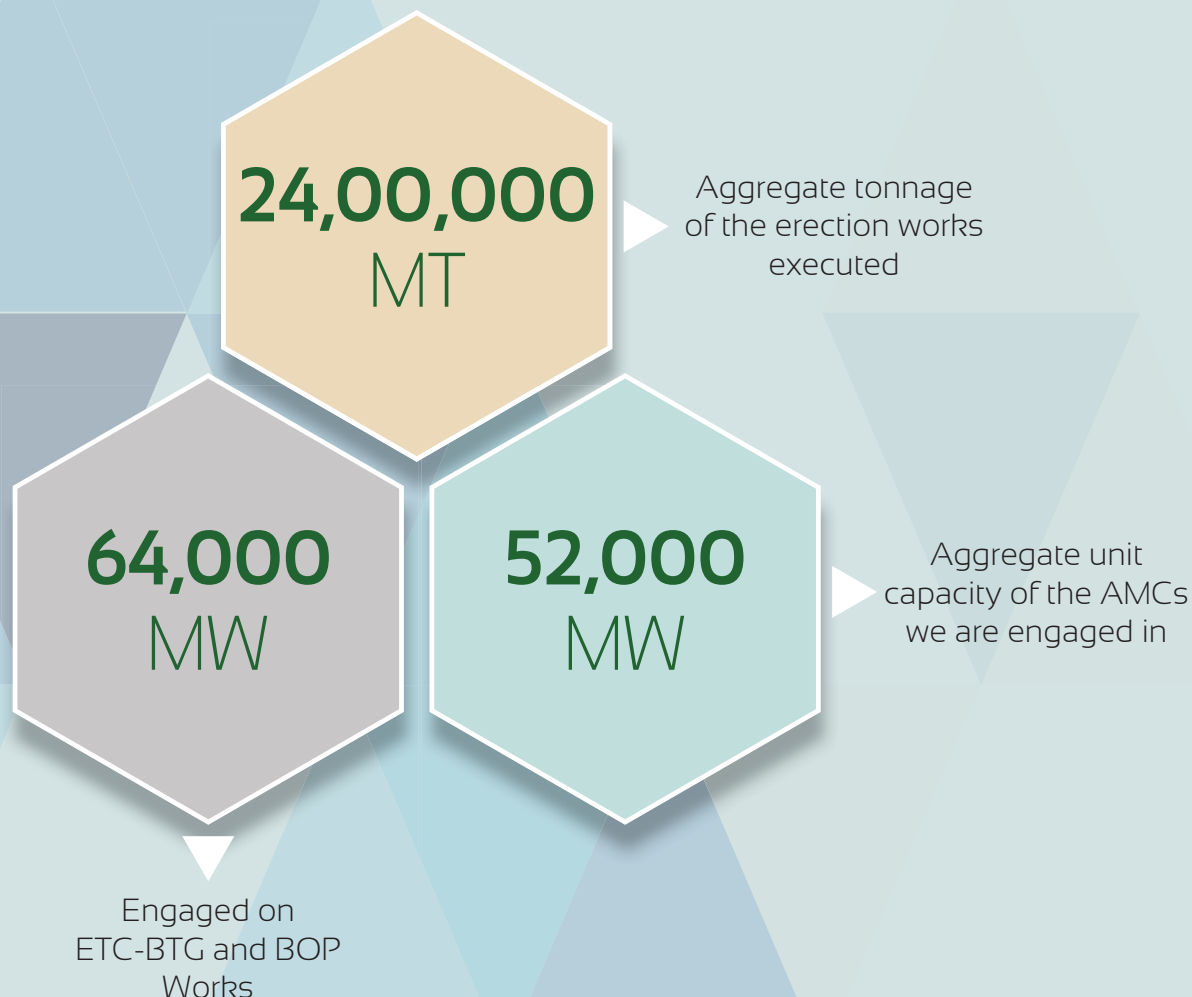
2017 onwards

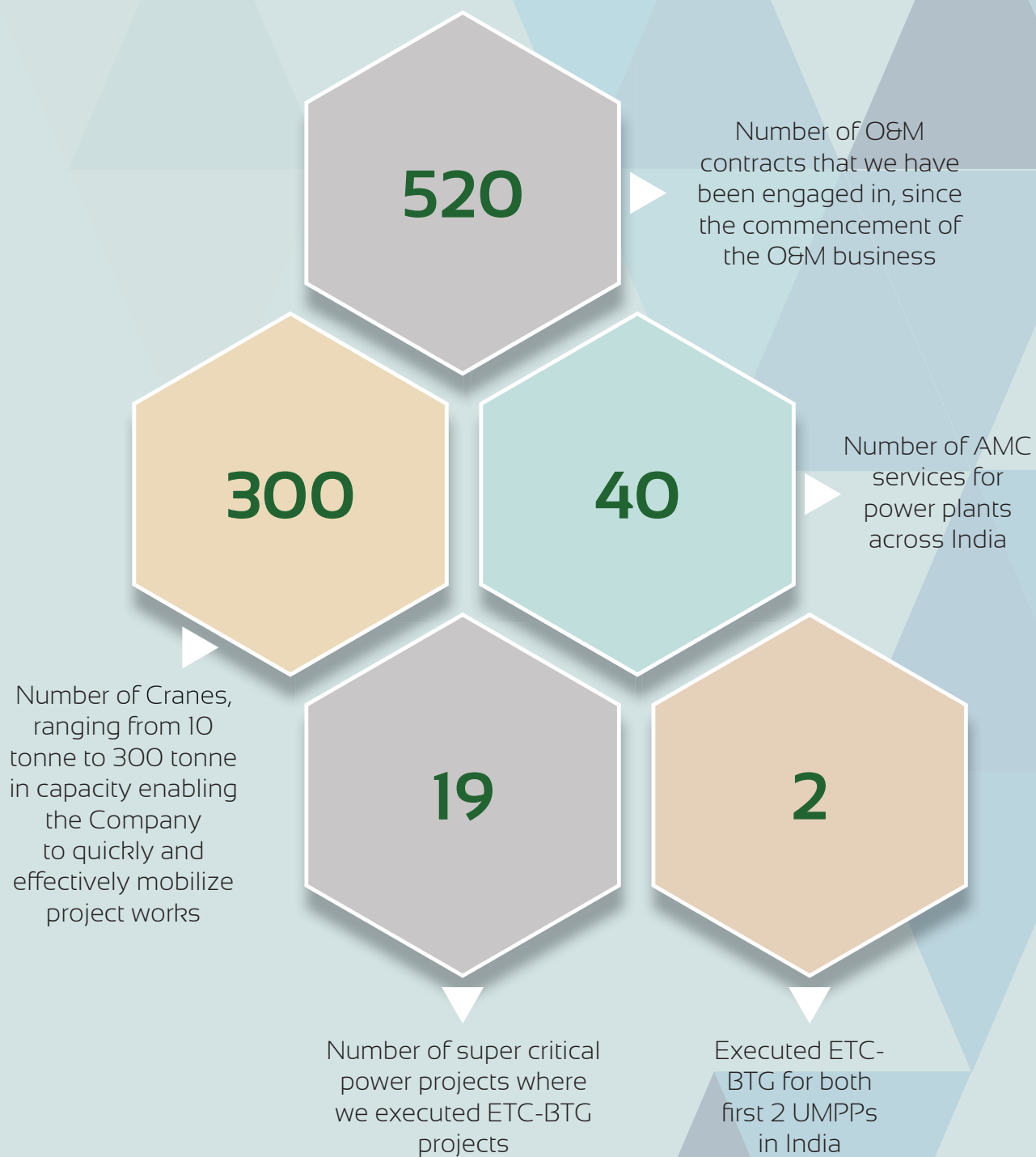
- Completed major international projects at Shuqaiq, KSA (4X660 MW, SEC) & Bheramara, 360 MW (L&T, Bangladesh)
- Entry into Oman, Saudi Arabia, Bahrain and Nigeria
- First O&M project in Public Sector, 2X600 MW, Singareni Collieries
- Strategic foray into Railway, RVNL composite package (37 Km, AP) & Rural Electrification, 33/11 KV Hoshangabad, MPMKVCL
- Entry for cross country laying of pipe lines, IOCL
- Prestigious project Infrastructure Development, Med Tech Zone, A.P
- Secured Irrigation Canal work project, Govt of Telangana
- Major project Sarva Shiksha Abhiyan Scheme: Strengthening of School Infra, A.P

Accomplished Track Record

Track record of 19 Years

- Established a track record of successfully executing ETC-BTG and BOP contracts for large power projects
- Engaged on ETC-BTG projects for the first two ultra-mega power projects (UMPPs) (Mundra & Sasan) as well as for 19 super-critical power projects in India
- These include up to 800 MW unit capacity super-critical projects
- Carried out the overhauling of a super-critical 660 MW turbine and providing AMC services for an ultra-mega power project (UMPP)
- In addition to our operations in India, we have also executed various international power projects in the Middle East, North Africa, South Asia and South America





Message from Chairman & Managing Director



Dear distinguished shareholders,

'The comeback is always stronger than the setback'

Greetings to all the shareholders while presenting the Annual Report at the 19th Annual General Meeting for the Financial Year 2017-18. As you are aware, the investment profile has undergone drastic change particularly in the coal-based power plants, and this has stunted the growth for past three years. However, your Company has strived to maintain the profitability and margins against the adverse conditions, and with renewed efforts, the Company is again on a growth path in exploiting the new investments coming up in multiple sectors in related field. The momentum of recent order booking has shown a very positive trend.

The three years period of flat growth was well utilized for making new strategy, consolidating our energy & resources, venturing into new areas for diversification, structural reorganization, letting in new talents, pruning the human resources, testing fresh waters in overseas projects etc., to name a few.

Therefore I have reason to believe that your Company is undergoing a process of reformation and innovation! We are poised to deliver a bright future, given the fact that we have a strong base and glorious past. Our efforts have started yielding results as we have taken some potentially rewarding steps in strengthening O&M and International Operation. It has largely helped in complimenting to the growth by over 15.5% of our Annual Turnover of Rs 15546 Mn for the FY 2017-18 against Rs 13459 Mn for the FY 2016-17. The profit margin (EBITDA) has also gone up significantly by 20.4%, and the PAT has gone up by 22.1%.

Equipping Ourselves

In a nutshell, I can describe our efforts for the past three years as we have become 'War-ready'. We have made restructuring the top management and created Strategic Business Units (SBU), each headed by a highly competent, experienced and professional. Each SBU is more independently being led with a commitment for delivery. This has given me much-needed space and offloads my circumferential responsibilities so that I am able to focus on the core issue of future strategic business development and strengthening the synergy.

Successful Journey

Our professional and engineering experience in construction and O&M for the past two decades has helped handy in undertaking projects in diversified fields in related sectors and executing on a highly successful note. In the case of railway projects, we have completed over 54% of the contractual volume much ahead of schedule. In International Operations we have met the demanding requirements of our overseas clients keeping standards of quality, safety and timeline. It has been widely appreciated and recognized through multiple projects being offered to us for execution in succession. This experience lays the foundation for expanding the business and profile in the fast-growing railways where the government is planning huge investment.

Our Mission

All our efforts have started showing results, and it is likely to get demonstrated in terms of many projects, growth, turnover etc., and the visibility for revenue for the next three years strong enough. Presently we are occupying significant space in half a dozen fields including Power, Railways, Cross Country Piping, Petro-chemicals & Refineries, Electricals, Civil, O&M, International Operation, Hydro Power and Manufacturing. The order book as on date stands at Rs 42,677 Mn, and we are working on achieving a strong order book target for the FY 2018-19. We are marching towards increasing the current profit margin with a mix of different business portfolios, making the balance sheet lighter, up-warding the ROE and bringing down the Debt level as much as possible.

Opportunities

We are all aware that many investments are happening in Railways (both in track and OHE), Infrastructure development, Petrochemicals, and Electricals. Our operation is expected to help increasing the volume of these portfolios where the turnover is high with better margins and working capital management. There is growing opportunity for mechanical project works in sectors other than power including steel, cement, process industries, petrochemicals etc. The cross-country pipeline work is yet another area where the turnover is fast and with a good margin. The Company is planning to exploit in these segments.

O&M consolidation and further growth is possible in non-power, international operations and captive power base which is not yet penetrated.

Opportunities for Civil projects are available in the market in abundance. However, the Company desires to be selective depending on a better scope for profit, workability, timeline, location, payment terms etc. This principle applies to all other businesses because our focus hereafter will be on turnover, margins and cash flow.

Objectives

Increasing the turnover in O&M segment by 20% year on year and drawing support from the manufacturing unit, Noida for backward integration. Stabilizing our presence in the international market and expanding to occupy greater space in Gulf, Asian and African regions. Exploring avenues for O&M in sectors other than power like petrochemicals, fertilizers, steel, cement, process industry by improving system and procedures. The experience gained in power sector comes handy in our exploration. Even though we are entering multiple fields, our modus operandi shall remain the same. Your Company should be successful and recognized as a truly comprehensive service provider with low capital deployment. I can assure you that we are in the making of your Company becoming a truly 'Versatile Engineering and Constructing Company.' I am pleased that we are relentlessly pursuing our Corporate Social Responsibility and we are sustaining in standing by the side of those socially underprivileged while assisting in the fields of Education, Health Care, Social Welfare and Environment.

Thanksgiving

In all our endeavours we have received unblemished support from our shareholders, Financial Institutions, Investors, Associates, Government departments etc. We profusely thank one and all, and I am confident of receiving the same cooperation in coming years. I remain thankful to all my colleagues on the Board for their guidance and encouragement and all my employees who stand by me during thick and thin.

S. Kishore Babu

Chairman & Managing Director

Strategy Powered by Principles

In order to achieve our Vision, we will strive differentiating ourselves by making our project performance the proof point for our reputation. Our performance, combined with the quality of our people and our long-term commitment, is what enables us to win – and deliver for our customers – the best projects on Earth.

Core Strategic Principles

Invest in People

INSPIRE

Develop, challenge, and grow our people — our most important asset.

SHARE

Talent, experience, knowledge, and opportunities across the company.

REWARD

Recognize talents by performance

Perform as Promised

DELIVER

Promise what we can deliver. Deliver what we promised.

LEVERAGE

Unique experience, global reach, deep capabilities, diverse talent, and shared culture — for the benefit of our customers.

EXECUTE

Discipline and continuous improvement of world-class work processes and procedures.

EARN OUR REPUTATION

Uncompromising ethics, safety, and extraordinary delivery on-time, on-budget.

Build Our Company for the Long Term

GROWTH

Think, plan, and act with the long-term interests of our customers, our industry, and our company in mind.

SUSTAIN

Strong values, including management.

ACTIVELY MANAGE

Balanced business portfolio. Be the best. Improve and build on our differentiators.

INNOVATE & INVEST

Continually improve competitiveness.

Increase delivered value to our customers.



Strategic Objectives

- ▶ Sustaining growth and improving margin

- ▶ Maintaining leadership position in power sector in installation and operation & maintenance

- ▶ Diversification into non-power sector including metals, petrochemicals, refineries, fertilizers etc

- ▶ Selective integration of civil works in non-power sector – for balanced growth

- ▶ Greater penetration in export business and expanding geographically into power and non-power sectors both installation and O&M

- ▶ Growth in O&M business in state utility and captive areas and foray into non-power O&M business

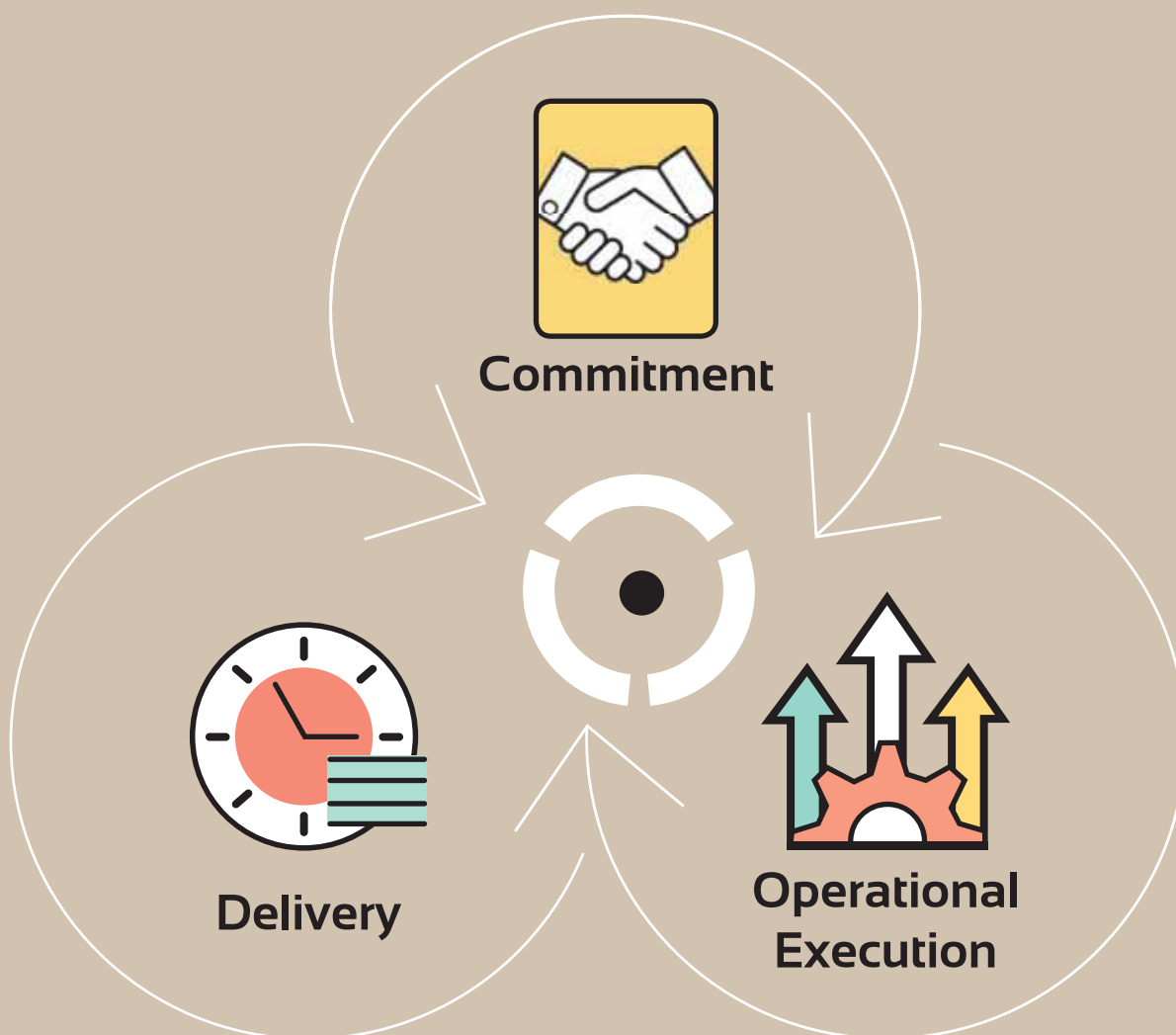
- ▶ Optimization of operational cost through improved resources/ assets utilization and fast track implementation

- ▶ Focus on receivables, RM/SD to improve working capital cycle

- ▶ Graduating towards acquiring direct qualifications to improve operating margins by minimizing JV/ Consortium Partners credential fees.

- ▶ Consolidating manufacturing operation by synergising O&M business and customer needs..

Focus on **Core Business**



Over the past two decades, we have built a strong reputation for commitment, delivery and operational execution in our core services.

In today's challenging environment, we continue to find new ways in increasing the efficiency, achieving cost control and add value to our clients.

The emphasis is to bring continuous enhancements to the way we manage our business. Crucially, this goes well beyond our operational performance, and extends to considerations like our health and safety record, our environmental performance, and our approach to ethics and compliance.

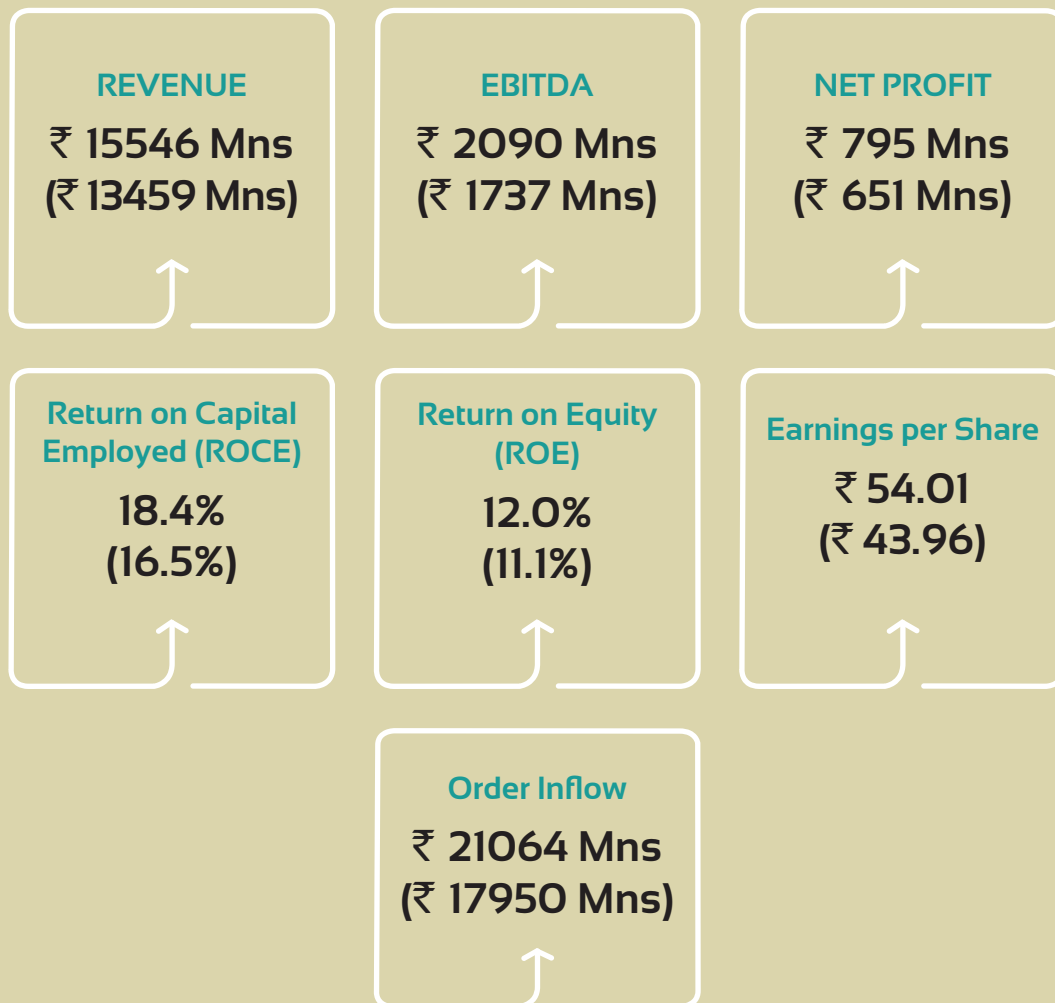


Robust Financial Platform

Power Mech has a strong reputation for operating with financial efficiency and earning differentiated margins.

With low operating cost, a prudent hedging programme and strong balance sheet, the group is in a strong position to execute its strategic ambitions.


FY 17-18 at a glance



Power Mech has delivered solid business performance results, good operational progress and strong financial discipline, while maintaining best-in-class and safe project execution for its clients.

- The Group has demonstrated its track record for operational delivery across the portfolio.
- Our competitive position has helped in securing strong new orders in FY 17-18, particularly in the second half of the year.

Reinforcing the Confidence for the Future...



We are pursuing a clear strategy, focusing on our core, delivering organic growth, and reducing capital intensity.

With a healthy order backlog and strong credentials in promising sectors of the market, we have a resilient business that is well positioned for the future.

... Set to Lead **Global Markets**

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

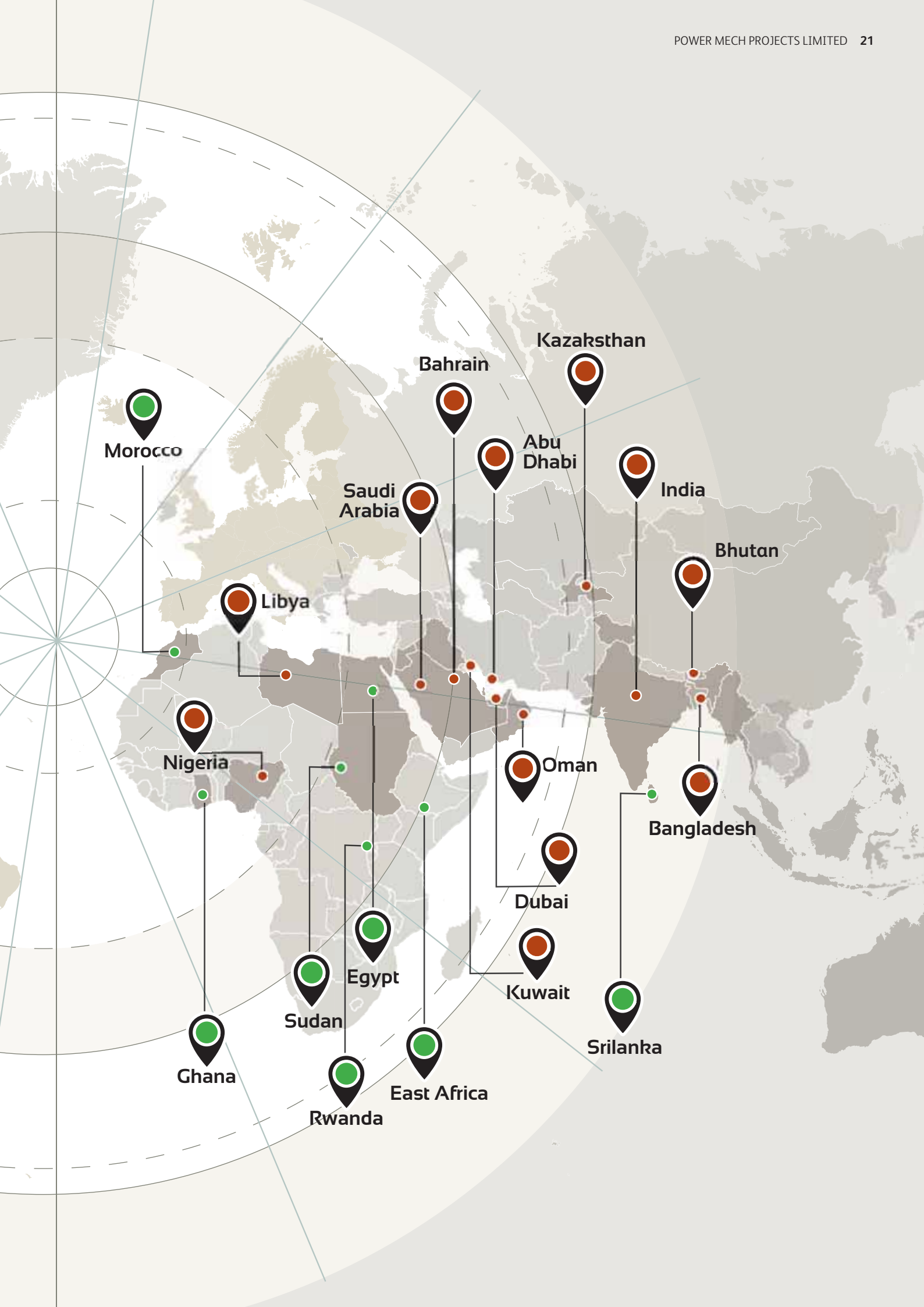
Continued focus on export for
sustainable growth in ETC and
O&M revenue and margins



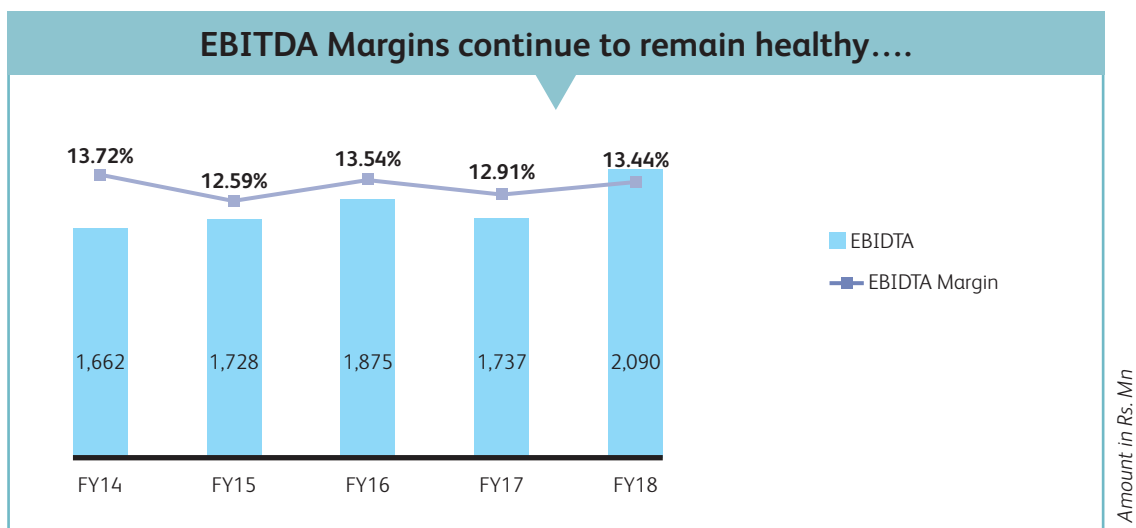
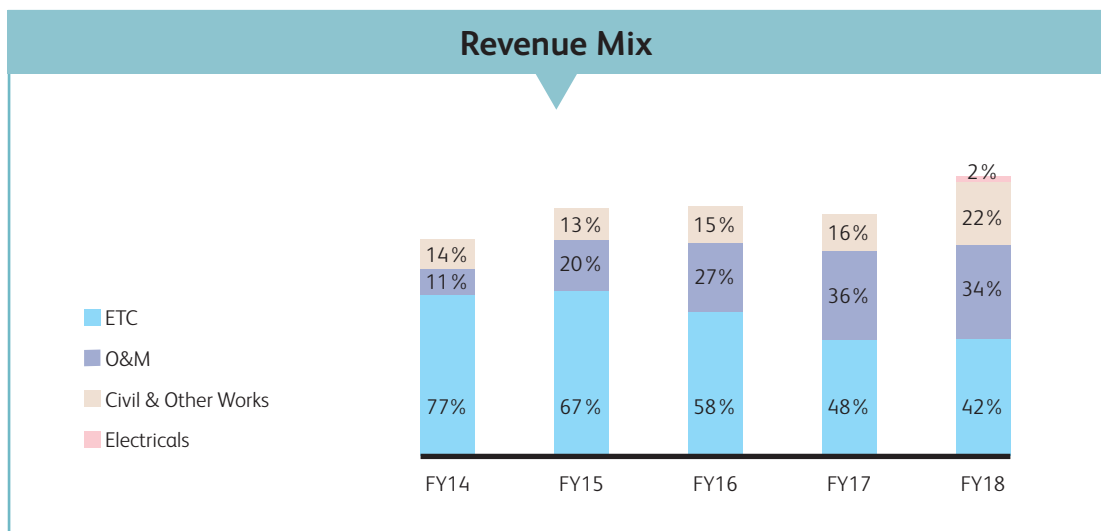
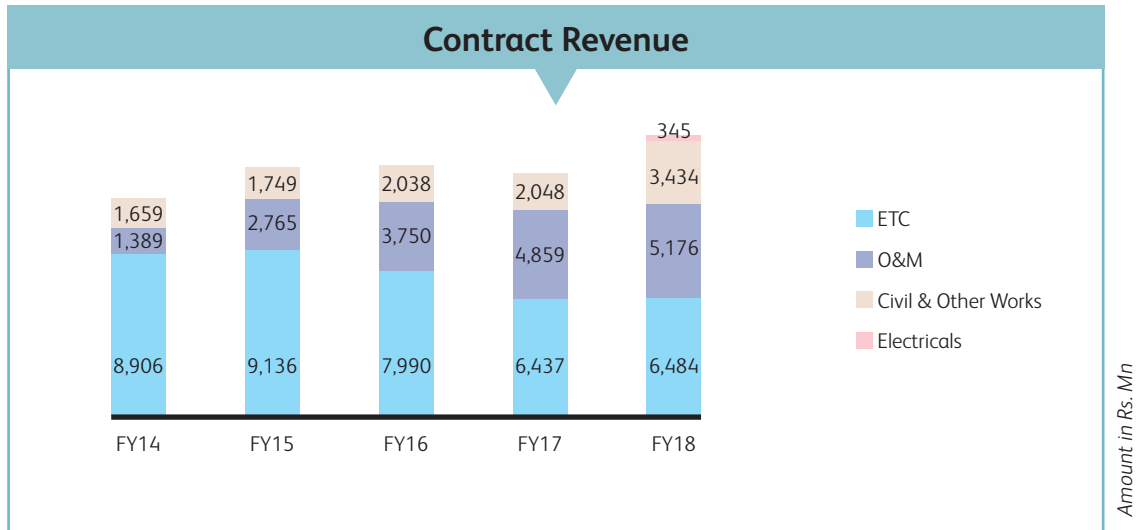
Existence over globe

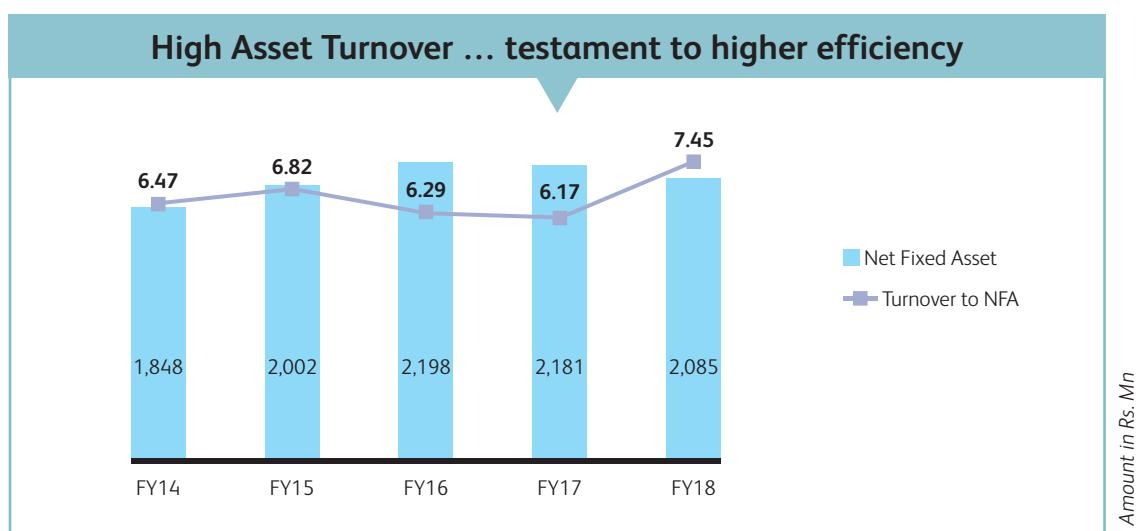
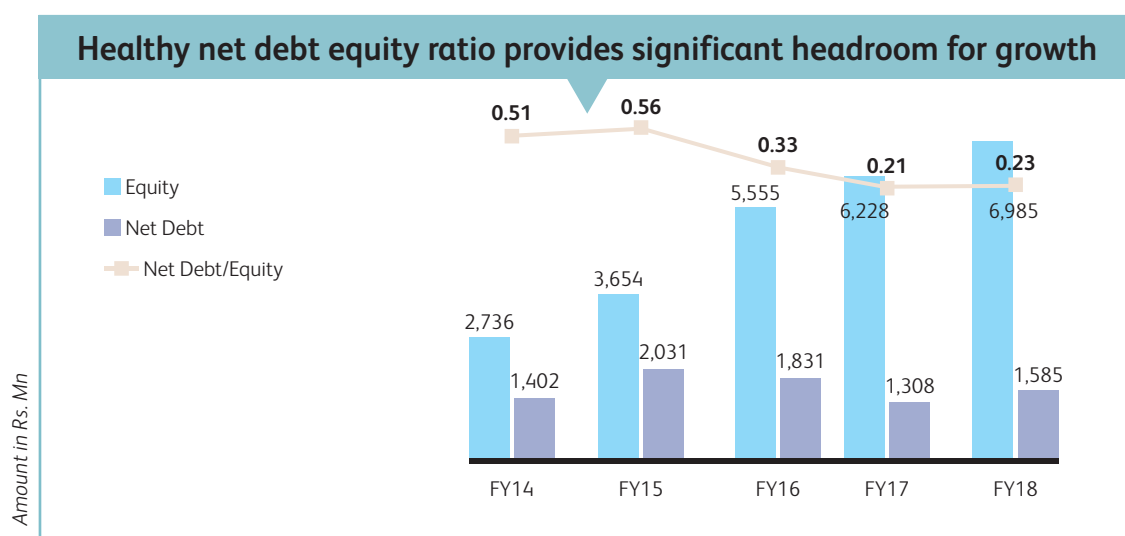
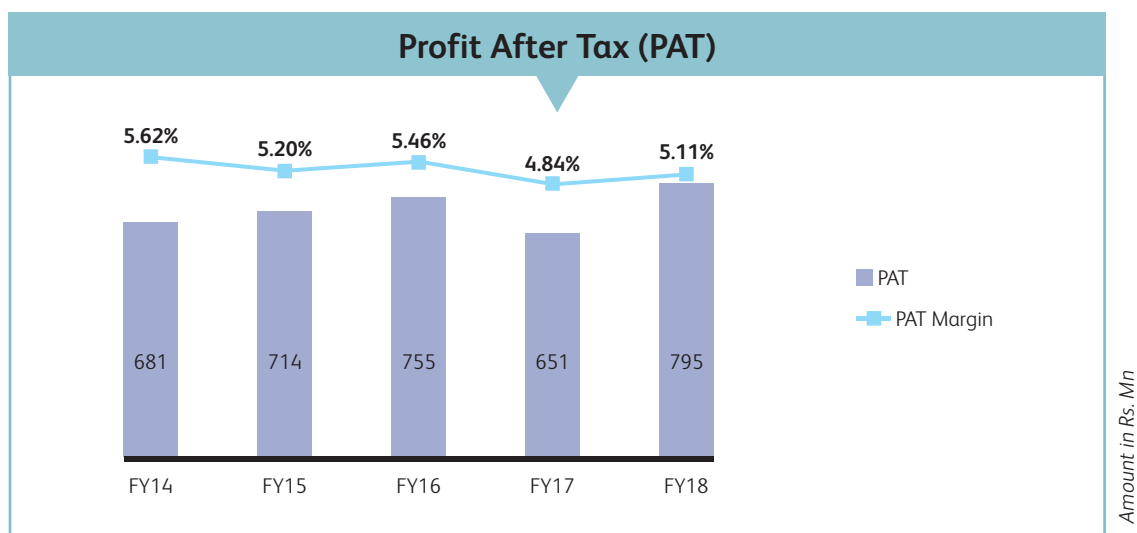


Exploring new geographies

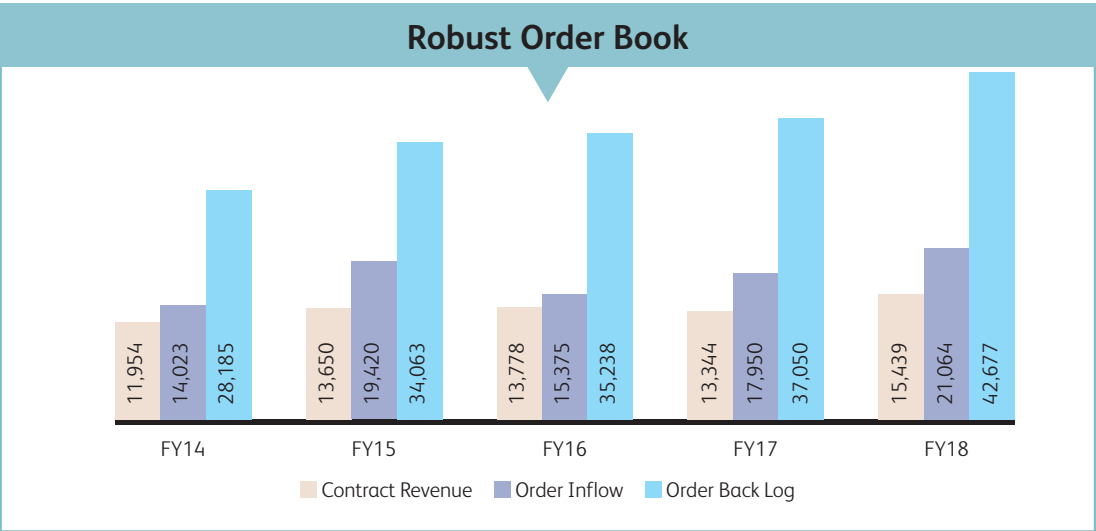
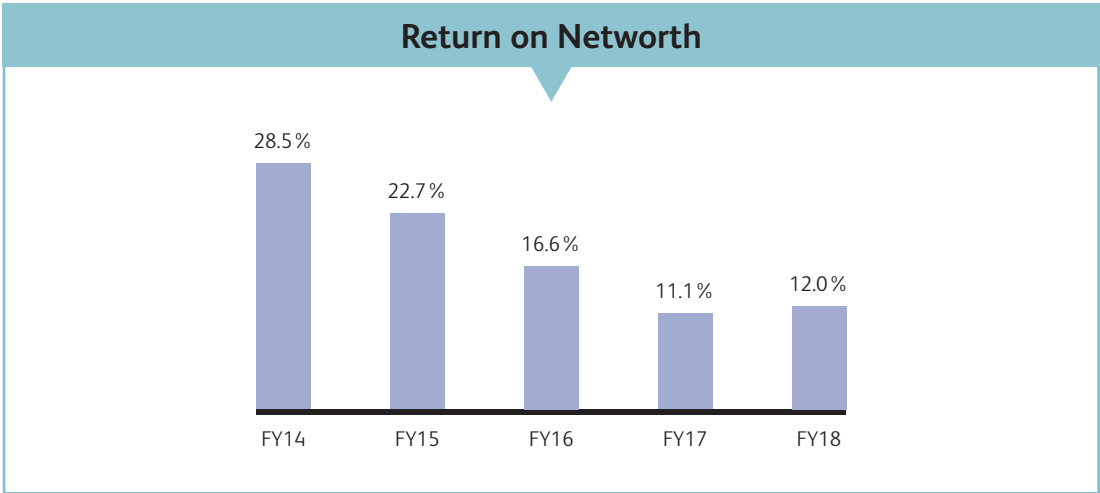
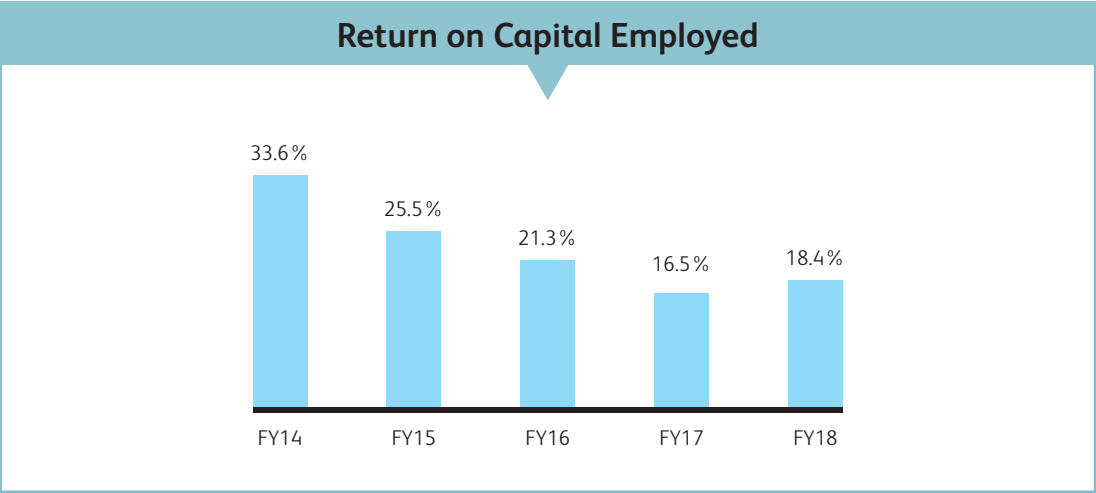


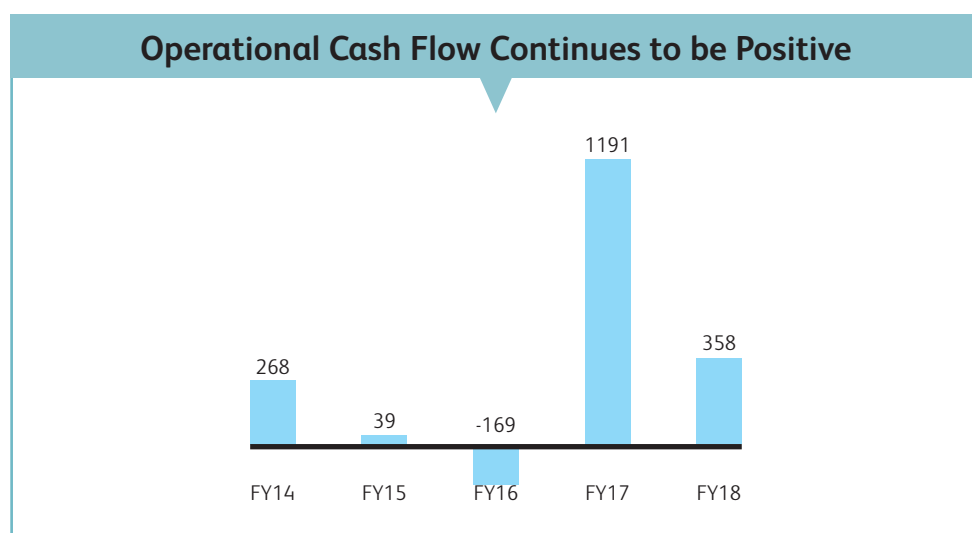
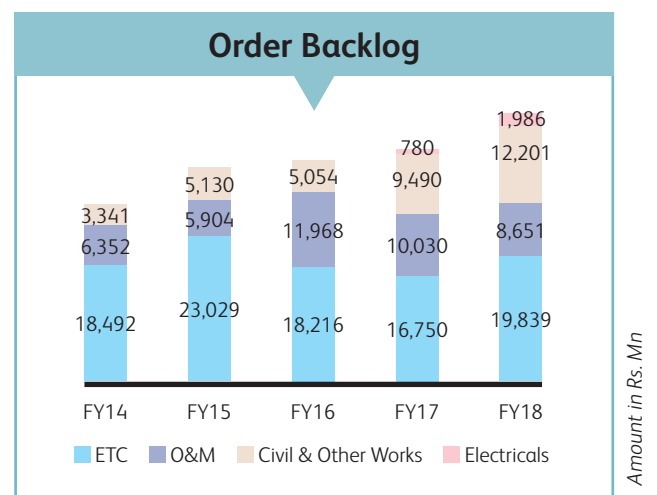
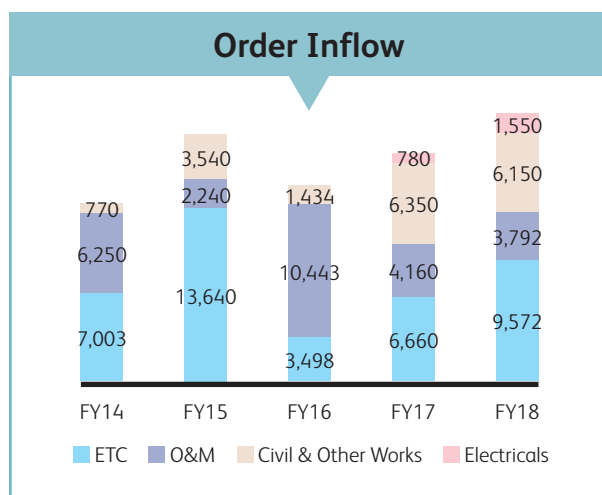
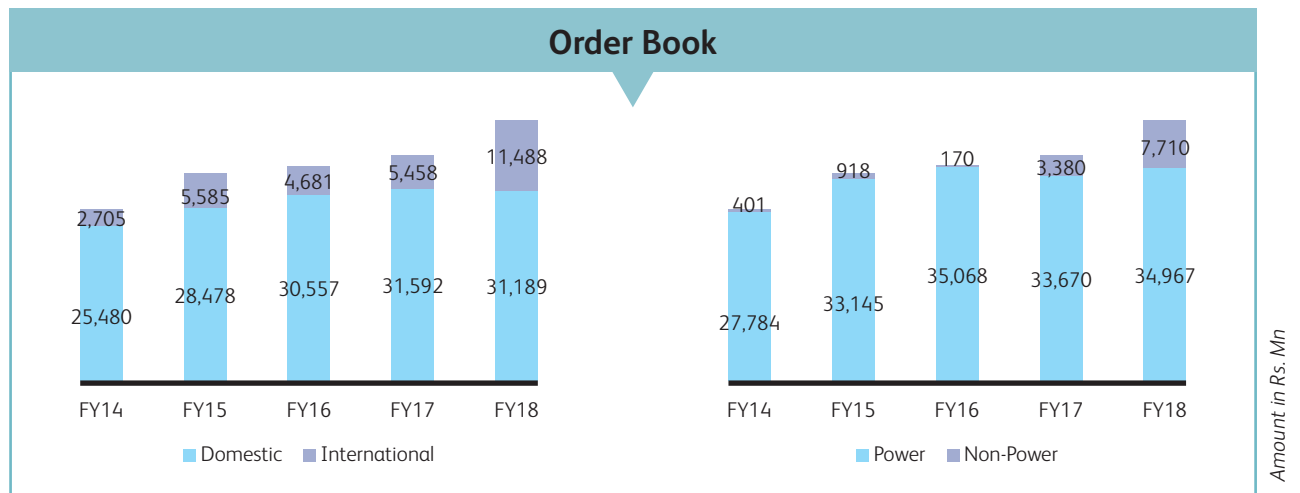
Key Performance Indicators





...Key Performance Indicators





Note: During FY18-19 upto the date of this report, the Company has received new orders of Rs. 26,950 Mn.

Board of Directors



Shri S Kishore Babu

Chairman & Managing Director

Shri Sajja Kishore Babu the founder of the company holds bachelor's degree in Mechanical Engineering. He has three decades of experience in power and infra sector. He is an able administrator and Dynamic Leader, and he also serves the board of subsidiary Companies M/s. Hydro Magus Private Limited, Power Mech Industri Private Limited, and GTA Power Mech Nigeria Ltd. He is the founder and the managing trustee of Power Mech Foundation, a charitable trust.



Smt S Lakshmi

Non-Executive Director

Smt Sajja Lakshmi is a science graduate and has earned a place in HR management of the company. She is much interested in social service activities offering her time and energy enthusiastically.



Shri M Rajiv Kumar

Non-Executive Director

Shri M Rajiv Kumar is a graduate in Electrical Engineering and has served BHEL for 38 years before retiring as Executive Director, Power Sector, Eastern Region. He was instrumental in executing & completing many Prestigious Projects and is strong in Project Management.



Shri T Sankarlingam

Independent Director

Shri T Shankarlingam is a graduate in electrical engineering. He has served BHEL for short spell and later NTPC for over three decades where he became its CMD at the time of retirement. He later served as Managing Director, BGR and Cuddalore Power Company Limited. He is a recipient of Eminent Engineer Award from Institution of Engineers.



Shri GDV Prasada Rao

Independent Director

Shri Gorijala Durga Vara Prasada Rao is a post graduate in Chemical engineering and has served Andhra Bank for over 28 years before retiring as its General Manager. He is also the Vice President of HEAL, a non-government organization serving the poor in health & education fields.



Shri Sutanu Behuria

Independent Director

Shri Sutanu Behuria holds Master's degree and doctorate in Economics. He has served a long tenure of 38 years in Indian Administrative Service before he retired on superannuation as secretary, Government of India. He held important positions during his illustrious career. He also served for Asian Development Bank and acted as Advisor to Govt of Mauritius.

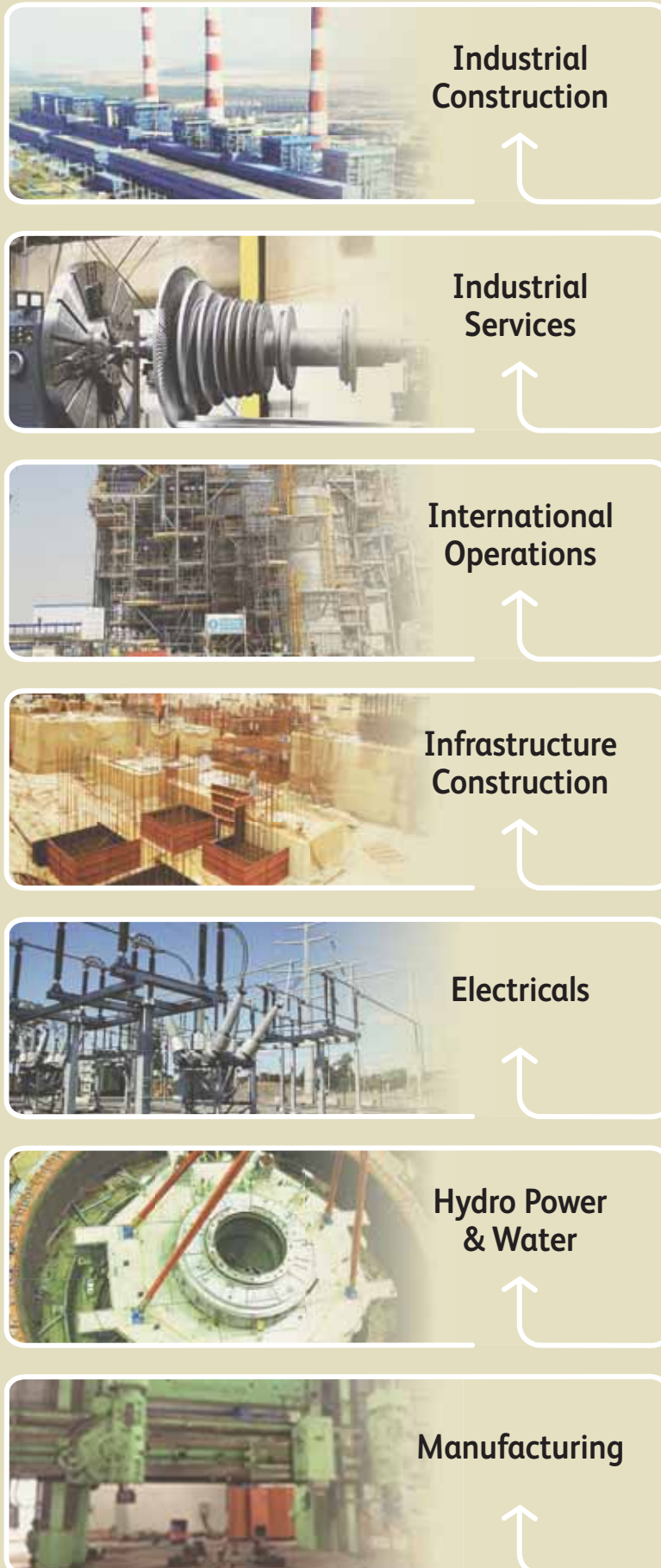


Shri Vivek Paranjpe

Independent Director

Shri Vivek Paranjpe is a post graduate and has four decades of experience in Human Resources Management; he has served few companies before joining Reliance where he rose to the position Group President, HR. He is a columnist HR Consultant and visiting faculty. He is also a Director, Motilal Oswal Financial Services.

Strategic Business Units



Capability Centers



COO
▼

SBU HEADS ►

Engineering Estimation & Tendering

Finance & Accounts

HR & Administration

Project Management

Business Development

Information Technology (IT)

Technical Services

Field Quality Assessment (FQA)

Health, Safety & Environment (HSE)

Purchase

Facility Engineering

Stores

Contracts Management

3x660 MW Nabinagar STPP, Boiler, ESP, Bunker,
Critical Piping, STG and Auxiliaries



M Rajendran

SBU Head

Industrial Construction (Power)

Degree in Civil Engineering. He has more than 38 years of experience in construction & project management in power & industrial sector. He was associated with BHEL.

Industrial Construction



Erection | Testing | Commissioning

Industrial Construction business covers Erection, Testing and Commissioning of coal based power projects complete with boilers, turbines and generators (ETC-BTG) and balance of plant (BOP), for various types and scales – Sub-Critical, Super-Critical and Ultra-Mega Power Plants (UMPPs) with unit capacities ranging from 150 MW to 800 MW.

During the past two decades, the company has earned a niche in power sector, covering spectrum of services able to be provided under one roof comprehensively. With experienced engineers and expertise technicians the SBU is able to meet specific and high expectation of the clients on a highly successful note.

It is also providing integrated industrial construction services to gas based power projects, HRSG, WHRB, CFBC boilers, steam turbine generators, steam generators including auxiliaries, ESPs, hydro turbines and BOP packages, including structural steel works, ash handling, coal handling, fuel oil systems, SCR & FGD and high-pressure piping works.

The Industrial Construction SBU covers more services including Nuclear, Refineries, Petrochemicals, Steel and Cement, with unblemished record of deliveries for the past almost two decades, keeping quality, safety and timeline. A record of proven credibility in each of the segments given the SBU an edge over contemporary players in the field of operation.

Projects Secured

- ▶ Execution of STG from Toshiba at 1X660 MW - Harduaganj Project, Uttar Pradesh
- ▶ Renovation of Pressure parts from GE at 3X660 MW Barh Stage-I, Bihar
- ▶ Power Cycle Piping works for U#3 at 3X660 MW Barh Stage-I, Bihar

2x660 MW, Banharpalli IBVTPS, Civil,
Structural, Architectural works, STG and
Auxiliaries

“

***Increase in footprint
for greater growth of
ETC business in
domestic and
international arena***





3x660 MW, Nabinagar STPP,
STG and Auxiliaries

Key Milestones

- ▶ Boiler Light-up of U#1 of 3X660MW NTPC Nabinagar TPP, Bihar
- ▶ COD of U#1 of 2X660MW NTPC Solapur STPP, Maharashtra
- ▶ Boiler Light-up of U#8 of 2X660MW RRVUNL Suratgarh TPP, Rajasthan
- ▶ COD of U#6 of 1X600MW APGENCO Rayalaseema TPS, Andhra Pradesh
- ▶ COD of U#1 of 3X800MW NTPC Kudgi STPP Karnataka

- Capturing new opportunities coming in emission control (FGD & SCR)
- More market penetration in export sector in erection, testing and commissioning (ETC) both in power and non-power sectors
- New vistas of growth in ETC into non-power
 - Cross country pipelines
 - Steel Sector
 - Petro chemicals and refineries
 - Metals etc.

CVK Prasad

SBU Head
Industrial Construction (Non-Power)

Bachelors Degree in Industrial Engineering., he has 28 years of experience in Project Management & O&M. He was with KSK Mahanadi Power Company Ltd





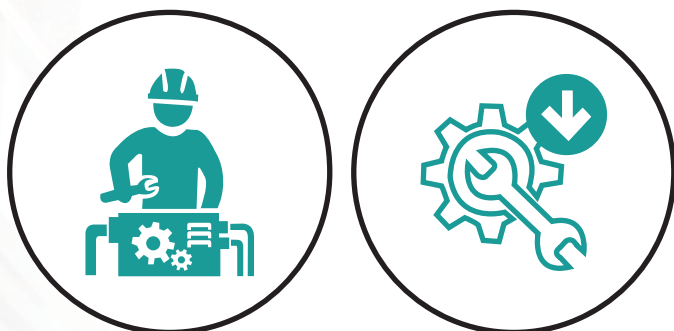
Major overhaul of V 94.2
(135 MW) gas turbine
at 655 MW CCPP, CLP Paguthan



Janardan Kar
SBU Head
Industrial Services

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

Industrial Services



Operations | Overhauling | Maintenance

During the past two decades, Power Mech has made strong inroads in the highly technical field of Overhauling, Maintenance of Power plants. This critical space demands very compressed time line for jobs to be executed and accurate knowledge and information on different types of equipment.

As an experienced service provider in this segment, the Company has built the best team of skilled technicians and qualified engineers. The Company is equipped with modern equipment and testing instruments for identifying and rectifying defects in rotating and non-rotating parts of the plants.

The team of engineers, technicians and skilled resources spread across the country are in striking distance to undertake any emergency breakdown jobs. Troubleshooting of defects in critical systems is one of the proven capabilities of this SBU which has earned a niche place in the industry.

Projects Secured

- ▶ Execution of Urea Reactor assembling work at RFCL Ramagundam, Telangana. (Non-Power)
- ▶ CHP solar power plant AMC Contract from NTPC at Solapur, Maharashtra. (Renewal Energy)



Overhauling of V94.2 (135 MW) Siemens Gas Turbine at Paguthan, Gujarat



K. Ajay Kumar
Sr VP - O&M

BE Mechanical, he has more than 23 years of experience in Operation & Maintenance, Business Development. Previously he was associated with Indwell Constructions.



K. Sekhar Babu
VP - O&M

B.E (Mech.) from JNTU, Telangana, with more than 23 years in construction, project and quality management. He was associated with Indwell Constructions.



2X270 MW, Generator Rotor Thread out,
Tata Nagar



660 MW New HP Heater Replacement, Mundra

Key Milestones

- ▶ Successfully completed Commissioning of all WFGD Components of Stage XIII, 500 MW, NTPC Vindhyachal, MP.
- ▶ Boiler Light-up of Unit#6, 2X110 MW BHEL Barauni, Bihar.
- ▶ Successfully entered in Solar Power (Renewable Energy) at Pokhran, Rajasthan.
- ▶ Secured 1st AMC contract from one of the Maharatna Company –NTPC at Solapur, Maharashtra.
- ▶ Successfully entered in Refineries (process plant) at Jamnagar, Gujarat.

Next phase of O&M growth:

- NTPC has installed new units getting commissioned for long term annual rate contracts
- Non-power initiatives into refineries and petro chemicals, steel plants, aluminium plants etc.
- Utility and state sector installed based of 72,000 MW also being identified for O&M expansion.
- Initiative planned for captive base of more than 50,000 MW.
- Synergistic the manufacturing base at Noida along with the marketing setup available with O&M sites for repair, re-conditioning, renovation, reverse engineering etc.

O&M International Operations:

- So far attended more than 100 maintenance jobs and also catering to multiple O&M equipments to BHEL, Siemens, GE Alstom DEC.
- So far carried out 75 major overhaul of gas turbines from 30 MW - 250 MW
- Efforts to foray into long term O&M Contracts.
- Pursuing major R&M project in West Africa

1800 MW ALBA PSS CCPP
Bahrain - HRSG, GTG & STG



Tanaji Dnyanu Shinde
SBU Head
International Operations

Mechanical Engineering from Walchand College of Engineering, Sangli, Maharashtra More than three decades in Power Industry. Started his career with Thermax Limited and worked for more than 22 years

International Operations



Industrial Constructions | Maintenance | Overhauling | Refurbishment & Rewinding

Power Mech has undertaken ETC projects in Libya, Yemen, Bangladesh, UAE and Saudi Arabia in association with reputed organisations keeping high standards in tune with international levels in quality, safety and timelines.

The Company has also undertaken a number of Maintenance, Overhauling, Refurbishment and Rewinding works in running plants and has a presence in multiple countries including Bangladesh, Nepal, Nigeria, Saudi Arabia, Oman, Middle East and African Countries.

The Company has branches in UAE, Kuwait, Oman, Libya and Bangladesh, and is in a position to mobilise huge manpower and resources within short notification, meeting all statutory requirements meant for overseas business. There is always a sufficient resource from pooling arrangements for immigrant from one site to the other at ease.

Projects Secured

- ▶ Execution of GTG, STG & BOP Equipment Installation Work, 1519 MW Fadhili Combined Heat and Power (CHP) Plant, KSA
- ▶ ETC of Two (2) units of HRSG and all related works including Mechanical, Electrical and I&C, 750 MW Sabiya - 1 CCPP Project, Kuwait
- ▶ Onsite Assembly of the Piping and Equipment for the Combined Cycle, 1390 MW Waad Al-Shamal Integrated Solar Combined Cycle Power Plant, KSA
- ▶ ETC of 8-HRSG, 8-GT, 4-ST, 4-UB, Piping, Civil, Elec and I &C, DRPP-Dangote Refinery & Petrochemicals Project, Nigeria

1519 MW Fadhili CHP
Plant - GTG, STG, RB & BOP
Equipments





750 MW, HSRSG - 2 Nos, Sabiya-I
CCPP Project, Kuwait



1516 MW HRSRSG, GTG & STG, IBRI
Independent Power Project, OMAN

Key Milestones

- ▶ Combined Cycle Full Load (COD) and Reliability run test, Bheramara CCPP 360 MW, Bangladesh
- ▶ GTG#1 & 2 First Firing, 1516 MW IBRI IPP, OMAN

- Major thrust on consolidation of installation business
- Geographical outreach into Nigeria, Oman, Bahrain, Kuwait, North Africa, East Africa etc.,
- So far completed 3,700 MW installation
- Persuing tie-ups with major EPC players like Metka Group, Petrofac, Hitachi Zosen Inova, elsewedy Electric, Daewoo etc.



1390 MW Waad Al Shamal CCPP KSA - HRSRSG,
Critical Piping & STG



1x800 MW TPS,
Civil, Structural and
Architectural work,
North Chennai



S Amarnath

SBU Head

Infrastructure Construction

Diploma in Civil Engineering with
35 years of experience in Power
and Industrial Construction.
Previously he was associated
with Indwell Constructions.

Infrastructure Construction



Civil Foundations | Architectural Works & Railway Projects

Power Mech is providing qualified services in its civil infrastructure portfolio since the year 2010 and is steadily growing and gaining space. The civil business vertical has independent team comprising senior technocrats who are well exposed to wide variety of projects in the field of civil engineering in all its dimensions, be it engineering, procurement, construction or project management.

Power Mech has executed plant internal and external roads comprehensively and is also undertaking railway projects.

The SBU has already successfully executed a number of prestigious projects in the infrastructure sector to the satisfaction of esteemed clients in different and difficult terrains.

Power Plant Construction

Power Mech has an exclusive segment for executing large scale, critical and heavy civil foundations, buildings and architectural works in power plants. The SBU is staffed with experienced engineers drawn from various segments of industry and resourced with modern plant & machinery for timely and quality delivery.

Projects Secured

- ▶ Civil works (for Pile, Pile cap, Pedestal etc.) for CHP, AHP and Misc. work for 2X660 MW Maitree STPP Rampal, Bangladesh
- ▶ Balance works of leveling and grading of entire plant area and all roads and drains at 3X660 MW North Karanpura STPP
- ▶ All civil and architectural works required for Coal Handling Plant at 4X270 MW Bhadradi Thermal Power Station, Manuguru, Dist-Bhadradi Kothagudem, Telangana
- ▶ EPC of Infrastructure Development works for Andhra Pradesh Medtech Zone Limited, Visakhapatnam, Andhra Pradesh
- ▶ Kaleshwaram Project - Construction of Ramayampet Canal Including Distributory Network for Irrigating under Konda Pochamma Sagar, Siddipet District, Telangana
- ▶ Strengthening of Infrastructure facilities of schools under Sarva Shiksha Abhiyan by Department of School and Education, Andhra Pradesh



Andhra Pradesh Medtech Zone project site office and two manufacturing facilities completed ahead of schedule





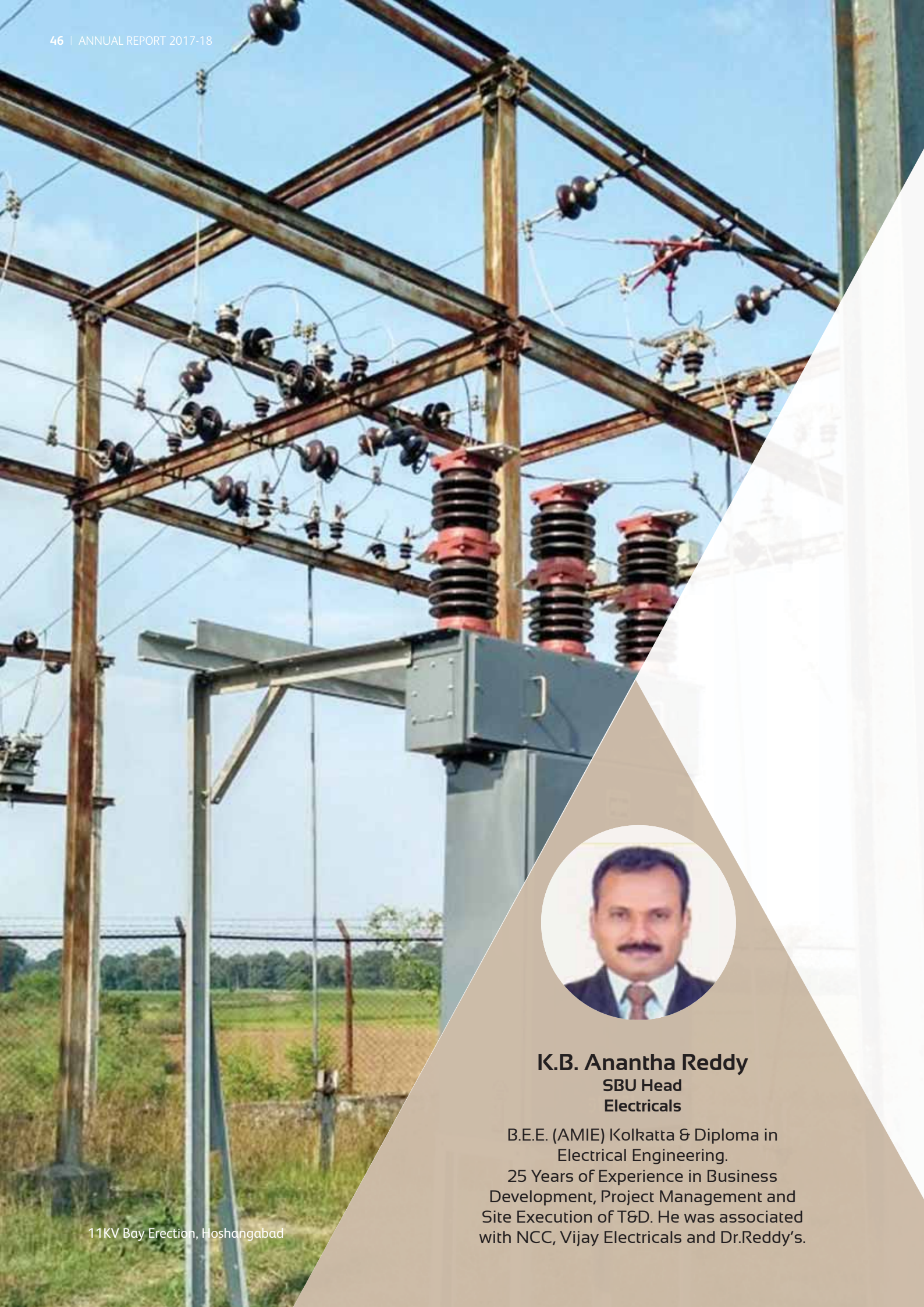
Track laying - RVNL, Gudivada to Machilipatnam

Key Milestones

- ▶ Track record of successfully casting more than nine TG decks in various power projects of size up to 800 MW
- ▶ Execution of over 6.22 Lakhs cum of reinforced cement concrete and 1.47 Lakhs RM of bored-cast-in-situ piling
- ▶ COD of 1X500 MW FGUTPP Unchahar, Raibareli Dist. Uttar Pradesh

- Selective diversification & synergy of civil works in non power
 - Railways
 - Petro Chemicals
 - Steel Sectors
 - Industrial Construction etc.

“ Maintaining pre-eminent position in ETC and O&M business with balanced growth in civil and infrastructure ”



11KV Bay Erection, Hoshangabad



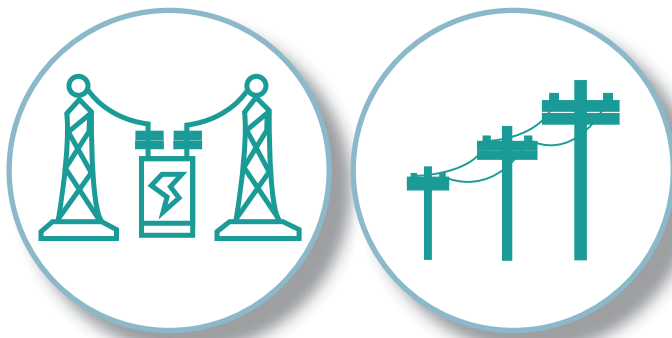
K.B. Anantha Reddy

**SBU Head
Electricals**

B.E.E. (AMIE) Kolkatta & Diploma in
Electrical Engineering.

25 Years of Experience in Business
Development, Project Management and
Site Execution of T&D. He was associated
with NCC, Vijay Electricals and Dr.Reddy's.

Electricals



Electrical Distribution | Substations Network

Power Mech has made its latest entry into Transmission and Distribution portfolio, a new venture of diversification and the Company has already undertaken some major projects. However, the company is selective in identifying the projects to be undertaken in view of maintaining quality and timeline, with due consideration to the state where the project is to be undertaken, the profitability and also proximity of the proposed project from our existing sites for strategic support.

This vertical has a separate team of engineers and technicians drawn from reputed organizations. Like Railways, T&D and Rural Electrification is open to exploitations and has scope for further sub-diversifications in coming years.

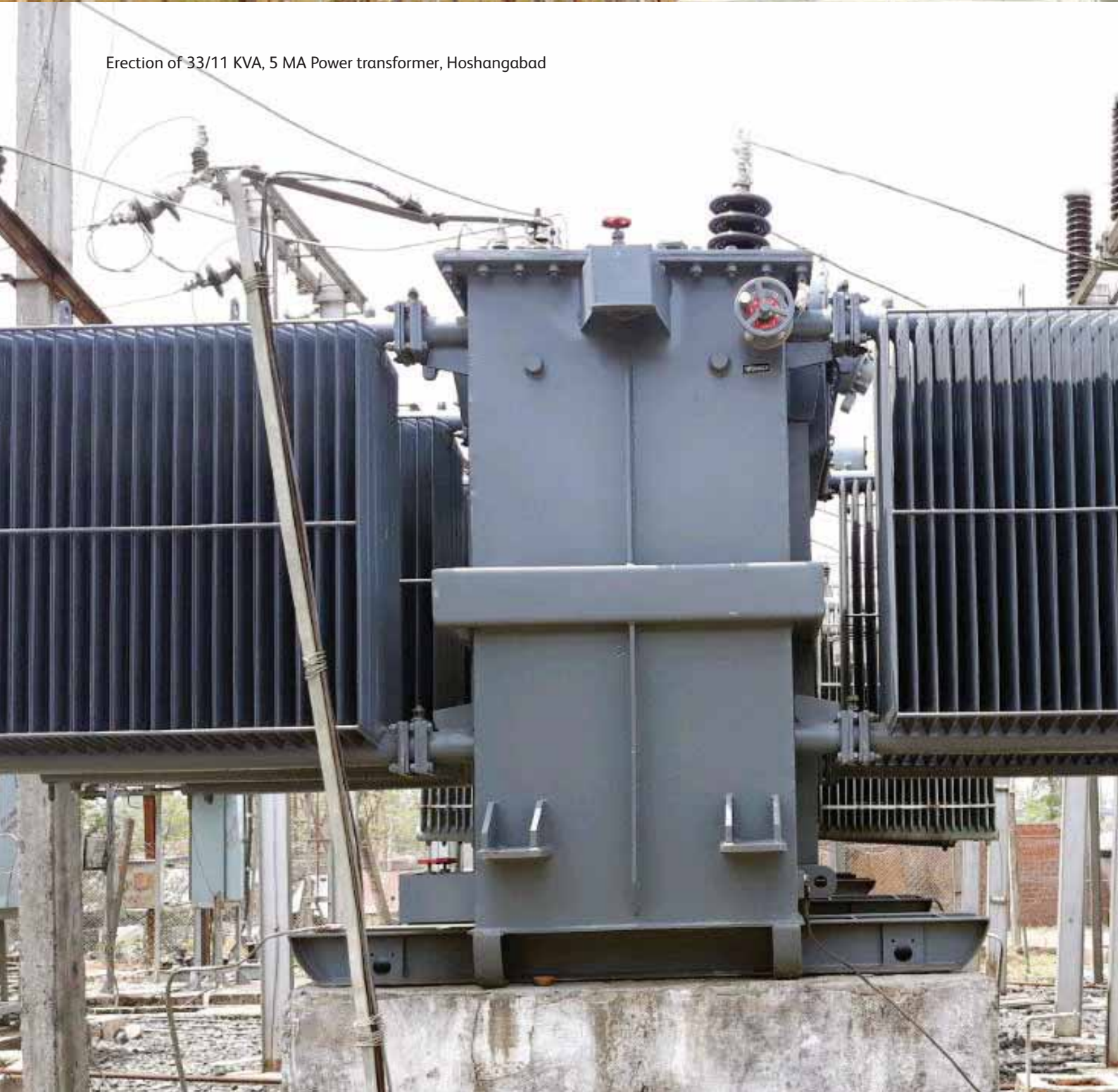
The Government of India and the State Governments are now focusing more on distribution of power to all villages under special schemes. Power Mech has taken the steps in right direction.

Projects Secured

- ▶ Construction of 132KV Transmission Line (TW-05) from Power Grid Corporation of India Ltd in Assam State.
- ▶ Construction of 220KV Transmission Line (TW-02) from Power Grid Corporation of India Ltd in Assam State.
- ▶ Construction of 132 kv new substation and 132KV, 220KV Bay Extension works of Substations (SS-02) from Power Grid Corporation of India Ltd in Nagaland State.
- ▶ Construction of 132KV new substation and 132KV, 220KV Bay Extension of Substations (SS-04) from Power Grid Corporation of India Ltd in Nagaland State.



11KV Bay and PTR Erection, Hoshangabad



Erection of 33/11 KVA, 5 MA Power transformer, Hoshangabad



Erection of 63 KVA DTR, Hoshangabad



Erection of DTR, Hoshangabad

- Consolidation of OHE works of Railway, Metro Rails, S&T, Substations etc.
- Foray into optical fibre networking as the new growth engine

Key Milestones

- ▶ Stringing of High tension line - 253 kms
- ▶ Stringing of Low tension Line - 242 kms
- ▶ Installation of Distribution Transformers - 279 Nos DTR
- ▶ Village electrification - 151 Nos
- ▶ Charging of 11 kv feeder lines - 15 Nos

Service Profile

Power Mech undertakes the following...

▶ Power Distribution

EPC projects of high voltage electrical switching and distribution substations, distribution network and HV/EHV cabling project works. The company is having robust in-house design & engineering capabilities for electrical as well as structural and civil works supported by global supply chain management team and highly experienced project management team to deliver these projects as per customers' specific requirements.

▶ Sub-Stations

Complete solutions from concept to commissioning on turnkey basis for high voltage substations from 33 KV up to 400 KV level as per IEC or International Standards.

▶ Distribution Network

Executing the village electrification works under DDUGJY & IPDS schemes to provide electricity to below poverty line families. The company is capable of undertaking overhead distribution lines projects encompassing pole mounted distribution substations, detailed engineering of the distribution line network, supply of various types of poles, pole mounted distribution transformers and related accessories, installation testing and commissioning.



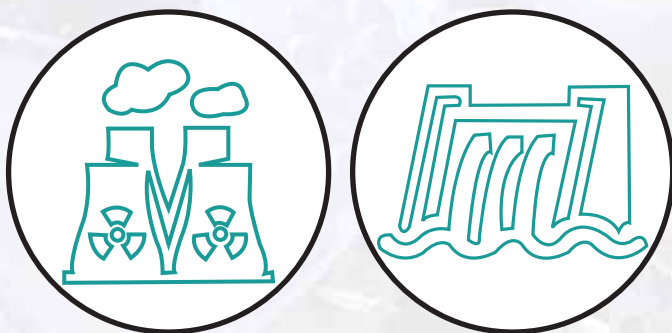
Major overhauling of Dhakrani Hydro Project, Dhakrani



Arbind Koul
SBU Head
Hydro Power & Water

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

Hydro Power & Water



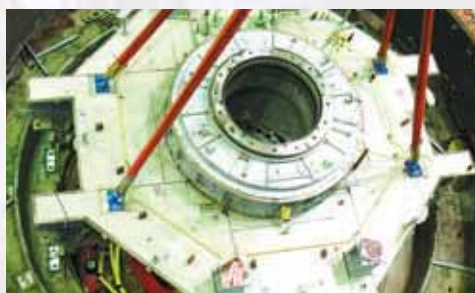
Construction | Renovation | Modernisation

The Company is established with a vision to make a positive contribution in surging Hydro Power Sector in India and neighbouring countries. The company's operational profile envisages supply and construction of hydropower plants on EPC basis, renovation & modernization, after sales services, spares management, RLA Study, LTSA, AMC and O&M of existing hydro plants, troubleshooting of chronic problems by providing definite value added technical solutions in electromechanical and hydro-mechanical fields, project management and deliverable index.

Also the company has taken initiative in the Water systems, particularly in the field of STP (Sewage Treatment Plant). For the urban water treatment needs and also increased focus on Sewage treatment on a large scale for improving the urban quality of life. At present still 65% of the Urban needs have to be brought under the STP scheme and this has thrown up huge opportunities across the country

Key Milestones

- ▶ A new business vertical was established for tapping the market of water and environmental business sector.
- ▶ Two projects of NEA, Nepal i.e., Overhauling of Trishuli Hydro Project and Overhauling of Marsyangdi Hydro Project were completed
- ▶ Manufacturing of Bottom Ring assembly of Kaligandhaki Hydro Project (NEA, Nepal)
- ▶ Fabrication of 60 tonnes of Penstock Pipe for Upper Kalar Hydro Project



Renovation and Modernisation of 35 MW Hydro generation work, Umiam



Plano Miller,
Noida Manufacturing Facility



Heavy Duty Centre Lathes,
Noida Manufacturing Facility



K. Ajay Kumar
SBU Head
Manufacturing

BE Mechanical, he has more than 23 years of experience in Operation & Maintenance, Business Development. Previously he was associated with Indwell Constructions

Manufacturing & Spare Parts Management



Spare Parts | Job Shop | Workshop

A state-of-the-art Manufacturing and Repair unit established in Noida is designed to provide guided service by highly experienced engineers in hydro and thermal power plants who have the knowledge of the working parameters of the equipment or parts that matter. The workshop has the facilities to repair and re-blade turbine rotors and to provide vital services indigenously, drawing qualitative support from original equipment manufacturers (OEM).

Strategically located, the workshop would provide vital services indigenously and therefore bringing down the downtime of equipment and spares in a power plant. It also aims at providing efficient spare parts, job shop, workshop services at affordable price, reasonable timeline and high level of quality.

Have tie ups with original equipment manufacturers (OEM) for their spares/ components trading and local manufacturing.

Key Milestones

- ▶ All the key equipment are operational
- ▶ Tie-ups with OEM suppliers for spare parts
- ▶ Reverse engineering facility available
- ▶ Large O&M support base being synergised for marketing
- ▶ Breakthrough in export order

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Subsidiaries & Joint Ventures



(India)

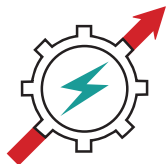
Hydro Magus Pvt Ltd is a subsidiary Company constituted to undertake hydro project works. After having executed successfully some of the critical projects, the Company is fully geared and aggressively plan for undertaking comprehensive projects.

شركة ماس باور ميك
العربية



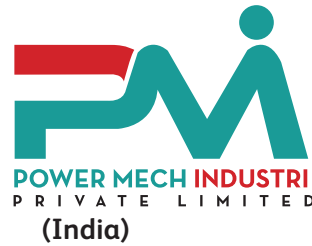
Mas Power Mech
arabia
(Saudi Arabia)

Mas Power Mech Arabia is yet another subsidiary established in collaboration with local partners in KSA. It is designed to undertake project works in the region mainly Middle East. The local partner is highly credible and they have reliable contacts for sourcing projects. The Company has been successfully executing major projects in Saudi where there is high potential for further growth.



Power Mech Projects
Limited LLC
(Oman)

Power Mech Projects Limited LLC is a subsidiary of Power Mech, incorporated in Oman with a view of tapping the opportunities in the local markets of Oman.



(India)

Power Mech Industri Pvt Ltd is also a wholly owned subsidiary of Power Mech Projects Limited for undertaking major job works through its state of art workshop in Noida. The machines of the workshop have started rolling and we are undertaking critical jobs, meeting customer's satisfaction and proceeding with further expansion in line with the need in industry.



GTA Power Mech Nigeria Ltd.
(Nigeria)

GTA Power Mech Nigeria Ltd is a Joint Venture between Power Mech Projects Limited and Skipper T&D. This JV Company is undertaking projects in African region. Since the Partner Company is aggressively pursuing for more projects with their contacts, there is more scope for establishing our presence in the Region.



POWER MECH BSCPL
CONSORTIUM PRIVATE
LIMITED (INDIA)

Power Mech BSCPL Consortium Private Limited (India), Subsidiary Company incorporated to execute the contract relating to the infrastructure development works required for development of medical device manufacturing park for Andhra Pradesh Medtech Zone Ltd. at Visakhapatnam.

Health Safety & Environment



Tool Box Meeting

We practice

- PDCA and adhering to international practices
- Zero tolerance practice
- Adherence to Safety, Health and Environment policy at all locations
- Conducting of safety induction, refresher trainings at scheduled intervals
- Identification of location / equipment / activity hazards and alignment with permit system
- Environmental aspect impact assessment and strict compliance at site
- Assessment of work related hazards and scheduled annual medical examinations
- First-aid and ambulance at all locations Emergency preparedness

Established track record of...

Safe Man-hours achieved in sites CGPL Mundra – 12 Mn Man-hours, Sasan – 30 Mn Man-hours, 20 Mn Man-hours in Kudgi, Samalkot – 5 Mn man-hours etc.

Best safety award from Vedanta, GMR, SEPCO-III, R Infra, Mahagenco, CGPL and Tata Power etc.



Fire & First-aid Training



Corporate Social Responsibility (CSR)

The Company is fulfilling its social obligations through Power Mech Foundation, CSR arm of the Company in letter and spirit. The Foundation is the channel through which hundreds of social and welfare activities are carried through each and every site, branch office and working place of the Company's are de-facto the outlets for carrying out such noble activities across India.

The Foundation is steadfastly focusing its attention on education, social welfare, healthcare and environment. It is also enlarging its activities in making permanent structures and facilities for social causes as lasting solutions.

The beneficiaries from the pouring contributions of the Foundation are mostly from the poor, downtrodden and the marginalized in the Society.

It is the endeavor of the Foundation that every citizen of this great Nation is provided basic facilities in education, healthcare and housing. The road is long but our sight is focused and we are aiming to add our drop of efforts in the ocean of care and love.





**Statutory Reports
&
Financial Statements
2017-18**

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of M/s. Power Mech Projects Limited will be held on Thursday the 27th day of September, 2018 at 11:00 A.M. at The Westin Hotel, Raheja IT Park, Hitec City, Madhapur, Hyderabad - 500 081 to transact the following item of business:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements (both standalone and consolidated) of the Company for the financial year ended 31st March, 2018 together with the report of the Board of Directors and Auditors thereon;
2. To declare final dividend on the equity shares for the financial year ended 31st March, 2018.
3. To appoint a Director in place of Mr. M. Rajiv Kumar, Director (DIN-07336483) who retires by rotation and being eligible offers himself for re-appointment.

Special Business:

4. **Revision in overall borrowing powers of the Company:**

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

“RESOLVED THAT in supersession of the earlier resolution passed by the members at their meeting held on February 09th, 2015 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and subject to such other approvals as may be necessary, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution), to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company, free reserves and Securities premium account that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 2,500 Crores (Rupees Two Thousand Five Hundred Crores only) (both fund and non-fund) at any one point of time.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all 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 this regard and also to delegate all or any of the above powers to a Committee constituted / to be constituted by the Board and / or any Member of such Committee / Board and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

5. **Creation of Mortgage / Charge on the assets of the Company:**

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

“RESOLVED THAT in supersession of the earlier resolution passed by the members at their meeting held on February 09th, 2015 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be necessary, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution), to create such charges, mortgages and hypothecations in addition or supplemental to the existing charges, mortgages and hypothecations, if any, created by the Company, on its movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favor of Banks, Financial Institutions and any Lending Agencies or bodies / Security Trustees / Agents, for the purpose of securing any borrowing, loans and / or advances already obtained or that may be obtained, together with interest, all other costs, charges and expenses and other moneys payable by the Company to the concerned Lenders, up to a sum of Rs. 2,500 Crores (Rupees Two Thousand Five Hundred Crores only).”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments, agreements and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted / to be constituted by the Board and / or any Member of such Committee with power to the said Committee to sub-delegate its powers to any of its Members for the purpose of giving effect to the aforesaid Resolution.”

6. **Approval for Material Related Party Transaction(s)**

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended from time to time and the Company’s policy on Related Party Transactions and such other approvals as may be required, the consent of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s) / arrangement(s) / transaction(s) with Power Mech BSCPL Consortium Private Limited (PMBSCPL), a Subsidiary Company, on such term(s) and condition(s) as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 500 crores provided that the said contract(s) / arrangement(s) / transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to the Audit Committee of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

7. **Approval for Material Related Party Transaction(s)**

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended from time to time and the Company’s policy on Related Party Transactions and such other approvals as may be required, the consent of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s) / arrangement(s) / transaction(s) with GTA Power Mech FZE, a Step down Joint Venture Company, on such term(s) and condition(s) as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 500 crores provided that the said contract(s) / arrangement(s) / transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to the Audit Committee of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

8. **To approve transactions under Section 185 of the Companies Act, 2013**

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

“RESOLVED THAT pursuant to Section 185 of the Companies Act, 2013 (as amended by Companies (Amendment) Act, 2017) (“said sections”) read with section 186 of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Members of the Company be and is hereby accorded for advancing loan and / or giving of guarantee(s), and / or providing of security(ies) in connection with any loan taken / to be taken from financial institutions / banks / insurance companies / other investing agencies or any other person(s) / bodies corporate by any entity (said entity(ies) covered under the category of ‘a person in whom any of the director of the company is interested’ as specified in the explanation to Sub-section (b) of Section 2 of the said section, of an aggregate outstanding amount not exceeding Rs. 200,00,00,000/- (Rupees Two Hundred Crores only).

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any committee thereof) be and is hereby authorized to negotiate, finalise and agree to the terms and conditions of the aforesaid Loans / Guarantees / Securities, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deed and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.”

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

**Sd/-
Rohit Tibrewal
Company Secretary**

**Place: Hyderabad
Date: 11.08.2018**

NOTES FOR MEMBERS

- i. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business under Item No 4, 5 & 6, is annexed hereto.
- ii. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy / proxies to attend and vote on a Poll instead of himself / herself and such a proxy / proxies need not be a member of the company.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable.
- iii. The register of members and share transfer books of the company will remain closed from 22nd September, 2018 to 27th September, 2018(both days inclusive) for annual closing.
- iv. The Final dividend on equity shares, if declared at the Meeting, will be dispatched / credited to those members whose names shall appear on the Company's Register of Members on 21st September, 2018 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] as beneficial owners as on that date.
- v. Members holding shares in physical form are requested to avail the demat facility in order to ensure timely and efficient delivery of corporate actions and announcements. Further the Members holding shares in physical form are also requested to immediately notify change in their address, if any, to the Registrar and Transfer Agents of the company namely **M/s. Karvy Computershare Private Limited** having its Office at Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032 quoting their folio Numbers.
- vi. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank account details. ECS mandates, nominations, power of attorney, change of address / name etc. to their depository participant only and not to the company or its Registrar and Transfer Agent. The said changes will be automatically reflected in the Company's records.
- vii. Members holding shares in Physical mode are advised to submit particulars of their Bank account viz. Name and Address of the Branch of the Bank, MICR code, type of account and account number to our Registrar and Share Transfer Agent, M/s Karvy Computershare Private Limited, Hyderabad, for the purpose of payment of Dividend declared at the AGM.
- viii. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agents of the company namely **M/s. Karvy Computershare Private Limited** having its Office at Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500032 quoting their folio Numbers.
- ix. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
- x. Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" and allowed companies to send documents such as Notice of the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc., to the shareholders in electronic form instead of the paper form. Members are requested to send / update their email address with their Depository or Registrar and Transfer Agents of the Company.
- xi. Electronic copy of the notice of the 19th annual general meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 19th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- xii. Pursuant to Regulation 36(3) of the Listing Regulations, 2015, the information about the Directors proposed to be appointed /re- appointed is given in the **Annexure -1** to the notice.
- xiii. Members desirous of getting any information about the financials and / or operations of the company are requested to write to the company at least seven days before the date of the meeting to enable the company to keep the information ready at the meeting.
- xiv. Members are requested to carry their copies of Annual Report to the AGM and are requested to sign the Attendance Slip and hand it over at the entrance of the AGM. No Annual Report copies will be given at the AGM.

- xv. All the documents referred to in the Notice and explanatory statement will be available to the members at the registered office of the Company between 10.30 A.M to 12.30 P.M on all working days from the date hereof up to the date of the 19th AGM.

Members may also note that the notice of the 19th annual general meeting and the Annual Report for FY 2017-18 will also be available on the Company's website www.powermechprojects.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: cs@powermech.net

- xvi. Voting through electronic means

1. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

The Company has engaged the services of M/s. Karvy Computershare Private Limited ("Karvy") as the Authorized Agency to provide e-voting facilities. The e-voting particulars are set out below:

EVENT (e-voting event number)	USER ID	PASSWORD / PIN
—	—	—

The e-voting facility will be available during the following voting period:

Commencement of e-voting: **From 24th September, 2018 (09.00 AM onwards)**

End of e-voting: **Up to 26th September, 2018 (05.00 PM)**

The cut-off date (i.e., the record date) for the purpose of e-voting is 21st September, 2018

Please read the procedure and instructions for e-voting given below before exercising the vote.

This communication forms an integral part of the Notice dated 11.08.2018 for the AGM scheduled to be held on 27th September, 2018, which is enclosed herewith and is also made available on the website of the Company www.powermechprojects.in. Attention is invited to the statement on the accompanying notice that the Company is pleased to provide e-voting facility through Karvy for all shareholders of the Company to enable them to cast their votes electronically on the resolution mentioned in the Notice of the 19th Annual General Meeting of the Company dated 11.08.2018.

Procedure and instructions for e-voting

A. Members who received the Notice through e-mail from Karvy:

- i. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii. Enter the login credentials (i.e., user-id & password). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote:

iii.	<table border="1"> <tr> <td>User – ID</td><td> For Members holding shares in Demat Form:- a) For NSDL:- 8 Character DP ID followed by 8 digit Client ID b) For CDSL:- 16 digits Beneficiary ID / Client ID For Members holding shares in Physical Form:- Event No. (EVENT) followed by Folio No. registered with the Company </td></tr> <tr> <td>Password</td><td>Your unique password is printed above / provided in the e-mail forwarding the electronic notice</td></tr> </table>	User – ID	For Members holding shares in Demat Form:- a) For NSDL:- 8 Character DP ID followed by 8 digit Client ID b) For CDSL:- 16 digits Beneficiary ID / Client ID For Members holding shares in Physical Form:- Event No. (EVENT) followed by Folio No. registered with the Company	Password	Your unique password is printed above / provided in the e-mail forwarding the electronic notice
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Password	Your unique password is printed above / provided in the e-mail forwarding the electronic notice				

- iv. After entering these details appropriately, click on "LOGIN".
- v. You will now reach Password Change Menu wherein they are required to mandatorily change their password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc on first login. You may also enter a secret question of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- vi. After changing password, you need to login again with the new credentials.

- vii. On successful login, the system will prompt to select the "Event" i.e., Power Mech Projects Limited.
- viii. On the voting page, enter the number of shares (which represents number of votes) as on the cut-off date under "FOR/AGAINST/ABSTAIN" against the resolution or alternatively you may partially enter any number in "FOR", partially in "AGAINST" and partially in "ABSTAIN" but the total number in "FOR/AGAINST/ABSTAIN" taken together should not exceed your total shareholding.
- ix. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.
- x. Corporate/Institutional Members (corporate/FIs/FILs/Trust/Mutual Funds/Company's, etc) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc. together with the attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at E-mail ID: rao_ds7@yahoo.co.in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

B. In case of Members receiving the Notice by post:

- 1. Please use the User ID and initial password as provided above.
 - 2. Please follow all steps from Sr. No. (i) to (ix) as mentioned in (A) above, to cast your vote.
- C.** The e- voting period commences on 24th September, 2018 at 09.00 A.M and ends on 26th September, 2018 at 05.00 P.M. In case of any query pertaining to e-voting, please visit Help & FAQs section of Karvy e-voting website.
- D.** Once the vote on the resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently. Further, the shareholders who have cast their vote electronically shall not be allowed to vote again at the AGM.
- E.** Mr. D S Rao, Practicing Company Secretary (Membership No. 12394 and COP No.- 14487) has been appointed as Scrutinizer for conducting the e-voting process in accordance with law. The Scrutinizer's decision on the validity of e-voting shall be final. The e-mail ID of the Scrutinizer is rao_ds7@yahoo.co.in.
- F.** The Scrutinizer shall, on the date of the AGM unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favor or against, if any, and submit it to the Chairman.
- G.** The result of voting will be announced by the Chairman after the AGM to be held on 27th September, 2018 and the resolution will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favor of the resolution.
- H.** The result of the voting along with the Scrutinizer's Report will be communicated to the stock exchanges and will also be hosted on the website of the Company (www.powermechprojects.in) and on Karvy's website (<https://evoting.karvy.com>) within 48 hours of completion of voting.
- I.** The voting rights for the shares are one vote per equity share, registered in the name of the shareholders / beneficial owners as on 21st September, 2018. Shareholders holding shares either in physical form or dematerialized form may cast their vote electronically.
- J.** Shareholders / proxies may also vote at the venue of the meeting physically by using the ballot papers that will be provided at the venue. Shareholders / proxies who have cast their votes through e-voting will not be allowed to cast their votes physically at the venue of the AGM.
- K.** In case of any grievances connected with the voting by electronic means, shareholders are requested to contact Mr. Nageswara Rao, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail: einward.ris@karvy.com, Phone: 040-67161526.
- L.** Members who have acquired shares after the despatch of the Notice and before the Cut off date may obtain the user ID by approaching Mr. Nageswara Rao, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail: einward.ris@karvy.com, Phone: 040-67161526, for issuance of the user ID and password for exercising their right to vote by electronic means.

**By order of the board of directors
For PowerMech Projects Limited**

**Sd/-
Rohit Tibrewal
Company Secretary**

**Place: Hyderabad
Date: 11.08.2018**

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

Item Nos. 4 & 5

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors of the Company should obtain 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 at the Extra-ordinary General Meeting held on 09th February, 2015.

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 limits of borrowings from Rs. 1500 Crores to Rs. 2500 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 Nos. 4 & 5 are 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.

In view of the above, the Board of Directors recommends passing the resolutions as set out in item nos. 4 and 5 of this Notice as Special Resolutions. None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financially or otherwise in the aforesaid resolutions.

Item No. 6

The members may kindly note that as per the provisions of Regulation 23(1) of the Listing Regulations a transaction with a Related Party shall be considered Material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

The aggregate value of transaction(s) with PMBSCPL will exceed the said threshold limit and is expected to be around Rs. 500.00 crores. Hence approval of the shareholders is being sought for the said Material Related Party Transaction(s) with PMBSCPL.

Pursuant to Rule 15 of Companies(Meetings of Board and its Powers) Rules, 2014, particulars of the transactions with PMBSCPL are as follows:

S. No.	Particulars	Remarks
1.	Name of the Related Party	Power Mech BSCPL Consortium Private Limited
2.	Name of the Directors or KMP who are Related	None
3.	Nature of Relationship	Subsidiary Company (Power Mech Projects Limited holds 51 % of the equity share capital)
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	<p>Power Mech BSCPL Consortium Private Limited is a Joint Venture Company between PMPL and BSCPL Infrastructure Limited. The said Company is incorporated to execute the contract of infrastructure development works required for development of medical device manufacturing park for Andhra Pradesh Medtech Zone Limited at Visakhapatnam.</p> <p>Since the PMPL has the technical expertise, the Contract is awarded to PMPL on a subcontract basis.</p> <p>The said subcontract shall be on arms lengths basis.</p> <p>The total contract value including some future transactions can be to the tune of Rs 500 Cr.</p>

In view of the above, the Board of Directors recommends passing the resolution as set out in item no. 6 of this Notice as Ordinary Resolution. None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financially or otherwise in the aforesaid resolution.

Item No. 7

The members may kindly note that as per the provisions of Regulation 23(1) of the Listing Regulations a transaction with a Related Party shall be considered Material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

The aggregate value of transaction(s) with GTA Power Mech FZE will exceed the said threshold limit and is expected to be around Rs. 500.00 crores. Hence approval of the shareholders is being sought for the said Material Related Party Transaction(s).

Pursuant to Rule 15 of Companies(Meetings of Board and its Powers) Rules, 2014, particulars of the transactions with GTA Power Mech FZE are as follows:

S. No.	Particulars	Remarks
1.	Name of the Related Party	GTA Power Mech FZE
2.	Name of the Directors or KMP who are Related	1. Mr. S. Kishore Babu, Chairman and Managing Director 2. Mr. M. Rajiv Kumar, Director
3.	Nature of Relationship	Joint Venture Company (Power Mech Projects Limited holds 50 % of the equity share capital)
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	GTA Power Mech FZE is a Step down Joint Venture Company incorporated at Nigeria. The Company has been awarded a Contract for piping, civil, electrical and I & C works from Dangote Oil Refining Company at Nigeria. Since the PMPL has the technical expertise, the Contract may be awarded to PMPL on a sub-contract basis. The said subcontract shall be on arms lengths basis. The total contract value including some future transactions can be to the tune of Rs 500 Cr.

In view of the above, the Board of Directors recommends passing the resolution as set out in item no. 7 of this Notice as Ordinary Resolution. Except Mr. S. Kishore Babu, Chairman and Managing Director and Mr. M. Rajiv Kumar, Director or their respective relatives none of the other Directors, Key Managerial Personnel or their respective relatives in any way, financially or otherwise, concerned or interested in the above resolution.

Item No. 8

Pursuant to Section 185 of the Companies Act, 2013 (as amended by the Companies (Amendment) Act, 2017, a Company may advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loan taken by any entity (said entity(ies) covered under the category of 'a person in whom any of the director of the Company is interested' as specified in the explanation to Section 185(2)(b) of the Companies Act, 2013, after passing a special resolution in the general meeting.

It is proposed to grant loan or give guarantee or provide security in respect of any loan granted to such entities and the proposed loan shall be at the interest rate of prevailing market rate and shall be used by the borrowing Company for its principal business activities only.

The details of the existing Subsidiaries/Joint Venture Companies are as follows:

S. No.	Name of the Company	Nature of Relationship	Purpose
1	Hydro Magus Pvt Ltd	Subsidiary Company	Procurement of plant and machineries, sale and purchase of goods/ services, fixed assets or any other expense including working capital requirements to support its principal business activities.
2	Power Mech BSCPL Consortium Private Limited	Subsidiary Company	Procurement of plant and machineries, sale and purchase of goods/ services, fixed assets or any other expense including working capital requirements to support its principal business activities.
3	Power Mech Projects LLC	Subsidiary Company	Procurement of plant and machineries, sale and purchase of goods/ services, fixed assets or any other expense including working capital requirements to support its principal business activities.
4	Mas Power Mech Arabia	Subsidiary Company	Procurement of plant and machineries, sale and purchase of goods/ services, fixed assets or any other expense including working capital requirements to support its principal business activities.
5	GTA Power Mech Nigeria Limited	Joint Venture	Procurement of plant and machineries, sale and purchase of goods/ services, fixed assets or any other expense including working capital requirements to support its principal business activities.
6	GTA Powermech DMCC	Joint Venture	Procurement of plant and machineries, sale and purchase of goods/ services, fixed assets or any other expense including working capital requirements to support its principal business activities.

In case of any subsidiaries / joint ventures incorporated in future, the Board of Directors may grant loan or give guarantee or provide security within the aggregate amount of Rs 200 Cr, to such entities subject to the approval of the Audit Committee. The Board proposes the Resolution at Item No. 8 of the notice for approval of the Shareholders by a Special Resolution.

Except Mr. S. Kishore Babu, Chairman and Managing Director and Mrs. S. Lakshmi, Director or their respective relatives none of the other Directors, Key Managerial Personnel or their respective relatives in any way, financially or otherwise, concerned or interested in the above resolution.

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

**Sd/-
Rohit Tibrewal
Company Secretary**

**Place: Hyderabad
Date:11.08.2018**

ANNEXURE-1

ADDITIONAL INFORMATION

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

Name of the Appointee	Mr. M. Rajiv Kumar
Date of Birth	20-11-1953
Date of appointment on the Board	14-11-2015
Qualification, Experience & Expertise	Shri M Rajiv Kumar is a graduate in Electrical Engineering and spent his entire career of 38 years in BHEL and by his sheer hard work and acumen he rose to the level of Executive Director, Power Sector, Eastern Region. During his career, he initiated, planned, executed and commissioned many power projects and today they stand testimony of his leadership quality and feeding power to the Nation. He has strong project management skill, is exceptionally good at team-building, easily adaptable and flexible towards projects needs and posses superior interpersonal & time-management skills. Gifted with good foresight, he holds impeccable record for identifying right persons for right jobs, mentoring and motivating the entire team under him.
Directorship in other public companies (excluding Private Companies foreign companies and Section 8 Companies)	Nil
Shareholding	Nil

Place: Hyderabad
Date:11.08.2018

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

Sd/-
Rohit Tibrewal
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have immense pleasure in presenting the Nineteenth Annual Report of your Company along with the audited financial statements (both standalone and consolidated) for the financial year ended 31st March, 2018.

FINANCIAL RESULTS

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

(Rs in Mn)

Sl. No.	Particulars	Standalone		Consolidated	
		Current Year (2017-18)	Previous Year (2016-2017)	Current Year (2017-18)	Previous Year (2016-2017)
1	Revenue from operations	13,101	12,911	15,479	13,382
2	Other income	74	77	67	77
3	Total income	13,175	12,988	15,546	13,459
4	Expenditure	12,163	12,005	14,243	12,461
5	Profit before interest, depreciation and tax	1,710	1,694	2,090	1,737
6	Depreciation	364	396	428	409
7	Interest and finance charges	334	315	359	329
8	Profit before tax	1,012	983	1,300	1,003
9	Provision for taxes (including DTL)	353	346	392	356
10	Profit after tax	659	637	908	647
11	Other Comprehensive income	-	4	-	4
12	Total Comprehensive income for the year	659	641	908	651
13	Dividend for the year (including corporate dividend tax)	17.73	17.70	17.73	17.70
14	Reserves(excluding revaluation reserves)	6,665	6,025	6,838	6,065
15	EPS (Rs) on face value Rs.10/- each share	44.79	43.29	54.01	43.96
16	Book value (Rs.) on face value of Rs.10/- each share	463	419	474	422

OPERATING RESULTS AND BUSINESS

Your Company has achieved operational turnover of Rs. 13,101 Mn and profit after tax of Rs. 659 Mn during FY 17-18 as against previous year operational turnover of Rs. 12,911 Mn and profit after tax of Rs. 641 Mn respectively.

Further your Company has achieved consolidated operational turnover of Rs. 15,479 Mn and profit after tax of Rs. 908 Mn during FY 17-18 as against previous year consolidated operational turnover of Rs. 13,382 Mn and profit after tax of Rs. 651 Mn respectively.

DIVIDEND

Your Directors are pleased to recommend a final dividend at Re 1/- per equity share of face value of Rs. 10/- each for the year ended 31st March, 2018. The Final Dividend is subject to the approval of Members at the ensuing annual general meeting. The total dividend for the financial year will absorb Rs. 17.73 Mn, including Dividend Distribution Tax of Rs. 3.02/- Mn.

SUBSIDIARIES & JOINT VENTURES

As on 31st March, 2018 your Company has five subsidiaries, i.e Hydro Magus Private Limited (HMPL), Power Mech Industri Private Limited (PMIPL), Mas Power Mech Arabia (Saudi Arabia), Power Mech Projects LLC (Oman) and Power Mech BSCPL Consortium Private Limited.

Further there is one Joint Venture Company i.e. GTA Power Mech Nigeria Limited (Nigeria).

During the financial year, the Company has divested its entire shareholding from Power Mech – CPNED Services (Hongkong) Holding Co Ltd, JV Company.

Subsequent to the end of the financial year, the Company has incorporated a JV Company in Dubai i.e. GTA Powermech DMCC.

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 neighbouring countries. The Company's operation profile envisages supply and construction of hydro power plants on EPC basis, renovation and modernization after sales services, AMC and O&M of existing hydro power plants. The strength of the Company is derived by its commitment in upholding quality and safety in execution at all stages.
- Power Mech Industri Private Limited:** A wholly-owned subsidiary of Power Mech, has been established to meet the needs of power plants both thermal as well as Hydro for manufacturing, re-engineering and repairing of components.

With the intention to improve our engineering, machining and repair facilities for general engineering components and non-critical equipment used in power projects including spare parts, a large heavy engineering facility at Noida for non-critical equipment and spare parts have been set up under this Company. The state-of-the-art workshop in Noida is equipped with sophisticated and heavy duty machines with facilities to repair and re-blade turbine rotors of capacity up to 600 MW. Strategically located, the workshop would provide vital service indigenously and therefore bringing down the down time of equipment in a power plant. It is aimed to provide efficient engineering services at affordable price, reasonable time line and high level of quality.

- **Power Mech BSCPL Consortium Private Limited:** A Subsidiary Company of Power Mech is mainly incorporated to execute the contract relating to the infrastructure development works required for development of medical device manufacturing park for Andhra Pradesh Medtech Zone Limited at Vishakhapatnam.
- **Mas Power Mech Arabia:** It is a subsidiary 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.

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

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 its registered office in Lagos, Nigeria and has established a networking with potential customers. 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.

TRANSFER TO RESERVES

The Board do not propose to transfer any profits to the reserves for the fiscal 2018.

CONSOLIDATED FINANCIAL STATEMENTS

During the year, the Board of Directors reviewed the affairs of the Subsidiaries/JVs. In accordance with Sub Section (3) of Section 129 of the Companies Act, 2013, we have prepared the consolidated financial statements of the company, which forms part of this annual report.

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

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

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s. Brahmayya & Co, Chartered Accountants, Statutory Auditors, in their report for the financial year ended March 31, 2018.

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.

Pursuant to Companies (Amendment) Act, 2017, the provision pertaining to ratification of appointment of Statutory Auditor has been omitted with effect from 7th May, 2018. Hence, the agenda for ratification of appointment of Statutory Auditor has not been proposed in the notice of ensuing AGM.

INTERNAL AUDITORS

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

SECRETARIAL AUDIT

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

The Secretarial Audit Report for the FY 17-18 does not contain any qualification, reservation, adverse remark.

DIRECTORS

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 himself for reappointment at the ensuing Annual General Meeting. The Board recommends his reappointment.

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

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

During the year under review Mr. M. Rajendran has resigned from the Board as Wholetime Director with effect from 13th August, 2017.

During the year under review, Mr. N. Bhupesh Chowdary was appointed as an Additional Director under the category of Wholetime Director by the Board of Directors w.e.f. 13th August, 2017, and subsequently his appointment was ratified by the members of the Company at the previous annual general meeting.

However subsequent to the end of the financial year, Mr. N. Bhupesh Chowdary has resigned as Wholetime Director and CEO due to personal reasons with effect from 01st July, 2018.

BOARD MEETINGS

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

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

COMMITTEES OF BOARD OF DIRECTORS

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

The Composition of various Committees of the Board is hereunder:

Name of the Committee	Composition of the Committee
Audit Committee	Mr. Sutanu Behuria, <i>Chairman</i> Mr. G.D.V. Prasada Rao, Member Mr. T. Sankaralingam, Member
Nomination and Remuneration Committee	Mr. T. Sankaralingam, <i>Chairman</i> Mrs. S. Lakshmi, Member Mr. G.D.V. Prasada Rao, Member
Corporate Social Responsibility Committee	Mr. S. Kishore Babu, <i>Chairman</i> Mrs. S. Lakshmi, Member Mr. G.D.V. Prasada Rao, Member
Stakeholders Relationship Committee	Mr. M Rajiv Kumar, <i>Chairman</i> Mrs. S. Lakshmi, Member Mr. G.D.V. Prasada Rao, Member
Investment Committee	Mr. S Kishore Babu, <i>Chairman</i> Mr. G.D.V. Prasada Rao, Member Mr. M. Rajiv Kumar, Member

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

FIXED DEPOSITS

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

CHANGE IN NATURE OF BUSINESS

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

MATERIAL CHANGES AND COMMITMENTS

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2017-18 and of the statement of profit and loss of the Company for that period;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts for the year 2017-18 have been prepared on a going concern basis.
- v. that the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- vi. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and effectively mentioned under various heads of the departments which are in then reporting to the Chairman & Managing Director.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

The details of the whistle blower Policy are posted on the website of the Company <http://www.powermechprojects.in>.

RISK MANAGEMENT

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

RELATED PARTY TRANSACTIONS

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

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

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

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 in Form AOC-2 is annexed herewith as **Annexure-4** to this report.

EXTRACT OF ANNUAL RETURN

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

MANAGEMENT DISCUSSION & ANALYSIS

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

CHANGES IN SHARE CAPITAL

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

PARTICULARS OF EMPLOYEES

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

CORPORATE SOCIAL RESPONSIBILITY

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

The Foundation is tirelessly and steadfastly engages itself in meeting the social causes in the neighbourhood irrespective of cast and creed. The beneficiaries are abandoned infants, forsaken street children, neglected orphans, physically and mentally challenged children, students in remote villages and deserving people seeking medical assistance.

At every given opportunity the Foundation conducts periodical Blood donation camps, Health camps and other social awareness camps at regular periodicity.

The Foundation is adopting schools in the neighbourhood villages and takes care of the academic needs of the poor students. The services of the villagers and neighbourhood people are also involved during such events to give thrust and achieve success.

A detailed report on the CSR activities taken up by your Company is annexed as **Annexure-9** to this report. Further the details of the policy are also posted on the website of the company www.powermechprojects.in

CORPORATE GOVERNANCE

The Board of Directors and the Management of your Company recognise the importance of good corporate governance in ensuring greater transparency, protecting the interests of its shareholders, as well as strengthening investors' confidence in its management and financial reporting and are, accordingly, committed to maintaining a high standard of corporate governance.

In line with the commitment of the Company to maintaining high standards of corporate governance, the Company will continually review its corporate governance processes to strive to fully comply with the all the statutory laws and regulations as are applicable to the Company in letter and spirit.

As required under Regulation 34(3) of the Listing Regulations, a detailed report on Corporate Governance is included in the Annual Report as **Annexure-10**. The Secretarial Auditors have certified the Company's compliance with the requirements of Corporate Governance in terms of Regulation 34(3) of the Listing Regulations and the same is annexed to the Report on Corporate Governance.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

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

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

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

ACKNOWLEDGMENTS

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

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

For and on behalf of the Board of Directors of

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

Place: Hyderabad
Date: 11.08.2018

ANNEXURE-2

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 and under Rule 8 of Companies (Accounts) Rules, 2014 for the year ended 31st March, 2018).

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

Part “A”: Subsidiaries

(Information in respect of each subsidiary)

(Rs.in Mn)

Sl.No.	Particulars	Details				
1	Name of the subsidiary	Hydro Magus Pvt Ltd	Power Mech Industri Pvt Ltd	Power Mech Projects LLC	Mas Power Mech Arabia	Power Mech BSCPL Consortium Private Limited
2	The date since when subsidiary was acquired	24.09.2012	17.10.2013	20.04.2016	23.02.2015	20.12.2017
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	—	—	—	January - December	—
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	Omani Riyal (169.41)	Saudi Riyal (17.37)	INR
5	Share capital	2.10	0.19	42.35	8.68	0.10
6	Other equity / Reserves and surplus (as applicable)	63.02	0.82	118.09	156.06	3.94
7	Liabilities	193.21	415.59	369.91	759.07	62.44
8	Total Liabilities	258.33	416.61	530.35	923.82	66.48
9	Total assets	258.33	416.61	530.35	923.82	66.48
10	Investments	—	—	—	—	—
11	Turnover	208.65	103.87	917.90	1648.51	215.58
12	Profit before taxation	10.45	(28.69)	138.05	175.26	5.31
13	Provision for taxation	2.89	(7.13)	22.03	20.02	1.37
14	Profit after taxation	7.56	(21.56)	116.03	155.24	3.94
15	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
16	Extent of shareholding	88.10%	100%	70%	51%	51%

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

There are no subsidiaries which are yet to commence operations

Part “B”: Associates and Joint Ventures

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

(Rs in Mn)

Sl.No.	Name of Associates / Joint Ventures	GTA Power Mech Nigeria Limited
1	Latest audited Balance Sheet Date	31.03.2018
2	Date on which the Associate or Joint Venture was associated or acquired	08.03.2016
3	Shares of Associate/Joint Ventures held by the company on the year end	15000000
	(i) Total No. of Shares	30000000
	(ii) Amount of Investment in Associates/Joint Venture	32,18,142
	(iii) Extend of Holding %	50%
4	Description of how there is significant influence	The Company owns 50% of the Voting power of the company.
5	Reason why the associate/joint venture is not consolidated	NA
6	Net worth attributable to shareholding as per latest audited Balance Sheet	(22,29,464)
7	Profit/Loss for the year	(23,30,093)
	(i) Considered in Consolidation	(11,65,046)
	(ii) Not Considered in Consolidation	(11,65,046)

During the financial year, the Company has divested its entire shareholding from its Joint Venture Company Power Mech – CPNED Services (Hong Kong) Holding Co Ltd.

There are no Associates / Joint Ventures which are yet to commence operations

Note: Conversion Rate taken at NGN = INR 0.19 as on 31.03.2018

For and on behalf of the Board of Directors of

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

Place: Hyderabad
Date: 11.08.2018

ANNEXURE-3

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 called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31st, 2018** has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) (applicable Sections as on date) and the Rules made under that Act;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (since repealed);
 - (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
- (vi) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-
 - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (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;
 - c) Inter-state Migrant Workmen (Regulation of Employment and condition of service) Act, 1979

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

- i) Secretarial Standards SS-1, SS-2 and SS-3 with respect to meetings of the board of directors, general meetings and dividend 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, Rules, Regulations, Guideline, Standards, etc. Mentioned above subject to the following Observations that:

- a) *The Company yet to spend Rs. 138.17 Lakhs out of the total amount of Rs. 157.87 Lakhs to be spent under the provisions of section 135 of the Act i.e. Corporate Social Responsibility.*
- b) *The Company has generally been filing the forms and returns with the Ministry of Corporate Affairs as required under the Act. However, in some instances the forms/ returns were filed with delay by paying additional fee.*

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As a general practice of the Board, decisions are taken on unanimous consent.

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

**PLACE: HYDERABAD
DATE: 11.08.2018**

**FOR P.S. RAO & ASSOCIATES
COMPANY SECRETARIES**

**Sd/-
P.S. RAO
COMPANY SECRETARY
M. NO: 9769
C P NO: 3829**

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

**PLACE: HYDERABAD
DATE: 11.08.2018**

**FOR P.S. RAO & ASSOCIATES
COMPANY SECRETARIES**

**Sd/-
P.S. RAO
COMPANY SECRETARY
M. NO: 9769
C P NO: 3829**

ANNEXURE-4

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.

Sl No.	Particulars	Nature of Relation ship	Nature of contract /Arrangements / Transactions	Duration of the contracts / arrangements / transaction	Amount paid during the year FY 17-18 (Rs. in Mn)
1	S. Kishore Babu	CMD	Lease Rents paid	on going	2.49
2	S. Lakshmi	Director	Lease Rents paid	on going	0.72
3	S. Kishore Babu (HUF)	S. Kishore Babu, CMD is Karta	Lease Rents paid	01.11.2015 to 31.10.2018	0.84
4	S. Rohit	S/o S. Kishore Babu, CMD and S Lakshmi, Director	Lease Rents paid	on going	1.09
5	Power Mech Infra Limited	Company in which S Kishore Babu, CMD and S Lakshmi, Director are having significant influence.	Lease Rents paid	01.01.2016 to 31.12.2020	15.25
6	Power Mech Infra Limited	Company in which S Kishore Babu, CMD and S Lakshmi, Director are having significant influence.	Sub-Contract Expenses & Hire charges Paid	on going	50.82
7	Hydro Magus Private Limited	Subsidiary Company of Power Mech Projects Limited	Sub-Contract Expenses & Hire charges Paid	on going	92.22
8	Power Mech Industri Private Limited	Wholly-owned Subsidiary Company of Power Mech Projects Limited	Sub-Contract Expenses & Hire charges Paid	on going	1.55
11	Power Mech Industri Private Limited	Wholly-owned Subsidiary Company of Power Mech Projects Limited	Stores Material Purchased from	on going	14.04
12	Hydro Magus Private Limited	Subsidiary Company of Power Mech Projects Limited	Contract receipts from sale of services	on going	3.20
13	Power Mech Projects Limited LLC	Subsidiary Company of Power Mech Projects Limited	Contract receipts from sale of services	on going	114.79
14	MAS Power Mech Arabia	Subsidiary Company of Power Mech Projects Limited	Contract receipts from sale of services	on going	154.15
15	GTA Power Mech Nigeria Limited	JV of Power Mech Projects Limited	Contract receipts from sale of services	on going	1.70
16	Power Mech BSCPL Consortium Private Limited	Subsidiary Company of Power Mech Projects Limited	Contract receipts from sale of services	on going	210.18
17	Power Mech Projects Limited LLC	Subsidiary Company of Power Mech Projects Limited	Contract receipts from supply of material	on going	4.67
18	MAS Power Mech Arabia	Subsidiary Company of Power Mech Projects Limited	Contract receipts from supply of material	on going	31.31

Sl No.	Particulars	Nature of Relation ship	Nature of contract /Arrangements / Transactions	Duration of the contracts / arrangements / transaction	Amount paid during the year FY 17-18 (Rs. in Mn)
19	Power Mech Projects Limited LLC	Subsidiary Company of Power Mech Projects Limited	Crane hire charges received	on going	83.20
20	Hydro Magus Private Limited	Subsidiary Company of Power Mech Projects Limited	Rent Received	on going	0.04

The details of the other related party transactions and those entered in earlier years are disclosed in Note no 41 of the Financial Statements

Related Party Disclosure as per Schedule V of SEBI (LODR) Regulations, 2015

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

Rs in Mn

S.No	Name of the Subsidiary	Loans / Advances/ Investments	Amounts at the year ended 2017 -18	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2017-18
i	Hydro Magus Private Limited	Loan	—	—
ii	Power Mech Industri Private Limited	Loan	267.12	267.12
iii	MAS Power Mech Arabia	Loan	—	—
iv	Power Mech Projects Ltd. LLC	Loan	—	—
v	Hydro Magus Private Limited	Investment	29.38	29.38
vi	Power Mech Industri Private Limited	Investment	43.09	43.09
vii	MAS Power Mech Arabia	Investment	4.54	4.54
viii	Power Mech Projects Ltd. LLC	Investment	30.18	30.18
ix	Power Mech BSCPL Consortium Private Limited	Investment	0.05	0.05

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

Rs in Mn

S.No	Name of the Subsidiary	Loans / Advances / Investments	Amounts at the year ended 2017 -18	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2017-18
i	GTA Power Mech Nigeria Ltd.	Investment	3.22	3.22

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

Rs in Mn

S.No	Name of the Subsidiary	Loans / Advances / Investments	Amounts at the year ended 2017 -18	Maximum amount of Loans / Advances/ Investments Outstanding During the year 2017-18
	NIL	—	—	—

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

Rs in Mn

S.No	Name of the Subsidiary	Loans / Advances / Investments	Amounts at the year ended 2017 -18	Maximum amount of Loans / Advances / Investments Outstanding During the year 2017-18
	NIL	—	—	—

For and on behalf of the Board of Directors

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

Place: Hyderabad
Date: 11.08.2018

[illegible]

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 st April, 2017]				No. of Shares held at the end of the year [As on 31 st March, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total shareholding of Promoter (A)	9574023	–	9574023	65.08	9393223	–	9393223	63.85	(1.23)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1645132	–	1645132	11.18	1864783	–	1864783	12.68	1.49
b) Banks / FI	4522	–	4522	0.03	2192	–	2192	0.01	(0.02)
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	766256	–	766256	5.21	1025510	–	1025510	6.97	1.76
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)									
Sub Total (B)(1)	2415910	–	2415910	16.42	2892485	–	2892485	19.66	3.24
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	493427	–	493427	3.35	340633	–	340633	2.32	(1.04)
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh (Previous Year Rs. 1 lakh)	1536899	83989	1620888	11.02	1514295	33439	1547734	10.52	(0.50)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh (Previous Year Rs. 1 lakh)	71640	–	71640	0.49	21640	–	21640	0.15	(0.34)
iii) NBFC Registered with RBI									
c) Others (specify)									
Directors	5148	–	5148	0.03	1648	–	1648	0.01	(0.02)
Non-Resident Indians	71417	–	71417	0.49	78859	–	78859	0.54	0.05
Overseas Corporate Bodies	187773	–	187773	1.28	187773	–	187773	1.28	0.00
Foreign Nationals	–	–	–	–	–	–	–	–	–
Clearing Members	67294	–	67294	0.46	2814	–	2814	0.02	(0.42)
NRI Non-Repatriation	11785	–	11785	0.08	17496	–	17496	0.12	0.04
Trusts	191459	–	191459	1.30	226459	–	226459	1.54	0.24
Sub-total (B)(2):-	2636842	83989	2720831	18.50	2391617	33439	2425056	16.48	(2.01)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5052752	83989	5136741	34.92	5284102	33439	5317541	36.15	1.23
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	14626775	83989	14710764	100.00	14677325	33439	14710764	100.00	–

B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year *
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	S Kishore Babu	3634942	24.71	–	3634942	24.71	–	0.00
2	Sireesha Gogineni	3360	0.02	–	3360	0.02	–	0.00
3	Lakshmi Sajja	2403626	16.34	–	2403626	16.34	–	0.00
4	Sivaramakrishna Prasad Sajja	4480	0.03	–	3230	0.02	–	(0.01)
5	Sekhar Gogineni	3360	0.02	–	1300	0.01	–	(0.01)
6	Gogineni Babu	24640	0.17	–	24708	0.17	–	0.00
7	S Kishore Babu(Huf)	1344000	9.14	–	1344000	9.14	–	0.00
8	Sajja Rohit	1573296	10.69	–	1570688	10.68	–	(0.01)
9	Subhashini Kanteti	2520	0.02	–	2520	0.02	–	0.00
10	Uma Devi Koyi	5600	0.04	–	5600	0.04	–	0.00
11	Sajja Vignatha	571819	3.89	–	398894	2.71	–	(1.18)
12	Sai Malleswara Rao Sajja	2380	0.02	–	355	0.00	–	(0.02)
	TOTAL	9574023	65.08	–	9393223	63.85	–	(1.23)

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

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SAJJA ROHIT						
	At the beginning of the year			1573296	10.69		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	12-05-2017	Sale	(2608)	(0.01)	1570688	10.68
	At the end of the year					1570688	10.68
2	SAJJA VIGNATHA						
	At the beginning of the year			571819	3.89		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	17-11-2017	Sale	(28500)	(0.20)	564900	3.69
		24-11-2017	Sale	(30168)	(0.20)	513151	3.49
		01-12-2017	Sale	(44275)	(0.30)	468876	3.19
		30-12-2017	Sale	(28298)	(0.20)	440578	2.99
		05-01-2018	Sale	(25000)	(0.17)	415578	2.82
		16-03-2018	Sale	(16684)	(0.11)	398894	2.71
	At the end of the year					398894	2.71
3	GOGINENI BABU						
	At the beginning of the year			24640	0.17		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	10-11-2017	Sale	(3000)	(0.01)	21640	0.15
		29-12-2017	Sale	(3068)	(0.02)	24708	0.17
	At the end of the year					24708	0.17
4	SIVARAMAKRISHNA PRASAD SAJJA						
	At the beginning of the year			4480	0.03		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	03-11-2017	Sale	(1000)	(0.01)	3480	0.02
		24-11-2017	Sale	(250)	(0.00)	3230	0.02
	At the end of the year					3230	0.02

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	SEKHAR GOGINENI						
	At the beginning of the year			3360	0.02		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	12.05.2017	Sale	(2060)	(0.01)	1300	0.01
	At the end of the year					1300	0.01
6	SAI MALLESWARA RAO SAJJA						
	At the beginning of the year			2380	0.02		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	21-07-2017	Sale	(1815)	(0.02)	565	0.00
		28-07-2017	Sale	(210)	(0.00)	355	0.00
	At the end of the year					355	0.00

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

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BANYANTREE GROWTH CAPITAL II L.L.C						
	At the beginning of the year			693100	4.71		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease:	19-01-2018	Sale	(25000)	(0.20)	668100	4.51
		02-03-2018	Sale	(53206)		614894	4.18
	At the end of the year					614894	4.18
2	IDFC PREMIER EQUITY FUND						
	At the beginning of the year			450186	3.06		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease	19-07-2018	Buy	40000	0.27	490186	3.33
		09-02-2018	Buy	1036	0.01	491222	3.34
	At the end of the year					491222	3.34
3	SBI SMALL AND MIDCAP FUND						
	At the beginning of the year			370000	2.52		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease	28-04-2017	Buy	26500	0.18	396500	2.70
		05.05.2017	Buy	17726	0.12	414226	2.82
		12-05-2017	Buy	5743	0.03	419969	2.85
		19-05-2017	Buy	11200	0.08	431169	2.93
		31-10-2017	Buy	12100	0.08	443269	3.01
		09-01-2018	Sale	(4000)	0.02	439269	2.99
	At the end of the year					439269	2.99

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	HSBC GLOBAL INVESTMENT FUNDS - ASIA EX JAPAN EQUITY						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease:	05-05-2017	Buy	44928	0.31	44928	0.31
		12-05-2017	Buy	8760	0.05	53688	0.36
		19-05-2017	Buy	5962	0.05	59650	0.41
		26/05/2017	Buy	23852	0.16	83502	0.57
		02/06/2017	Buy	46628	0.31	130130	0.88
		09/06/2017	Buy	18211	0.13	148341	1.01
		16/06/2017	Buy	10342	0.07	158683	1.08
		30/06/2017	Buy	102548	0.70	261231	1.78
		07/07/2017	Buy	14629	0.10	275860	1.88
		14/07/2017	Buy	49652	0.33	325512	2.21
		21/07/2017	Buy	257	0.00	325769	2.21
		28/07/2017	Buy	918	0.01	326687	2.22
		04/08/2017	Buy	7001	0.05	333688	2.27
		11/08/2017	Buy	4911	0.03	338599	2.30
	At the end of the year					338599	2.30
5	DSP BLACKROCK INDIA T.I.G.E.R. FUND						
	At the beginning of the year			305092	2.07		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease:	05/05/2017	Sale	(32646)	(0.22)	272446	1.85
		15/12/2017	Sale	(2000)	(0.01)	270446	1.84
		05/01/2018	Sale	(30000)	(0.21)	240446	1.63
		12/01/2018	Sale	(3343)	(0.02)	237103	1.61
		19/01/2018	Sale	(16251)	(0.11)	220852	1.50
		26/01/2018	Sale	(10767)	(0.07)	210085	1.43
		02/02/2018	Sale	(2072)	(0.02)	208013	1.41
		16/03/2018	Sale	(7807)	(0.05)	200206	1.36
		23/03/2018	Sale	(10838)	(0.07)	189368	1.29
	At the end of the year					189368	1.29
6	HDFC SMALL CAP FUND						
	At the beginning of the year			220000	1.50		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease	29/09/2017	Buy	350	0.00	220350	1.50
		06/10/2017	Buy	1500	0.01	221850	1.51
		13/10/2017	Buy	2900	0.02	224750	1.53
		20/10/2017	Buy	415	0.00	225165	1.53
		03/11/2017	Buy	2000	0.01	227165	1.54
		05/01/2018	Buy	7200	0.05	234365	1.59
		12/01/2018	Buy	39400	0.27	273765	1.86
		19/01/2018	Buy	46700	0.32	320465	2.18
		26/01/2018	Buy	20100	0.14	340565	2.32
		09/02/2018	Buy	120248	0.81	460813	3.13
		16/02/2018	Buy	36100	0.25	496913	3.38
		23/02/2018	Buy	54198	0.37	551111	3.75
		02/03/2018	Buy	46400	0.31	597511	4.06
		16/03/2018	Buy	17200	0.12	614711	4.18
		23/03/2018	Buy	8500	0.06	623211	4.24
	At the end of the year					623211	4.24

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	HSBC INFRASTRUCTURE EQUITY FUND						
	At the beginning of the year			220000	1.50		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease:	14/04/2017	Sale	(13512)	(0.10)	206488	1.40
		14/07/2017	Sale	(50000)	(0.34)	156488	1.06
		19/01/2018	Sale	(75000)	(0.49)	81488	0.55
		02/02/2018	Sale	(9331)	(0.06)	72157	0.49
		16/02/2018	Sale	(37901)	(0.26)	34256	0.23
		23/02/2018	Sale	(34256)	(0.23)	0	0.00
	At the end of the year					0	0.00
8	INDIA BUSINESS EXCELLENCE FUND I						
	At the beginning of the year			187773	1.28		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease:	20/10/2017	Buy	187773	1.27	375546	2.55
		20/10/2017	Sale	(187773)	(1.27)	187773	1.28
	At the end of the year					187773	1.28
9	IL&FS TRUST COMPANY LTD (TRUSTEES OF BUSINESS						
	At the beginning of the year			186991	1.27		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease:	Nil	Nil	Nil	Nil	Nil	Nil
	At the end of the year					186991	1.27
10	RAJASTHAN GLOBAL SECURITIES PVT LTD						
	At the beginning of the year			88075	0.60		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease:	07/04/2017	Sale	(85087)	(0.58)	2988	0.02
		14/04/2017	Buy	70718	0.48	73706	0.50
		21/04/2017	Sale	(36473)	(0.25)	37233	0.25
		28/04/2017	Sale	(5274)	(0.03)	31959	0.22
		05/05/2017	Sale	(5524)	(0.04)	26435	0.18
		12/05/2017	Sale	(500)	(0.00)	25935	0.18
		19/05/2017	Sale	(1098)	(0.01)	24837	0.17
		26/05/2017	Sale	(1656)	(0.01)	23181	0.16
		02/06/2017	Sale	(1000)	(0.01)	22181	0.15
		30/06/2017	Sale	(17000)	(0.09)	5181	0.04
		07/07/2017	Sale	(1000)	(0.01)	4181	0.03
		14/07/2017	Sale	(1000)	(0.01)	3181	0.02
		11/08/2017	Sale	(1148)	(0.01)	2033	0.01
		10/11/2017	Sale	(2033)	(0.01)	0	0.00
	At the end of the year					0	0.00

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	ADESH VENTURES LLP						
	At the beginning of the year			84652	0.58		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease:	08/09/2017	Buy	431	0.00	85083	0.58
		15/09/2017	Sale	(1826)	(0.01)	83257	0.57
		22/09/2017	Buy	5278	0.03	88535	0.60
		29/09/2017	Buy	4800	0.03	93335	0.63
		06/10/2017	Buy	914	0.01	94249	0.64
		13/10/2017	Buy	2	0.00	94251	0.64
	At the end of the year					94251	0.64
12	POLARIS BANYAN HOLDING PRIVATE LIMITED						
	At the beginning of the year			4562	0.03		
	Date wise Increase / Decrease in during the year specifying the reasons for increase/decrease:	07/04/2017	Buy	387	0.00	4949	0.03
		26/05/2017	Buy	21863	0.15	26812	0.18
		23/06/2017	Buy	11548	0.08	38360	0.26
		23/06/2017	Sale	(1864)	(0.01)	36496	0.25
		30/06/2017	Buy	189	0.00	36685	0.25
		14/07/2017	Buy	2339	0.02	39024	0.27
		21/07/2017	Buy	14501	0.09	53525	0.36
		24/11/2017	Buy	1876	0.02	55401	0.38
	At the end of the year					55401	0.38

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of totals hares of the company	No. of shares	% of total shares of the company
1	S. Kishore Babu Chairman & Managing Director						
	At the beginning of the year			3634942	24.71		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	-	-	-	-	-	-
	At the end of the year					3634942	24.71
2	Lakshmi Sajja Non-Executive Director						
	At the beginning of the year			2403626	16.34		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	-	-	-	-	-	-
	At the end of the year					2403626	16.34
3	Mr. M. Rajendran Wholetime Director & COO (resigned w.e.f. 13 th August, 2017)						
	At the beginning of the year			3528	0.02		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	-	-	-	-	-	-
	At the end of the year					3528	0.02

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Mr. N. Bhupesh Chowdary Wholetime Director & CEO (appointed w.e.f. 13 th August, 2017)						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):						
	At the end of the year					Nil	Nil
5	Mr. GDV Prasada Rao Independent Director						
	At the beginning of the year			1120	0.01		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):						
	At the end of the year					1120	0.01
6	Mr. T. Sankarlingam Independent Director						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):						
	At the end of the year					Nil	Nil
7	Mr. Sutanu Behuria Independent Director						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):						
	At the end of the year					Nil	Nil
8	Mr. Vivek Paranjpe Independent Director						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):						
	At the end of the year					Nil	Nil
9	Mr. M. Rajiv Kumar Non-Executive Director						
	At the beginning of the year			Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):						
	At the end of the year					Nil	Nil

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

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

(Amount in Mn)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1518.95	246.95	-	1765.90
ii) Interest due but not paid	1.94	-	-	1.94
iii) Interest accrued but not due	0.41	-	-	0.41
Total (i+ii+iii)	1521.30	246.95	-	1768.25
Change in Indebtedness during the financial year				
* Addition	1002.17	186.15	-	1188.32
* Reduction	172.42	-	-	172.42
Net Change	829.75	186.15	-	1015.90
Indebtedness at the end of the financial year				
i) Principal Amount	2349.56	434.18	-	2783.74
ii) Interest due but not paid	0.05	-	-	0.05
iii) Interest accrued but not due	0.36	-	-	0.36
Total (i+ii+iii)	2349.97	434.18	-	2784.15

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Mn)

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
1	Gross salary	Shri S Kishore Babu	Shri M Rajendran	Shri N Bhupesh Chowdary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.05	0.91	4.60	18.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	
2	Stock Option				
3	Sweat Equity				

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
4	Commission - as % of profit - others, specify	40.80			40.80
5	Others, please specify				
	Total (A)	53.85	0.91	4.60	59.35
	Ceiling as per the Act				107.70

Remuneration to other directors

(Amount in Mn)

Sl. No.	Particulars of Remuneration	Name of Directors						Total
		Smt. S Lakshmi	Shri T Shankarlingam	Shri Sutanu Behuria	Shri M Rajiv Kumar	Shri GDV Prasada Rao	Shri Vivek Paranjpe	
1	Independent Directors							
	Fee for attending board committee meetings	-	0.32	0.32	-	0.32	0.22	
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (1)	-	0.32	0.32	-	0.32	0.22	1.20
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	-	-	-	-	
	Commission	-	-	-	-	-	-	
	Others, please specify: Consultancy fees	-	-	-	5.35	-	-	
	Total (2)	-	-	-	5.35	-	-	5.35
	Total (B)=(1+2)	-	0.32	0.32	5.35	0.32	0.22	6.55
	Total Managerial Remuneration							
	Overall Ceiling as per the Act							

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

SN	Particulars of Remuneration	Key Managerial Personnel		
1	Gross salary	CS	CFO	Total
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.72	3.60	4.32
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	0.72	3.60	4.32

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NONE

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

For and on behalf of the Board of Directors of

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

Place: Hyderabad
 Date: 11.08.2018

ANNEXURE-6

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY OVERVIEW:

At the outset, there are clear signs of economic revival with the current year GDP growth being projected at 7.5 % to 7.6 %. The background of GST tax reforms and its implementation and also buoyancy in the GST collection bodes well for the Country's economy with tax net being widened and tax compliance getting its importance. The emphasis of the Government had been to strengthen all spheres of economic activity with emphasis on infrastructure needs of Power, Roads, Rail connectivity, Ports, Telecom and also enabling investments in the various segments of Industry related to Petro Chemicals, Refineries, Fertilizers, Gas Distribution, Rural Electrification etc.

In the changed conditions and buoyed up economic growth happening in the last 2 years and various policy pursuits of the GOI, it is essential to understand the industry overview keeping in mind, the changes in power and also non-power sector taking place, which is of importance to the Company to know the market dynamics and changing investment priorities.

Power is one of the most critical components for economic growth and welfare of a Nation. The prosperity of a Nation is measured by the per capita power consumption at present of 1,122 kwh and expected to go up to 3,000 kwh by 2040. The total installed capacity as on date is 3,44,000 MW with increasing role for renewables.

The Government has done a commendable job in electrifying all the villages and next challenge is to provide house hold power to individual dwellings and establishments.

Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the Country, continued addition to the installed generating capacity is of paramount requirement. The present emphasis is more on renewable power as part of the goal of reduction in emissions. However there is also a positive side on the need of reducing the emissions for the present installed base of coal based power plants with retrofitting of new emission reduction technologies of Flue Gas Desulphurization (FGD) and Selective Catalytic Reduction (ECR). This is expected to bring new investments for retrofitting needs of FGD and ECR for 1,64,000 MW of coal based power plants.

The export opportunities are picking up. The expected potential for business growth is quite positive with power generation capacity across Middle East planned to be increased from 2,99,000 MW in 2016 to 4,93,000 MW by 2035 with gas and oil based units continuing to play a major role in capacity addition.

The outlook of investments is also picking up in other industry segments in non-power in the areas of Steel, Oil & Gas, Petrochemicals & Refineries, Railways, Infra, Telecom etc which can be of interest to the Company. The recent spurt in the steel prices has rekindled the investment climate and major capacity additions are being planned across the spectrum in private and public sector. Also the stressed assets in the steel sector are undergoing NCLT process with new managements taking control in the private sector and this can also improve investments for the steel business. Oil and gas sector has seen massive investments taking place to provide enhanced distribution networks in the cities and also cross country pipe lines. In the Refinery segment, Brown field expansions plans are being implemented at various refineries with capacity increase plan from 252 M MT to 320 M MT by 2030.

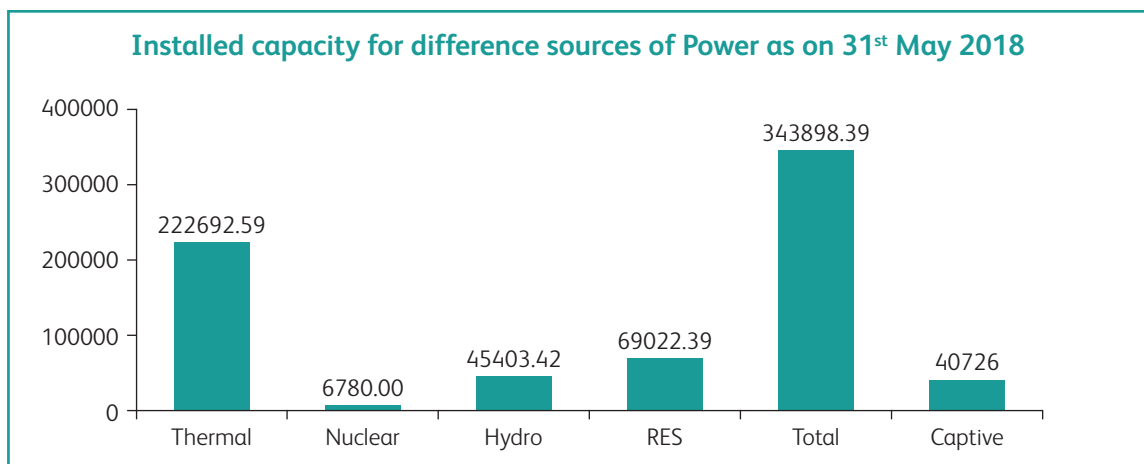
In the telecom sector the emphasis is fast track implementation of Optical Fiber network capacity for high speed broad band connectivity with access to WiFi hotspots and access to digital services will enable the country for better e- Governance, which mainly involves the laying of Optical Fiber Cables across the country as part of "Bharat Net Project" under Government of India, infra needs involving about Rs 450 Billions of investments at various stages of implementation.

In the case of Railways there has been exponential investment going on for the last 3 years to commission two Dedicated Freight corridors by 2019, increased pace of electrification of 2,000 km/year, and also increasing the broad gage capacity to get progress of 26 km/day.

All these changed investment scenarios can be of interest to the Company to align the business and upgrade the diversification measures needed to capture the market opportunities that is bound to take place by means of direct bidding and also need based tie ups for getting on to these opportunities. The economic growth uptrend continues as per various projections could well auger for the construction industry also.

B. POWER MECH BUSINESS OVERVIEW:

- 1. Erection, Testing & Commissioning (ETC) Business:** The Company is capable of undertaking projects of any kind such as sub-critical, super critical, and ultra-mega power projects and also projects in non-power sector across geographical space in the Country and abroad. Your Company is also exploring opportunity in other non-power sectors such as oil & gas sector, petro chemicals, fertilizers, piping works, where it is confident enough to exploit its vast experience and expertise. Your company has established as a leading player in the ETC business of BTG (Boiler Turbine equipment), and particularly in the Super Critical Segment) where in it has established its leadership role of having completed 19 units so far. In all the Company has worked in about 57,510 MW of BTG & BOP (Balance of Plant) packages. The growth of the company also dovetailed with the huge investments taking place in the IPP and state sectors in 11th and 12th plans, and the trend in the investment has slowed down in the 13th Plan with the capacity addition now being planned at 48000 MW upto year 2022. The current approach is to focus on the projects coming up for bidding on selective basis keeping in view the competition from various domestic players. However your company has already factored the lower investments in the Power sector and focused on major diversification measures on Export front & non-power sectors which has enabled the Company on to the growth path.



- 2) **Operation & Maintenance (O&M):** The key target areas for the Company at this point of time is for scaling up of O&M vertical with a focus on strengthening its position in the international operations in both the verticals i.e. ETC & O&M and also exploring the opportunities in the non-power sector. The focus in the coming years is to consolidate the O&M business as this segment adds to the strengths of business growth, by expanding into balance opportunities in IPP sector, foray into State sector, Captive sector, Hydro segment, Manufacture of spares and also increasing the footprint of O&M business in the export sector. The changed generation mix with renewable playing increased role, can also bring in huge changes in the O&M practices particularly thermal power plants for reconfiguring to day/night operations for load management, frequency control, with shutdowns/starts on daily basis. Therefore O&M would play much important role in future for meeting these changes.

Your Company is a player across the value chain and has established its preeminence in the coal & gas based power projects installation, and with lower investments in coal based units in the coming years, the shift has been to scale up O&M and AMC business and today this segment contributes to 34 % of business.

- 3) **International Operation:** Your Company has already marked its phenomenal presence in countries like Libya, Yemen, Bahrain, Kuwait, Oman, Saudi Arabia, Dubai, Bangladesh, Nigeria etc. The Company is associated with the reputed project developers and EPC contractors keeping high standards in tune with international levels of quality, safety and timeline. Timely implementation of contracts is the key for success in these jobs. Territorial diversification protects the Company against regional volatility in demand, pricing and also enables it to concentrate on high-growth and better-margin areas. The expected potential for business growth is quite positive with power generation capacity across Middle East planned to be increased from 2,99,000 MW in 2016 to 4,93,000 MW by 2035 with gas and oil based units continuing to play a major role in capacity addition, and this will throw up immense opportunity for your Company both in the ETC business and also O&M business. Your Company has already established the required organization structure and infra with its HQ in Dubai for Middle East and Africa Operations.
- 4) **Civil & Others:** Your Company is also exploring opportunities in other non-power sectors such as railways, transmission & distribution, industrial construction etc. where it is confident enough to exploit its vast experience and expertise. The Company has also realized the huge opportunities available in Rural Electrification of about Rs 400 Billion and has already made its mark and expects this segment along with Optical Fiber network for broad band connectivity can also contribute to the growth and diversification.

The foray into Railways both in the Electrification and capacity addition of new lines has investment potential of Rs 8,000 Billion in the next 5 years. The Company has already made a mark in this segment and hopes to catch up with the new investments coming up.

The above initiatives have been validated by successful ongoing execution of railway contract in AP, and REC contracts in MP and North East and the recent break through in the execution of cross country gas pipe lines in Tamilnadu, Gujarat and Maharashtra. Other major initiative has been the turnkey execution of the Andhra Pradesh Medical Technology Zone (AMTZ) as part of make in India initiative to establish the infra and inputs needed for the high end manufacture of medical equipment in the Country in the state of AP at Vizag.

Knowing very well the dominance of power sector in the ETC business of your Company is waning, at the right time the company has embarked on measured diversification in various sectors, not only filling in the gaps in business of ETC of Power sector but also contributing to the growth initiative in the year 17-18 and hope to reap the benefits of these measures on a continuous basis in the coming years also.

C. OPPORTUNITIES:

We believe our strength give us the competitive advantage to position ourselves as a leading service provider in the power sector and this strength being used for diversification into non-power sector with redeployment and gainful use of resources and assets both in mechanical and civil jobs.

An insight of some sectors in which your Company is constantly pursuing futuristic prospects of growth to drive value for all its stakeholders.

1) **Main Power Plant, FGD& SCR Business for Thermal Sector:**

Domestic: The ongoing construction works on 48,000 MW planned addition from 2017 to 2022 has reduced the scope of opportunities when compared with nearly 90,000 MW achieved from 2012-17. However the Company pursuing all the opportunities in Indian context of ETC business with all the EPC players like, BHEL, GE, L&T, Toshiba etc. The present ordering to be done for site works is coming mainly from the various EPC players with present total opportunity available of Rs 60 Billion. The total tendering work that being carried out by EPC players for sub contracting is for about 15,000 MW.

Flue Gas Desulphurization related to the reduction related to Sox (Sulphur Oxides) & Selective Catalytic Reduction for reduction of NOx (Nitrogen Oxides). This is a new technology formulation which has to be incorporated in majority of coal based thermal power plants to reduce Sox and emissions in line with Paris Climate accord. GOI has already identified about 1,64,000 MW of thermal units which need to be retrofitted out of 1,97,000 MW of coal based units. With the investments in these emission reduction technologies by 2024, it has a potential investment of Rs 1,000 Billion. This will bring in opportunities for the construction business in Civil and ETC business for construction work is around Rs 200 Billion in the next 7-8 years. This can to some extent supplement the ETC and Civil works business for the main plants works. In the backdrop of Power Mech experience in completing the First FGD system of GE technology at Vindhaychal 500 MW(MP), Power Mech will be qualified to undertake these works and also the recent order received for Harudauganj 660 MW unit ETC works of FGD and SCR works being supplied by Doosan(UP).

There is also the plan to reduce the particulate emissions by the retrofitting of ESPs to the extent of 66,000 MW on old units and this can also throw up opportunities in the ETC and Civil business.

International Operation: The export initiatives had been commendable with the undertaking of projects in Middle East, Africa and Bangladesh and the export growth had been consistent with timely implementation of projects and your Company has big plans for consolidating and growth both in geographical reach and also make export business to contribute substantially for business growth of the Company.

Export initiative in the last three years had resulted in major gains and had helped the company to balance the reduced opportunities which were available in the domestic sector during this period. The presence has been well established in Middle East and Bangladesh. There had been further geographical expansion into West Africa in Nigeria and also North Africa. Your Company had successfully completed major jobs in Power Plant installation works of 2x600 MW at Sukhiai for M/s Hyundai in Saudi Arabia and 380 MW Gas based power plant in Bangladesh for L&T. Presently the company is working in the countries of Saudi Arabia, Kuwait, Bahrain, Oman, Dubai, Libya, Nigeria and Bangladesh. The undertaking of a major captive power plant for a Refinery Project has been a major recent initiative with foot print established in West Africa. The installed generation capacity is planned to be augmented to 493 GW by 2035 and the continued pace of investments has been throwing up lot of opportunities for new units installation.

At present the Company is pursuing opportunities of about Rs 50 Billion across most of the Middle East, West Africa and North Africa both in the Power Sector as well as Refinery and Oil & Gas Sector.

2) **Operation and Maintenance (O&M):** O&M business has become a very important arm of your Company's operations substantially contributing to the top line with 34% of revenue share and higher returns and this segment of business has been substantially undergone consolidation with long term contract of 3 to 5 years for operation which forms of the bulk of O&M business. The other part of the O&M business mainly relates to repair, maintenance, over hauls, shutdowns etc which are need based services at the plants. Both the sub segments are rewarding and now became the backbone of the Company's growth plan for top and also bottom line.

The growth of IPP sector had opened up immense opportunities in the last 5 to 6 years for long term O&M contracts and as on date the Company has established presence in about 52,000 MW for long term contracts out of the installed base of 90,000 MW in the domestic sector.

After the advent and presence of ETC business in the export sector, the Company has also in parallel establishing the O&M space in the Middle East and North Africa. The beginning has been made to address the needs of Over Hauls, Repair, etc, and the focus is to expand the country wise profile in Middle East as first stage for similar works and then look for major opportunities for long term contracts. The present installed base of >300GW offers lot of scope for improving the export O&M business in the next 2/3 years.

The focus in the coming years is to consolidate the O&M business as this segment adds to the strengths of business growth, by expanding into balance opportunities in IPP sector, foray into State sector, Captive sector, Hydro segment, Manufacture of spares and also increasing the footprint of O&M business in the export sector. The changed generation mix with renewable playing increased role, can also bring in huge changes in the O&M practices of particularly thermal power plants for reconfiguring to day/night operations for load management, frequency control, with shutdowns/starts on daily basis. Therefore these changes in the generation mix in the coming years with renewable portion going up to 40% would need major changes in the coal based plants O&M structure and procedures, which can entail more O&M costs to the generator and leading to more opportunities for the O&M operators.

There is also balance scope of about 35,000 MW in IPP sector, > 40,000 MW of coal based captive sector out of total installed base of 65 000 MW. In the case of NTPC the leading generator in the Country, is trying to bring under the fold of long term 3 to 5 years for annual repair contracts where in the additional capacity addition is expected to be 4,000 MW to 5,000 MW p.a. In the case of State utility sector of thermal power plants of about 72,000 MW, and efforts are under way for the penetration of long term O&M contracts.

Efforts are under way for entry into O&M business in non-power sector related to Refinery, Petrochemicals, Steel etc and some initial success has been achieved and the effort is to expand the opportunities in the coming years and this will add to overall business growth of O & M business. The synergy of expertise and experience in power sector O&M operations are being utilized for foraying into non-power sector O&M business.

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

- 3) **Civil & Other works:** Major experience has been gained in the implementation of civil works in various power projects for the last 6 years and your Company has established an SBU with experienced organization structure for the implementation of civil works. This experience has been quite useful for industrial civil construction both in the power and non-power sectors and this has also enabled the Company in the qualification requirements needed for non-power projects and in some of the infra projects. The expansion of civil business is being assessed for its viability and synergy with the Company's outlook and goal.

In the case of power projects, the emphasis is always to take up the civil works as part of the ETC business for better synergy of operations from site and cost optimization. This policy will be continued as per the opportunities made available. Similar approach also will be adopted in the case of non-power sector related to Refineries, Steel Plants, Fertilizers and Cross Country pipe line works. The opportunities available at present along with ETC business in power sector is around Rs 60 Billion and in the case of non-power sector excluding Railways, and Infra is around 15 Billion along with ETC business.

Your Company had made breakthrough in getting the order of Rs 3,570 Mn of Andhra Pradesh Medical Technology Zone (AMTZ) which is under implementation on a fast track basis at Vizag. Your Company is confident of timely implementation of this EPC contract. The fast track implementation of this work is also contributing to the growth of the Company in the current year.

- 4) **Railways:** Another sector where your Company is constantly keeping an eye is Railways after the entry into this business recently.

The Indian Railways is among the world's largest rail networks. The Indian Railways network is spread over 1,15,000 km, with 12,617 passenger trains and 7,421 freight trains each day from 7,172 stations plying 23 million travelers and 3 MT of freight daily. India's railway network is recognized as one of the largest railway systems in the world under single management.

The Government of India has focused on investing on railway infrastructure by making investor-friendly policies. Huge investment of more than Rs 8,000 Billion in the next three years in major segments in network decongestion and expansion with electrifications, station developments, high speed corridors etc. At present the Company is focusing immediately about new tracks with electrification with opportunities available for about 120 Billion being pursued. As these contracts are on item rate basis, and secured payments, and with more opportunities due to massive investments taking place, the bidding can be attractive. With these investments maturing in the coming years, the economics of transportation thro' Railways can again start playing the leadership role surrendered to long distance road traffic.

The initial experience of presently executing the Rs 2,486 Mn (for 37km) doubling of railways lines from Gudivada to Machilipatnam has given the confidence of consolidating this business.

The idea of your Company is to consolidate and grow this business in the next 5 years.

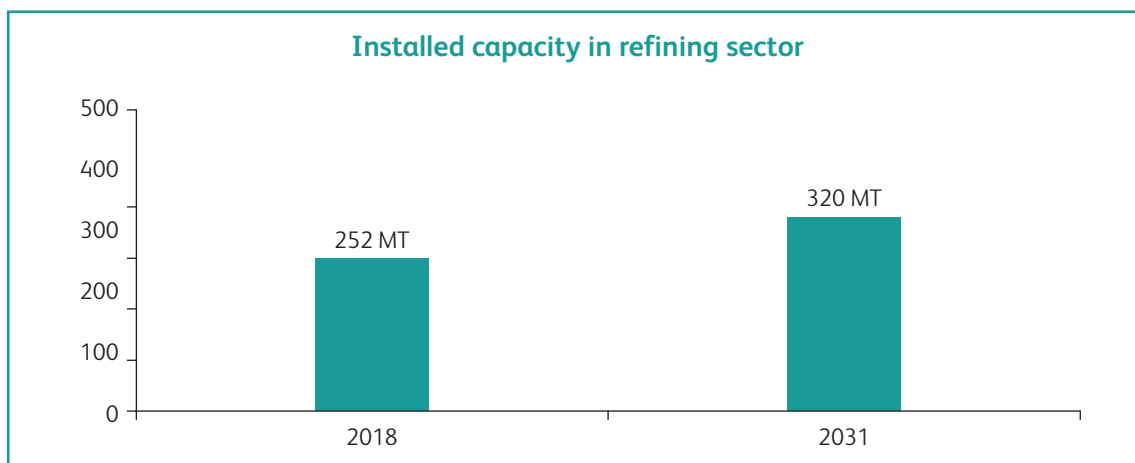
- 5) **Rehab and Reconstruction:** Power Mech has gained experience in the Rehab business being partner with Doosan for the 200 MW Bandel plant up gradation and this work has been successfully completed. In the light of capacity additions in the thermal sector drastically coming down beyond 2022, the present plan is to complete the projects on hand worth of 48,000 MW by 2022. With this change with focus on renewables, the focus would also on the Rehab of older power plants and also Reconstruction of Plants which will be uneconomical to run.

In the case of Rehab business as per guidelines, it is estimated that Rs 200 Billion to Rs 300 Billion worth of investments are planned from 2017 to 2022. This investment is purely for the upgradation and modernization of plants with age of 15 to 25 years and more.

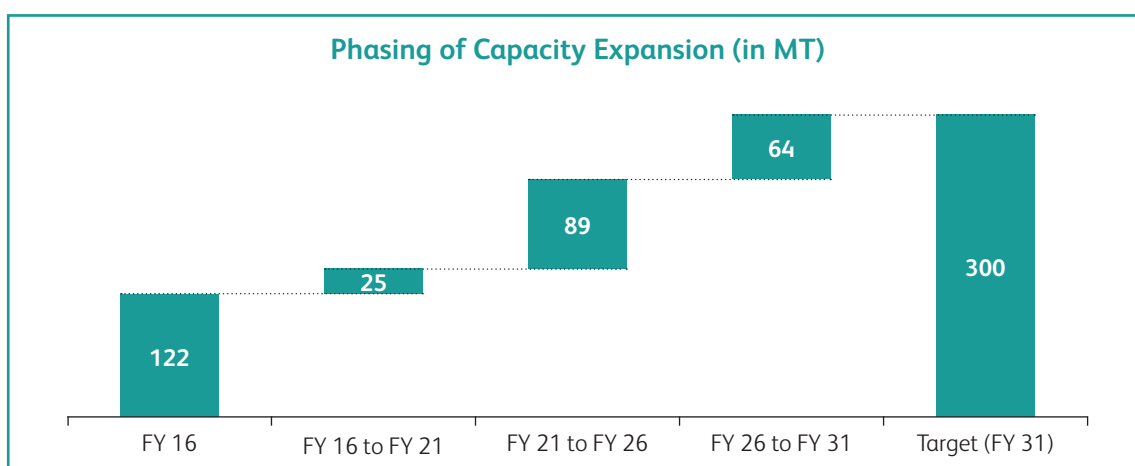
In the case of Reconstruction, this can be an entirely new business activity involving dismantling of the older and uneconomical power plants and augmenting the capacity with new generation supercritical units. NTPC, the leading developer has identified for reconstruction of 11,000 MW and the first plant based on this philosophy is coming at Patratu 3x800 MW units. This can help in emerging two areas of business; one is related to the dismantling of the older power plants and the other is related to ETC of new plants coming in its place.

- 6) **Oil, Gas & Fertilizer Sector:** There is a substantial growth expected in this sector particularly in the refining sector where the installed base of 252 M MT and is expected to be enhanced to 320 M MT by 2031. There are expectations of huge investments coming up in this sector, by way of brown field refineries augmenting the capacities and also few green field refineries. The construction scope of the business is expected to be in the range of Rs 30-40 Billion per year. The Company had sensed this and had gained some initial experience in taking up work at Jamnagar Refinery J3 expansion from RIL and also working for BHEL in some of the petrochemical and refinery plants like Paradeep Refinery, MRPL, and OPAL promoted by ONGC and also RIL's Petrochemical complex at Dahej. These jobs had given the initial exposure and also ability to cater to the stringent safety and quality standards of petrochemical based construction works. For very larger works, the Company is trying to meet the qualifying needs for pre-qualification. There are also investment coming up in replacing the old Fertilizer plants at Sindri Baruni and Gorakhpur and these investments also can bring in more opportunities in ETC and Civil business. Since the business and product profile is similar to the ETC type of works in power sector, there will be huge synergy in undertaking such works and also better utilization of the resources available with the Company and this can also enable the Company to offset the negative growth in the thermal business of power sector. The expansions are coming up at Vizag, Mumbai, Barmer, Bhatinda and also IOCL is planning a huge 60MMT green field refinery in the West Coast. This sector can enable the Company to explore into the following fields:

- ETC of plant and machinery along with piping and auxiliaries
- Civil and structural works
- O&M and AMC business which can also synergized with the expertise already established in the power sector



- 7) **Steel Sector:** Steel sector growth has seen stunted in the last few years due to the drop in steel prices and now it has substantially picked up, and there is now greater optimism for new investments expected in the steel sector. With installed capacity of 124 M MT, the Government of India plans are to expand this capacity to 300 M MT by 2030. The GDP growth can also drive the steel capacities and also increased production needs. It is significant to note that Power Mech has already forayed into this segment with carrying out works for the 3 M MT expansion works at Nagarnar and also at Angul for JSPL where in Power Mech had completed the works of JSPL for the Blast Furnace area of site structural and equipment installation. This background can enable the Company for qualification in future opportunities for the expected expansion in Steel Plant installed capacity. Since the works of ETC and Civil works are of similar in nature related civil works, structural works, piping and equipment erection, it is possible that the ETC and Civil business in the Steel segment can to some extent bring in opportunities and business share. The new investments being planned by JSW Dolvi and Vijayanagar plants of 5 M MT capacity addition and the expansion of Tata Steel plant at Kalinganagar from 3 M MT to 8 M MT can throw up many opportunities in ETC and Civil works.



- 8) **Transmission & Distribution Sector:** The economic growth exhibited by India in the past decade at a constant rate of about 7.5% CAGR has truly been phenomenal. One of the major forces enabling India to achieve this impressive feat has been the advancements made by the Power sector in terms of capacity and availability. It has been facilitating an efficient transition from labor to machine intensive production and constantly fuelling the energy requirements of various other industries. It remains one of the most critical components of infrastructure that affects economic growth.

Power transmission and distribution is perhaps as important as power generation. T&D in India is the 3rd largest in the world. Current installed transmission and distribution capacity is about 150 GW which is considerably low compared to generation capacity of 344GW. The power transmission and distribution sector is now receiving its due attention with investments from the Government in the form of higher share of allocated expenditure through some of its scheme such as Deendayal Upadhyaya Gram JyotiYojana (DDUGJY) and Integrated Power Development Scheme (IPDS). The Indian Government planning to tender out transmission & distribution projects worth Rs 1,000 Billion and given the huge untapped potential in state-level & national level exist for power transmission & distribution engineering with increasing demand. This can also a great opportunity for established construction Company's like yours to get a share of the business.

Power Mech has already made an entry into this sector and was successful in grabbing orders worth Rs 2330 Million from the Government of Madhya Pradesh under Deendayal Upadhyaya Gram JyotiYojana (DDUGJY), and also 4 projects from the North East and Integrated Power Development Scheme (IPDS) for rural electrification works which will help in gaining experience and qualification for undertaking the upcoming projects. These initiatives has given your company the foot hold in this sector where in huge investments are taking place. Your company will be very selective and conservative in bidding for the future projects in this sector in terms of location, margins etc.

- 9) **Hydro Sector & Water:** Your company is already carrying out hydro plant installation works in Bhutan and with its subsidiary arm of Hydro Magus, has started into all segments of Hydro business in the areas of ETC, EPC (for small units), Repair, Maintenance, Rehab & O&M and has established its foot print in the states of J&K, Uttarakhand, Kerala, AP, MP. Uttarakhand, J&K. There are opportunities of Rs 9.25 Billion in Electro Mechanical packages, Rs 22.86 Billion in EPC packages of small units, & 12.28 Billion for R&M area across all segments of Hydro Business in the next 4 years. The expansion of profile in these segments can augur well for the Hydro Business of the Company.

Also the company has taken initiative in the Water systems, particularly in the field of STP (Sewage Treatment Plant). For the urban water treatment needs and also increased focus on Sewage treatment on a large scale for improving the urban quality of life. At present still 65% of the Urban needs have to be brought under the STP scheme and this has thrown up huge opportunities across the country.

- 10) **Nuclear Power:** There has been renewed vigor in this segment with GOI approving investments for 10 units of total capacity of 70 Billion MW with an investment of Rs 70,000 cr in the next 3 to 4 years. The expertise of the Company in the ETC of turbo generator & structural works would come in handy in making efforts for the site installation works particularly in the turbine island works.
- 11) **Manufacturing:** Your Company has now fully established a manufacturing base in Noida. This mainly caters to the needs of Hydro and Thermal repair jobs including supply of spares based on reverse engineering. The huge O&M organization set up and presence in the Country in operating and maintaining about 52,000 MW of units can also help in the marketing requirements for this unit. This can be one of the first steps in backward integration in the O&M value chain.

D. FINANCIAL INFORMATION

1. Sources of Funds

Currently, we have only one class of shares i.e., Equity Shares of nominal value Rs. 10/- each. Our Authorised Share Capital is Rs. 26,00,00,000/- divided into 2,60,00,000 equity shares of Rs. 10/- each. The Issued, Subscribed and Paid Up capital stood at Rs. 14,71,07,640/- divided into 14,71,07,64 equity shares of Rs. 10/- each as at March 31, 2018.

2. Profit & Loss Account

The balance retained in the Profit & Loss account as at March 31, 2018 is Rs. 4,686.50 Mn after providing for final dividend for the year of Rs 14.71 Mn and Dividend Tax of Rs. 3.02 Mn thereon. The total amount of profits proposed to be appropriated towards dividend and Dividend tax is Rs. 17.73 Mn.

3. Deferred Tax Assets/ Liabilities

We recorded net Deferred Tax Assets of Rs 18.21 Mn as at March 31, 2018 (Previous Year Deferred Tax Liabilities of Rs. 21.19 Mn)

4. Fixed Assets

During the year, the net block of the fixed assets as at 31st March 2018 is Rs.1,485.96 Mn as compared to Rs. 1,613.43 Mn in the previous year.

5. Investments

Investments in Subsidiaries

During the year, your Company has invested in the newly incorporated subsidiaries/JV's, the details of which are hereunder.

S. No.	Name of the Subsidiaries/JV's	Investment in Foreign currency	In Rs (Lakhs)
1.	Power Mech BSCPL Consortium Private Limited	–	0.51

There were no other investments made by the Company during the year under review.

F. RESULTS OF OPERATIONS

(I) Income and expenditure – consolidated & standalone

(Rs in Mn)

Particulars	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	15,479	13,382	13,101	12,911
Other Income	67	77	74	77
Total Income	15,546	13,459	13,175	12,988
Total Expenses	14,243	12,461	12,163	12,005
Profit before Tax	1,300	1,003	1,012	983
Profit after Tax (including other comprehensive income)	908	651	659	641
Profit after Tax and Minority Interest	795	651	659	641
Earning per equity share	54.01	43.96	44.79	43.29
Book value per equity share	474	422	463	419

(ii) Probability ratios – consolidated and standalone

Particulars	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
EBIDTA Margin	13.44 %	12.91 %	12.98 %	13.04 %
PBT Margin	8.38 %	7.45 %	7.68 %	7.57 %
PAT Margin	5.84 %	4.84 %	5.00 %	4.93 %
PAT Margin (after MI)	5.11 %	4.84 %	5.00 %	4.93 %
Return on capital employed	18.39 %	16.50 %	15.18 %	16.53 %
Return on Net worth	12.02 %	11.05 %	10.14 %	10.95 %

Risks & Concerns:

Risk assessment and mitigations in all segments of business has been the cornerstone of Company's business strategy for sustainable growth. The Company works on a structure, which entails risk identification, mitigation, control and monitoring at multiple levels.

Company has created standard operating procedures which filters and mitigates risks at conceptualization and execution levels. The process starts at the stage of identifying projects for bidding and bid pricing. Thereafter the Company has a highly qualified and experienced Project Management team that ensures the execution of contracts as per the approved costs and budget. The regular monitoring and review process ensures project execution within the approved budget, timelines and early warning for unforeseen issues.

Company's Strength:

The core strength of your Company lies in the highly competent and experienced workforce. The Company has to its credit the execution of many critical and first of its kind jobs across India and abroad.

All business segments are headed by industry veterans, who have unprecedented experience and proven delivery chronicles. The business heads are guided by Board of Directors which has its members from diversified fields and decades of experience.

Over the years the Company has invested large sums to build its assets. Today the Company has a massive equipments baseranging from 50 ton to 350 ton.

Another important strength of your Company is the financial discipline it adheres to. When the entire Industry was availing large sums of loans, your Company was looking to cut down its debts.

Apart from the above the following are other major strengths of your Company:

- Well diversified business profile with stable revenue generating higher margins
- Robust Financials
- Strong execution capabilities across verticals
- Huge Asset Base with over 300 Cranes and Heavy equipments
- Project handling capabilities across the globe
- Qualified Independent Board & Good Corporate Governance

Internal Control System

The Company has in place adequate Internal Financial Controls commensurate with the size, scale and nature of its operations.

The Internal Control system includes policies, procedures and guidelines to monitor business and operational performance, ensure business integrity and promoting operational efficiency.

Some of the aspects assisting Internal Controls are:

1. Standard Operating Procedures
2. Deployment of SAP system which covers most of its operations and runs on maker and checker protocol.
3. Management Audit Team supported by Internal Auditors, who carry out review of the process and systems throughout the year.
4. The Audit committee of the Board of Directors, comprising of Independent Directors, regularly reviews audit plans, significant audit findings, adequacy of internal controls and compliance with Accounting Standards.

This system ensures accountability, prevention and detection of errors and frauds, accuracy of the accounting records.

Human Resource

Power Mech recognizes that acquisition and retention of right talent plays a key role in fulfilling of desired operational standards. The highly skilled and experienced employees are one of the biggest assets of your Company. Employees are provided with continuous opportunities for active learning and develop their skills which are viewed as key drivers of their career growth, thereby contributing to the success of the organization along with their individual growth. The performance management system reinforces organization's work culture with proper key result areas (KRA'S) being established and continuously tweaked upon.

Special care has been taken for employees to share their views and opinions with the management. Formal channel are in place for employees to put forward their views and concerns. The Management team would like to acknowledge and appreciate the contribution of all employees.

The management is committed to develop human resources so as to ensure sustainable and long term growth of each employee.

Health Safety and Environment

Our people are the key to everything we do, ensuring their safety is the Company's most important goal. We are committed to achieving a high standard of incident prevention through the continuous improvement of our positive safety culture and management system. Safety improvement is a never ending exercise and we are well aware of the importance of ensuring not only a safe workplace, but instilling and supporting a culture which places people's safety at the forefront of everything we do.

We acknowledge that we have an essential responsibility to the environment and fully comply with all the regulatory requirements.

We practice **PDCA** and adhering to international practices:

Plan: Define the problem to be addressed, collect relevant data, and ascertain the problem's root cause.

Do: Develop and implement a solution; decide upon a measurement to gauge its effectiveness.

Check: Confirm the results through before-and-after data comparison.

Act: Document the results, inform others about process changes, and make recommendations for the problem to be addressed in the next PDCA cycle.

Cautionary Statement

Statement made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

ANNEXURE -7

Report on Managerial Remuneration

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

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

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

Sl. No.	Name of Director	Designation	Ratio of the remuneration of each Director to the median remuneration of employees
1	Shri. S Kishore Babu*	Chairman and Managing Director	51:1
2	Shri. M Rajendran (resigned w.ef. 13 th August, 2017)	Wholetime Director & COO	10:1
3	Shri. N Bhupesh Chowdary (appointed w.ef. 13 th August, 2017)	Wholetime Director & CEO	28:1
4	Smt. S Lakshmi	Non-Executive Director	-
5	Shri. T Sankarlingam	Independent Director	-
6	Shri. GDV Prasada Rao	Independent Director	-
7	Shri. Sutanu Behuria	Independent Director	-
8	Shri. M Rajiv Kumar*	Non-Executive Director	-
9	Shri. Vivek Paranjpe	Independent Director	-

* In the above calculation, the commission paid to Mr. S. Kishore Babu, CMD and consultancy charges paid to Mr. M Rajiv Kumar, Non-Executive Director is not considered.

- ii. **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18:**

Sl. No.	Name of Director/KMP and Designation	Designation	% increase in Remuneration in the Financial year 2017-18
1	Shri. S Kishore Babu	Chairman and Managing Director	22.22 %
2	Shri. M Rajendran	Wholetime Director & COO	5.00 %
3	Shri. J Satish	CFO	18.00 %

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

The remuneration of Mr. Bhupesh Chowdary, Wholetime Director & CEO and Mr. Rohit Tibrewal, Company Secretary is not comparable as they were appointed during FY 2018.

- iii. The median remuneration of employees of the Company during FY 2018 was Rs 254,628 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, 2018 was 2.51 %.
- v. **The number of permanent employees on the rolls of Company as at March 31, 2018**
There were 5588 permanent employees on the rolls of Company as on 31 March, 2018.
- vi. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
The average percentile increase in the salaries of the employees other than, the managerial persons in the last financial year is 6.3 % and there has been increase of 22 % in the managerial remuneration (excluding commission to CMD) during the financial year.

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

B) Top 10 Employees in terms of remuneration

Name	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years)	Nature of Employment	Remuneration in (Rs. In Lacs) Per Month	Previous Employment	Relative of Director If any
Satish Jami	43Y	CA & MBA	CFO	20.10.2014	19	Full Time	3.22	Indu Projects	No
Sunil Mahto	53Y	B.Tech	Sr.Vice President	03.10.2017	30	Full Time	2.72	L&T Power Ltd.	No
Ajay Kumar Kantheti	44Y	B.Tech	Sr.Vice President	20.11.1999	24	Full Time	2.59	Indwell Constructions	No
Biswajit Das	54Y	B.Sc	Vice President	05.12.2017	30	Full Time	2.40	Lanco Infra Tech Ltd.	No
CVK Prasad	52Y	B.E.	Sr.Vice President	28.12.2017	28	Full Time	2.37	KSK Mahanadi Power Company Ltd.	No
Rajendra Murugesan	61Y	B.E.	COO	01.04.2007	37	Full Time	2.01	Bharath Heavy Electrical Ltd.	No
Tapash Shankar Nag	45Y	B.E.	Dy.General Manager	02.12.2017	22	Full Time	2.01	Jindal Steel & Power Ltd.	No
Prakash Chandra Joshi	48Y	B.Tech	Associate Vice President	10.11.2014	26	Full Time	2.00	Corporate Power Ltd.	No
Ramakrishna Gorti	42Y	M.Tech	Asst.General Manager	25.10.2017	14	Full Time	1.83	B.G.R Energy System Ltd.	No
Gopi Krishna T.V	42Y	Diploma	Asst.General Manager	14.12.2017	22	Full Time	1.59	Jindal Steel & Power Company Ltd.	No

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

Name	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years)	Nature of employment	*Remuneration in Rs. per Annum	Previous Employment	Relative of Director If any
S. Kishore Babu	55	B.Tech (Mechanical)	CMD	22.07.1999	33	Full time	53,848,886	Jt. Md, Indwell Constructions Private Limited	Spouse of S. Lakshmi, Director

*Remuneration Includes Salary and Commission.

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

E) There are no employees in the service of the Company covered under Rule 5 (2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

For and on behalf of the Board of Directors

Sd/-

S Kishore Babu

Chairman & Managing Director

DIN: 00971313

Place: Hyderabad

Date: 11.08.2018

ANNEXURE -8

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

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

A) CONSERVATION OF ENERGY

- (i) **Steps taken for conservation of energy:** Energy conservation signifies how effectively and efficiently the company is managing its operations. The Company has undertaken various energy efficient practices and strengthened the Company's commitment towards becoming an environment friendly organization. The Company cautiously utilizes power and fuel to reduce the cost of maintenance.
- (ii) **Steps taken by the company for utilizing alternate sources of energy:** NA
- (iii) **Capital investment on energy conservation equipment's:** NA

B) TECHNOLOGY ABSORPTION

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

S. No	Particulars	Rs. in Mn	
		2017-2018	2016-2017
1	Earnings	1099.17	2356.61
2	Outgo	780.49	2053.07

For and on behalf of the Board of Directors

Sd/-

S Kishore Babu

Chairman & Managing Director

DIN: 00971313

Place: Hyderabad

Date: 11.08.2018

ANNEXURE - 9

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Corporate social responsibility is an integral part of our Company culture. As a responsible Corporation, we respect the interests of our stakeholders—our shareholders, employees, customers, suppliers, teaming partners, and the wider community—and we actively seek opportunities both to improve the environment and to contribute to the well-being of the communities in which we do business.

Even before the introduction of any statutory guidelines, Power Mech is discharging its Corporate Social Responsibilities by engaging itself in socio economic and other philanthropic activities like promoting education, contributing to the social benefits in the situations of natural calamities and health of the poor people by organizing health camps etc.

CSR committee

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

- | | | | |
|-------|-------------------|---|----------|
| (i) | S. Kishore Babu | : | Chairman |
| (ii) | S. Lakshmi | : | Member |
| (iii) | G.D.V. PrasadaRao | : | Member |

Our objectives

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

Focus Areas of Engagement

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

PMPL's five focus areas comprise:

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

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

(Rs in Mn)

Average net profit of the company for last three financial years	Rs. 789.36
Prescribed CSR Expenditure (2 % of the above amount)	Rs. 15.78
Details of CSR spent during the financial year	
Total amount spent for the financial year	Rs. 2.00
Amount unspent, if any	Rs. 13.78
Manner in which the amount spent during the financial year is detailed below	Annexure A of this report
In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount:	The Company has led the foundation of various programmes at small scale to have better understanding of the ground realities, feedback and requirements of the communities. After that the Company is planning to expand the scope of its activities at an enhanced level. However there are few new initiatives to be consider by the Company in future and moving forward the Company will endeavor to spend complete amount on CSR activities as per the statutory requirements.

Our CSR responsibilities

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

Annexure A

(Rs in Mn)

S. No	CSR Project/ Activity/ beneficiary	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
1	Health Checkup of Poor people	Health	Vijayawada & adjoining areas	Rs. 40 Lakhs	Rs. 20 Lakhs	Rs. 20 Lakhs	Implementing Agency
2	Promoting primary and Secondary education in Rural and Socially/Economically Backward communities	Education	Vijayawada & adjoining areas				Implementing Agency
3	Health Checkup of Poor people	Health	Vijayawada & adjoining areas				Implementing Agency
4	Water and Butter Milk Camp during summer	Social Service & Health	Vijayawada & adjoining areas				Implementing Agency

Implementing Agency

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

For and on behalf of the Board of Directors

Sd/-

S Kishore Babu

Chairman & Managing Director

DIN: 00971313

Place: Hyderabad

Date: 11.08.2018

ANNEXURE - 10

REPORT ON CORPORATE GOVERNANCE

A. Company's Philosophy on Corporate Governance

Good corporate governance is an essential foundation for any company. It sets the tone as to how the Company operates and behaves, both internally and externally. It also defines the relationship between the Board, senior management, employees and other stakeholders.

Corporate governance refers to the entire system for managing and supervising a Company. This includes the organization, values, corporate principles and guidelines as well as internal and external control and monitoring mechanisms. Effective and transparent corporate governance guarantees that Power Mech is managed and monitored in a responsible manner focused on value creation. This fosters the confidence of our domestic and international investors, the financial markets, our customers and other business partners, employees, and the public in Power Mech.

Power Mech's philosophy on Corporate Governance is to achieve business excellence, enhance long term values for its Stakeholders, maintaining excellent relations across all levels and proper compliance with all applicable legal and regulatory requirements. We believe that Corporate Governance is a journey for constantly improving sustainable value creation and through the Governance mechanism in the Company, the Board along with its Committees undertake its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

B. Board of Directors

- i. The Board has an optimum combination of Executive, Non-Executive, Independent and Woman Directors. The Board consists of Eight (8) Directors as on 31.03.2018. To ensure, transparent and professional conduct of board meeting procedures in all aspects related thereto, fifty percent (50%) i.e., 4 out of 8 directors are Independent directors, two are Executive Directors and two are Non-Executive Directors. The composition of the directors is in accordance with the Regulation 17 of the Securities Exchange board of India (Listing Obligations and Disclosure Regulations) 2015.
- ii. There are no pecuniary relationships or transactions with Independent Non-Executive Directors except for sitting fees for attending Board and other Committee Meetings.
- iii. Five(5) Board meetings were held during the Financial Year 2017-18 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	30.05.2017
02	12.08.2017
03	14.11.2017
04	13.12.2017
05	13.02.2018

- iv. The names and categories of Directors on the Board, their attendance at the Board Meeting and at the Annual General Meeting, and also the number of Directorship and Committee Membership held by them in other companies are given below:

Name of the Director	Category	No. of Board Meeting attended	Attended AGM held on 28.09.2017	No. of Other Directorships Held	*Memberships/ chairmanships held in Committees of other Companies		No. of shares held in the Company (%)
					Member	Chairman	
S. Kishore Babu DIN -00971313	Chairman & Managing Director (Promoter)	5	Yes	5	-	-	3634942 (24.71 %)
N. Bhupesh Chowdary DIN – 06750590 Appointed w.e.f. (13.08.2017)	Wholetime Director & CEO	3	Yes	2	-	-	-
S. Lakshmi DIN - 00068991	Non-Executive Director (Promoter)	3	No	4	-	-	2403626 (16.34 %)
Thiagarajan Sankaralingam DIN – 00015954	Independent Non-Executive Director	4	No	6	-	-	-
G D V Prasada Rao DIN – 02754904	Independent Non-Executive Director	5	Yes	-	-	-	1120 (0.01 %)
Sutanu Behuria DIN – 00051668	Independent Non-Executive Director	4	Yes	3	2	-	-
M Rajiv Kumar DIN – 07336483	Non-Executive Director	4	Yes	-	-	-	-
Vivek Paranjpe DIN – 03378566	Independent Non-Executive Director	4	Yes	1	-	-	-
M. Rajendran DIN – 01879556 (Resigned w.e.f. 13.08.2017)	Wholetime Director & COO	1	Yes	-	-	-	3528 (0.02 %)

Notes

- The membership of the Director in committees do not include the committees in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.
- The memberships/chairmanships of Audit Committees and Stakeholders Relationship Committees in all Public Limited companies has been considered.
- No Director holds directorships in more than ten public companies and no Independent Director holds Independent directorship in more than seven listed entities or three listed companies in case he was a Wholetime Director in any listed entities.
- 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.
- S Kishore Babu and S Lakshmi Directors of the Company are related to each other as spouse. There is no relationship between other directors on the Board.

Board Committees:

C. Audit Committee

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

The Audit Committee of the Board deals with all matters relating to financial reporting, internal controls, risk management etc. and reports to the Board from time to time.

The Audit Committee is constituted in accordance with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014.

The Audit Committee is empowered with functions according to the powers, scope and role as defined and prescribed under the said 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 and the committees also discharge such other functions as may be specifically delegated to it by the Board from time to time.

During the year under review, Four (4) meetings of the committee were held on 30.05.2017, 12.08.2017, 14.11.2017 and 13.02.2018.

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

Name	Designation in Committee	Category of Directorship	No. of Meetings held	No. of Meetings Attended
Sutnau Behuria	Chairman	Independent, Non-Executive Director	4	4
G D V Prasada Rao	Member	Independent, Non-Executive Director	4	4
T. Sankarlingam	Member	Independent Non-Executive Director	4	4

All the members of the Committee are Non-Executive and Independent Directors. The members possess sound knowledge of accounts, finance, audit and legal matters.

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

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

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

Terms of Reference

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

Brief description of terms of reference:

- Oversight of the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are true and accurate and provide sufficient information.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory & Internal auditors and the fixation of their audit fees.
- Reviewing and monitoring the auditor's Independence and performance, and effectiveness of audit process
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement, which forms part of the Board's report in terms of section 134 (5) of the Companies Act, 2013 i.e., erstwhile clause (2AA) of section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements, as applicable to the Company
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Approve the appointment, re-appointment and removal of Chief Financial Officer of the Company.
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, availability and deployment of resources to complete their responsibilities and the performance of the out-sourced audit activity.

- Discussion with internal auditors with respect to the coverage and frequency of internal audits as per the audit plan, nature of significant findings and follow up thereof.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Obtaining an update on the Risks Management Framework and the manner in which risks are being addressed.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Review the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- To review the functioning of the Vigil Mechanism Policy and the nature of complaints received by the Ombudsman.
- The un-audited/ audited quarterly financial results of the Company are also specifically reviewed by the Audit Committee before these are submitted to the Board for approval. Minutes of each Audit Committee meeting are placed before the Board for noting.
- The Audit Committee is empowered, pursuant to its terms of reference, to Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.
- Review on a regular basis the following:
 - o Management discussion and analysis of financial condition and results of operations.
 - o Management Certificates on Internal Controls and Compliance with laws & regulations, including any exceptions to these.
 - o Management letters / letters of internal control weaknesses issued by the statutory auditors.
 - o Internal audit reports relating to internal control weaknesses.
 - o The financial statements, in particular the inter corporate loans & investments, if any
- Approval or subsequent modification of transactions of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Monitoring the end use of funds raised through public offers and related matters

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

D. Nomination and Remuneration Committee

The 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 purpose of the Committee is to determine/ review the Company's policy on specific remuneration packages for the Executive Directors including pension rights and any compensation payment, oversee the framing, review and implementation of compensation policy of the Company on behalf of the Board, form a policy, procedures and schemes and to undertake overall supervision and administration of Employee Stock Option Schemes (ESOSs) of the Company if any and to review the Board structure, size and composition and make recommendation for any change. The Committee also formulates evaluation criteria for Directors and the Board.

During the year under review, 4 meetings of the committee were held on 30.05.2017, 12.08.2017, 14.11.2017 and 13.02.2018.

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

Composition

Name	Category	Designation	No. of Meetings Attended
Thiagarajan Sankaralingam	Independent, Non-Executive Director	Chairman	4
S Lakshmi	Non-Executive Director	Member	3
G D V PrasadaRao	Independent, Non-Executive Director	Member	4

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee are as under:

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

The Company has adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is available on the website of the Company at link: <https://www.powermechprojects.in/images/Remuneration-Policy.pdf>

E Remunerations paid to the Directors

I. Details of remunerations paid/payable to Non-Executive & Independent Non-Executive directors for the year ended 31st March, 2018 is as under:

Name of the Director	Sitting Fees (Amount in Mn)
G D V Prasada Rao	0.32
Thiagarajan Sankaralingam	0.32
Sutanu Behuria	0.32
Vivek Paranjpe	0.22

Shri M Rajiv Kumar, Non-Executive Director was paid consultancy charges of Rs. 5.34 Mn during the Financial year 2017-18.

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

There are no other Non-Executive Directors having pecuniary relationship or transactions with the company.

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

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

Name of the Director	Salary, Allowances & Perquisites	Bonus	Benefits	Commission (Rs)	Sitting Fees (Rs.)	Loans from the Company (Rs)	Total (Amount in Mn)
S Kishore Babu	13.05	-	-	40.80	-	-	53.85
M Rajendran*	0.91	-	-	-	-	-	0.91
N. Bhupesh Chowdary**	4.60	-	-	-	-	-	4.60

* Mr. M. Rajendran has resigned as Wholetime Director w.e.f 13.08.2017.

** Mr. N. Bhupesh Chowdary was appointed as Wholetime Director w.e.f 13.08.2017.

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

F. Stakeholders Relationship Committee

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

During the year under review, 4 meetings of the committee were held on 30.05.2017, 12.08.2017, 14.11.2017 and 13.02.2018.

Composition

Name	Designation	Status	No of meetings attended
M. Rajiv Kumar	Chairman	Non-Executive Director	4
G.D.V. Prasada Rao	Member	Non-Executive Independent Director	4
S. Lakshmi	Member	Non-Executive Director	3

Mr. Rohit Tibrewal, Company Secretary of the Company act as Compliance officer of the Company

Terms of reference

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

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

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

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

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

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

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

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

Sl. No	Description	No. of Complaints received	No. of Complaints resolved	Pending Complaints
1.	Non-Receipt of Dividend Warrant (Electronic Credit)	1	1	Nil
2	Miscellaneous (Refund orders of IPO)	6	6	Nil
3	Non-Receipt of Annual Reports	3	3	Nil
	Total	10	10	Nil

There were no pending Complaints as on 31st March 2018.

G. Corporate Social Responsibility Committee

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

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

Terms of reference

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

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

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

During the year under review, 2 meeting of the committee was held on 14.11.2017&13.02.2018

Composition

Name	Designation	Status	No of meetings attended
Sri S Kishore Babu	Chairman	Chairman & Managing Director	2
Smt. S Lakshmi	Member	Non-Executive Director	2
Sri G D V PrasadaRao	Member	Non-Executive Independent Director	2

H. Meeting of Independent Directors

During the year under review, the Independent Directors met on 13.02.2018, 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.

I. Performance Evaluation

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and the Committees. During the year, Board Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Peer evaluation of the Directors. The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. The guidance note issue by SEBI on Board Evaluation was duly considered while conducting the evaluation exercise.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgments, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

As an outcome of the above exercise, it was noted that the Board has received improved ratings on its overall effectiveness, communication, relationships and Board Committees. The Board has also highlighted areas requiring further developments and more focus in future.

J. Familiarization Programme

It is the general practice of the Company to notify the changes about all the applicable laws from time to time in every Board Meeting. The Board of Directors are regularly updated on changes in policies and programmes, laws and the general business environment.

K. 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
2016-17	18 th AGM	Hotel Avasa, Madhapur, Hyderabad - 500081	Thursday 28 th September, 2017.	11:00 A.M.	Nil
2015-16	17 th AGM	Hotel Avasa, Madhapur, Hyderabad - 500081	Thursday 30 th September, 2016.	11:00 A.M.	Nil
2014-15	16 th AGM	Plot No. 77, Jubilee Enclave, Opposite Hitex, Madhapur, Hyderabad – 500081.	Thursday, 20 th August, 2015.	11:00 A.M.	Nil

No Special Resolution was passed during the last three AGM's or in the last financial year through Postal ballot.

L. Disclosures

- Related Party Transaction (Shown in Notes to Accounts): There are no materially significant related party transactions i.e., transactions material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc., having potential Conflict with the interests of the Company at large.
- There were no pecuniary transactions with any of the Non-Executive Directors, except payment of consultancy charges to Mr. M Rajiv Kumar, Non-Executive Director.
- No penalties or strictures were imposed on the company by the Stock Exchanges, SEBI or other statutory authorities on any matter related to capital markets during the last three years.
- The company has formulated and adopted formal whistle blower / vigil mechanism and the same is hosted on the company's website and no concerned person has been denied access to Audit Committee.
- The Company is compliant with the provisions of applicable laws and the SEBI (LODR) Regulations, 2015.
- Material subsidiary policy is hosted in our website www.powermechprojects.in. The following is the weblink: <http://www.powermechprojects.in/images/Policy-for-determining-material-subsidiaries.pdf>
- Related party transaction policy is hosted in our website www.powermechprojects.in. The following is the weblink: <http://www.powermechprojects.in/images/Policy-on-Related-Party-Transactions.pdf>
- CMD & CFO Certification: Shri S Kishore Babu, Chairman & Managing Director and Shri J Satish CFO, certified to the Board on the prescribed matters as per Regulation 17(8) the Securities Exchange Board of India(Listing Obligations and Disclosure Regulations) 2015 and as required under Regulations 33 (2) (a) of the Securities Exchange Board of India(Listing Obligations and Disclosure Regulations) 2015 and the said Certificate was considered by the Board at its meeting held on 25th May, 2018.

M. Means of Communications

- The Quarterly/Half-yearly and Annual results are published in Business Standard / Financial Express (in English) and Nava Telangana (in regional language) dailies.
- Quarterly/Half-yearly and Annual results are furnished within the time frame to all the concerned Stock Exchanges as per Regulation 33 of the Securities Exchange Board of India(Listing Obligations and Disclosure Regulations) 2015 and the same are displayed on the Company's website www.powermechprojects.in.
- 4 (four) analyst calls & presentations were made for each quarter during FY 17-18 as follows:

FY 2017-18	Date
01 st Quarter	22.08.2017
02 nd Quarter	22.11.2017
03 rd Quarter	21.02.2018
04 th Quarter	30.05.2018

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

- All material information about the Company is promptly uploaded on the online platforms of the Stock Exchanges where the Company's shares are listed and the same are displayed on the Company's website www.powermechprojects.in

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

N. General Shareholder Information

i. 19th Annual General Meeting

Date and Time	27 th September, 2018, at 11:00 A.M.
Venue	The Westin Hotel, Raheja IT Park, Hitech City, Madhapur, Hyderabad - 500081

ii. Financial year: 01st April 2017- 31st March 2018

iii. Date of Book Closure

22nd September, 2018 to 27th September, 2018 (both days inclusive)

iv. Dividend

During the year the Board of Directors of the Company has recommended dividend of Re1/- per equity share of Rs. 10/- each. The Dividend, if declared at the ensuing annual general meeting, shall be paid within 30 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
The National Stock Exchange of India Limited, Mumbai Exchange Plaza, C-1, Block G, Bandra, Kurla Complex, Bandra (E), Mumbai, Maharashtra 400051	POWERMECH
The BSE Limited, Mumbai PhirozeJeejeebhoy Towers, Dalal Street, Mumbai- 400001	539302

The Company has paid the annual listing fees for the year 2018-2019 to both the above stock exchanges.

vi. Market Price Data

The closing market price of the equity shares as on 28th March, 2018, being the last trading day for the FY 2017-18 on NSE was Rs. 846.65/- and on BSE was Rs. 846.10/-.

The monthly movement of the equity share price during the year 2017-18 on BSE and NSE are summarized herein below.

BSE

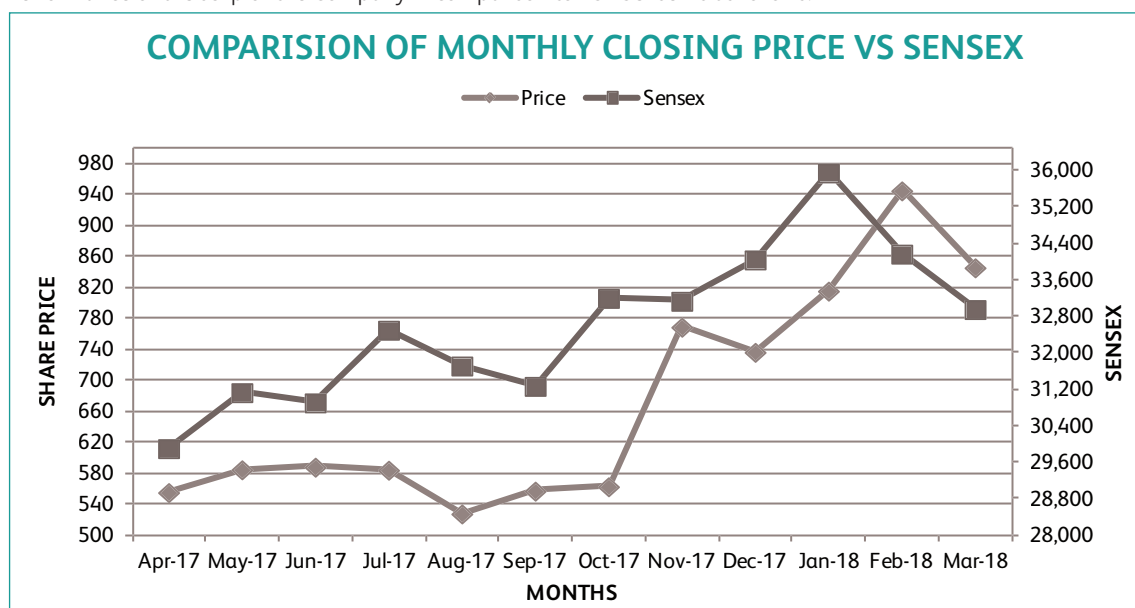
Month	Open Price	High Price	Low Price	Close Price
Apr-17	535.00	566.00	522.00	556.15
May-17	562.95	624.50	546.15	585.55
Jun -17	580.35	619.90	571.05	588.90
Jul -17	588.00	611.05	570.10	585.00
Aug-17	587.95	591.50	515.00	528.60
Sep-17	536.95	562.95	521.00	558.00
Oct-17	555.25	582.00	514.00	563.65
Nov-17	570.00	811.00	560.15	769.45
Dec-17	766.60	783.00	700.90	737.05
Jan-18	755.00	930.00	748.70	816.00
Feb-18	831.40	975.00	750.00	945.35
Mar-18	944.00	966.35	822.95	846.10

NSE

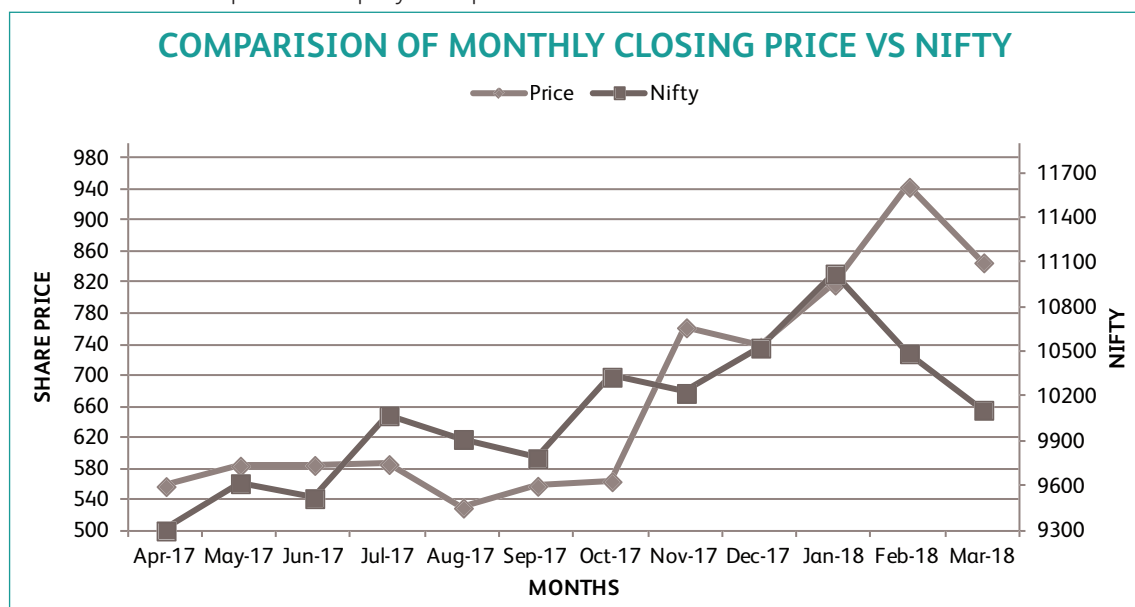
Month	Open Price	High Price	Low Price	Close Price
Apr-17	530.05	567.95	518.05	558.05
May-17	558.95	624.40	546.10	584.35
Jun -17	581.00	612.00	570.05	585.30
Jul -17	591.20	614.70	580.80	586.45
Aug-17	585.40	597.00	496.00	530.25
Sep-17	532.00	569.90	446.10	558.40
Oct-17	559.95	584.50	541.25	564.30
Nov-17	569.00	813.30	565.00	762.85
Dec-17	765.00	785.00	697.00	737.75
Jan-18	755.00	922.25	747.00	818.00
Feb-18	833.90	978.00	750.15	944.10
Mar-18	949.85	965.00	811.00	846.65

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

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



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



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

ix. **Registrar and Share Transfer Agents:**

KarvyComputersharePvt. Limited

Karvy Computershare Pvt Ltd
Karvy Selenium Tower B, 6th Floor Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032
Ph: 040 3321 1500

x. **Share Transfer System**

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

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

xi. **Distribution of Shareholding as on 31st March, 2018**

POWER MECH PROJECTS LIMITED					
Distribution of Shareholding as on 31.03.2018					
Sl. No.	Category (Nominal Value)	No.of Holders	% To Holders	Amount(Rs.)	% To Equity
1	1 - 5000	11969	93.89	5172460	3.52
2	5001 - 10000	271	2.13	2097100	1.43
3	10001 - 20000	302	2.37	3860020	2.62
4	20001 - 30000	75	0.59	1816460	1.23
5	30001 - 40000	30	0.24	1068330	0.73
6	40001 - 50000	26	0.20	1222880	0.83
7	50001 - 100000	45	0.35	3008100	2.04
8	100001 and above	30	0.24	128862290	87.60
	TOTAL	12748	100.00	147107640	100.00

xii. **Dematerialization**

99.77% of the Company's paid-up equity share capital has been dematerialized as on 31st March, 2018. Shares of the Company are traded compulsorily in dematerialised form and are available for trading through both the depositories, CDSL and NSDL. The demat security code (ISIN) of the equity shares is INE211R01019.

Category	Number of shares	%
NSDL	4336465	29.48
CDSL	10340860	70.29
PHYSICAL	33439	0.23
TOTAL	14710764	100.00

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

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

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

The company is engaged in providing services in Power & Infrastructure Sector and not exposed to any commodity price risk. The operations of the company in International Geographies are dollar denominated or in local currency and hence the major portion of the Companies international operations are not exposed to Foreign Exchange Risk.

xv. **Plant Location**

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

xvi. **Address for Correspondence of Compliance Officer**

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

xvii. **Compliance Certificate from Auditors**

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

xviii. **Code of Conduct for the Board & Senior Management Personnel**

The Company has laid down a Code of Conduct which has been effectively adopted by the Board Members and Senior Management Personnel of the Company.

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

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

Particulars	No of shareholders	No of Equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year- 01-04-2017	2	40
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Nil	Nil
Number of shareholders to whom share were transferred from suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year – 31.03.2018	2	40
The voting rights on these shares shall remain frozen till rightful owners of such shares claim the shares		

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

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

For and on behalf of the Board of Directors

Sd/-

S Kishore Babu

Chairman & Managing Director

DIN: 00971313

Place: Hyderabad

Date: 11.08.2018

CMD /CFO CERTIFICATION TO THE BOARD

(Pursuant to Regulation 17(8) under Chapter IV of Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015

We, S Kishore Babu, Chairman & Managing Director and J Satish, CFO of the Company responsible for the finance function hereby certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year 2017 -2018 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 2017-2018, 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 2017-18
 - (ii) Significant changes in accounting policies during the year 2017 - 2018 and that the same have been disclosed in the notes to the financial statements;
 - (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

Sd/-
J Satish
Chief Financial Officer

Place: Hyderabad
Date: 25.05.2018

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 31st, 2018 as envisaged in the Chapter IV of the Securities Exchange board of India (Listing Obligations and Disclosures Regulations) 2015.

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

Place: Hyderabad
Date: 11.08.2018

Auditors' Certificate on Corporate Governance

To
The Shareholders
Power Mech Projects Limited,
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by Power Mech Projects Limited for the year ended 31st March, 2018 as stipulated in Chapter IV of Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015 pursuant to the Listing Agreements of the said Company with Stock Exchanges in India.

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

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

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

**For P.S. Rao & Associates
Company Secretaries**

**Sd/-
P.S. Rao
Company Secretary
M. No: 3829
C P No: 9769**

**Place: Hyderabad
Date: 11.08.2018`**



Standalone Financials

Independent Auditors' Report

To the Members of
POWER MECH PROJECTS LIMITED

Report on the Standalone financial statements

We have audited the accompanying standalone financial statements of **POWER MECH PROJECTS LIMITED** ('the Company') which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in Equity and the Statement of Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 of frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

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

- d) In our opinion, the aforesaid standalone financial statements comply with the accounting standards specified under section 133 of the Act.
- e) On the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 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 does not have any pending litigations which would impact its financial position except those which are disclosed in the notes to the standalone financial statements and para no.7(c) in Annexure-A to our Audit report.
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education Protection Fund by the company.

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

Sd/-
(Karumanchi Rajaj)
Partner
(Membership No: 202309)

Place: Camp: Hyderabad
Date: 25.5.2018

Annexure-A: To the Independent Auditors' Report

The Annexure referred to in paragraph 1 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, 2018.

We report that:

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The company has a programme of physical verification to cover all items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, certain fixed assets 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.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
2. In respect of its inventories:
 - a) According to the information and explanations furnished to us, the Company has physically verified its inventories in some of the project sites during the year which covered nearly 83 % value of stores. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of accounts. In our opinion, the frequency of verification to the extent carried out during the year is reasonable.
3. According to the information and explanations given to us, the company has granted unsecured loans to the companies covered in the register maintained under Section 189 of the Companies Act, 2013. In respect of such loans, considering the business expediency and utilisation of such loans by borrower companies, we report that:
 - a) The loans given by the company are prima-facie, not prejudicial to the interests of the company.
 - b) No terms of repayment has been stipulated for the loans granted as referred above. Hence the reporting requirement in terms of Para b and c of clause 3(iii) of the order does not apply.
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 and therefore the provisions of clause 3(V) of the Order are not applicable to the company.
6. The central government has not prescribed the maintenance of cost records under section 148(1) of the Act read with Companies (Cost Records and Audit) Rules, 2014 and hence the reporting requirements in terms of clause 3(vi) of the Order does not apply.
7.
 - a) According to the information furnished to us, the Company made delays in remittance of its statutory dues such as TDS, Provident fund, ESI, Service tax and GST.
 - b) There were no undisputed statutory dues in arrears as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.
 - 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.

Name of the Statute	Nature of Dues	Amount Rs. (net of amounts paid under protest)	Period to which it relates	Forum where dispute is pending
VAT Acts of various states	VAT	2,94,39,981	2012-13	Petition filed before High court of Calcutta against rejection of admission of appeal by Addl. Comm. of Commercial taxes, West Bengal
		1,26,00,000	2014-15	Joint Commissioner of Commercial taxes, Patna

8. In our opinion and according to the information and explanations furnished to us by the Company, there were no defaults in repayment of dues to banks. However, the company has not borrowed any loans from financial institutions, government or raised any funds by way of issue of debentures.
9. In our opinion and according to the information and explanations furnished to us by the Company, the company has not raised any money by way of initial public offer (IPO). The term loans obtained by the Company during the year were applied for the purpose for which they were raised.

10. According to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanation given to us and based on examination of the records of the company, the company has provided remuneration for managerial personnel in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.
12. The company is not a nidhi company. Accordingly reporting under provisions of para 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on examination of records of the company, transactions with the related parties are in compliance with the provisions of section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause xiv of the order is not applicable to the company.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly paragraph 3(xv) of the Order is not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-
(Karumanchi Rajaj)
Partner
(Membership No: 202309)

Place: Camp: Hyderabad
Date: 25.5.2018

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 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
(Karumanchi Rajaj)
Partner
(Membership No: 202309)

Place: Camp: Hyderabad
Date: 25.5.2018

Balance Sheet as at 31st March, 2018

(Amount in Rs.)

Particulars		Note No.	As at 31 st March, 2018	As at 31 st March, 2017
ASSETS				
1	Non-Current Assets			
	(a) Property, Plant and Equipment	4	1,483,395,633	1,608,813,133
	(b) Capital Work-in-progress		56,559,184	79,142,140
	(c) Intangible Assets	5	2,572,954	4,620,689
	(d) Financial Assets			
	(i) Investments	6	110,760,271	94,827,541
	(ii) Loans	7	201,661,755	107,044,606
	(iii) Other financial assets	8	2,071,748,955	2,251,728,304
	(e) Deferred Tax Asset (Net)	18	18,211,402	-
	(f) Other Non-current Assets	9	12,399,067	16,822,728
	Total Non-Current Assets		3,957,309,221	4,162,999,141
2	Current Assets			
	(a) Inventories	10	333,901,377	418,115,322
	(b) Financial Assets			
	(i) Trade receivables	11	3,150,190,656	2,654,682,787
	(ii) Cash and cash equivalents	12	308,546,572	72,073,714
	(iii) Other bank balances	12	415,061,981	251,370,163
	(iv) Loans	7	309,455,117	196,615,734
	(v) Other financial assets	8	3,298,313,786	2,939,605,394
	(c) Other Current assets	9	2,638,467,323	1,955,288,006
	Total Current Assets		10,453,936,812	8,487,751,120
	Total Assets		14,411,246,033	12,650,750,261
EQUITY AND LIABILITIES				
1	Equity			
	(a) Equity Share Capital	13	147,107,640	147,107,640
	(b) Other Equity	14	6,665,419,009	6,024,538,871
			6,812,526,649	6,171,646,511
	Liabilities			
2	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Long-term borrowings	15	229,260,604	66,474,657
	(ii) Other financial liabilities	16	514,754,536	547,208,030
	(b) Provisions	17	22,748,270	4,029,768
	(c) Deferred Tax Liabilities (Net)	18	-	21,189,142
	(d) Other non-current Liabilities	19	213,885,932	378,627,603
	Total Non-Current Liabilities		980,649,342	1,017,529,200
3	Current Liabilities			
	(a) Financial Liabilities			
	(i) Short-term borrowings	20	2,391,223,743	1,591,869,961
	(ii) Trade payables	21	2,883,163,508	2,400,029,992
	(iii) Other financial liabilities	16	730,133,328	783,522,710
	(b) Other current Liabilities	19	504,126,037	581,896,266
	(c) Provisions	17	7,727,318	14,729,622
	(d) Current tax Liabilities (Net)	22	101,696,108	89,525,999
	Total Current Liabilities		6,618,070,042	5,461,574,550
	Total Liabilities		7,598,719,384	6,479,103,750
	Total Equity and Liabilities		14,411,246,033	12,650,750,261

Note: The accompanying notes 1-49 form an integral part of the Financial statements.

As per our report of even date

For BRAHMAYYA & CO

Chartered Accountants

Firm's Registration Number: 000513S

Sd/-

(Karumanchi Rajaj)

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 25.05.2018

For and on behalf of the Board

Sd/-

S. Kishore Babu

Chairman and Managing Director

(DIN: 00971313)

Sd/-

Rohit Tibrewal

Company Secretary

Sd/-

J Satish

CFO

Statement of Profit and Loss for the Year ended 31st March, 2018

(Amount in Rs.)

Particulars		Note No.	Year ended 31 st March, 2018	Year ended 31 st March, 2017
I	Revenue from Operations	23	13,101,085,243	12,911,587,958
II	Other Income	24	73,452,494	76,846,367
III	Total Income (I+II)		13,174,537,737	12,988,434,325
IV	Expenses			
	Cost of Material Consumed	25	1,674,080,007	1,145,606,140
	(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	26	(4,084,854)	(18,978,967)
	Contract execution expense	27	7,355,476,194	7,794,671,168
	Employee benefits expense	28	2,194,639,481	2,117,578,676
	Finance cost	29	334,478,130	314,868,729
	Depreciation and Amortization expense	30	363,892,408	396,227,461
	Other expense	31	244,020,730	255,723,053
	Total Expenses (IV)		12,162,502,096	12,005,696,260
V	Profit before exceptional items and tax (III-IV)		1,012,035,641	982,738,065
VI	Exceptional Items		-	-
VII	Profit before tax (V-VI)		1,012,035,641	982,738,065
VIII	Tax expense:			
	Current tax		392,500,000	367,000,000
	Deferred tax credit		(39,400,544)	(21,040,577)
IX	Profit after tax for the Period (VII-VIII)		658,936,185	636,778,642
X	Other Comprehensive Income			
	A. Items that will not be re-classified to statement of Profit and loss (net of tax)			
	a) Changes in fair value of investments		31,962	60,649
	b) Remeasurement of defined employee benefit plans		(382,555)	4,032,309
	Total Other Comprehensive income		(350,593)	4,092,958
XI	Total Comprehensive Income for the year (IX+X)		658,585,592	640,871,600
XII	Earnings per Share - Basic and Diluted		44.79	43.29

Note: The accompanying notes 1-49 form an integral part of the Financial statements.

As per our report of even date

For BRAHMAYYA & CO

Chartered Accountants

Firm's Registration Number: 000513S

Sd/-

(Karumanchi Rajaj)

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 25.05.2018

For and on behalf of the Board

Sd/-

S. Kishore Babu

Chairman and Managing Director

(DIN: 00971313)

Sd/-

Rohit Tibrewal

Company Secretary

Sd/-

J Satish

CFO

Cash Flow Statement for the Year ended 31st March, 2018

(Amount in Rs.)

Particulars	2017-18 (Rs)	2016-17 (Rs)
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,012,035,641	982,738,065
Add/Less: Adjustments for:		
Depreciation	363,892,408	396,227,461
Interest and Finance charges	334,478,130	314,868,729
Loss on sale of assets	198,806	4,991,865
Net loss arising on financial assets measured at FVTPL	88,802	159,908
Interest income	(56,677,936)	(57,141,608)
Profit on sale of assets	(4,665,999)	(5,991,642)
Profit on disposal of investment in Joint venture Company	(9,281,096)	-
Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income	(382,555)	4,032,309
Operating profit before working capital changes	1,639,686,201	1,639,885,087
<u>Movements in Working Capital</u>		
Adjustments for (increase)/decrease in operating assets:		
- Trade Receivables	(495,507,869)	52,474,654
- Inventories	84,213,945	(108,597,508)
- Other Assets	(1,077,005,520)	29,554,753
Adjustments for increase/(decrease) in operating liabilities:		
- Trade Payables	483,133,516	(259,721,736)
- Other Liabilities and Provisions	(244,764,477)	(53,296,662)
Cash generated from operations	389,755,796	1,300,298,588
Less: Direct taxes paid	(380,422,291)	(389,387,626)
Net cash from Operating activities (A)	9,333,505	910,910,962
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets/Capital work in progress	(219,451,158)	(225,188,908)
Proceeds from sale of fixed assets	10,074,212	127,083,996
Investment in equity shares of Subsidiary company	(39,824,490)	(26,244,044)
Redemption of preference shares in subsidiary company	23,848,610	-
Disposal of Investment in Joint venture Company	9,324,246	-
Margin money deposits with banks and other balances	(151,594,939)	(56,744,686)
Interest received	56,677,936	57,141,608
Net cash used in Investing activities (B)	(310,945,583)	(123,952,034)
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) borrowings	890,233,042	(417,806,493)
Interest and Finance charges paid	(334,478,130)	(314,868,729)
Dividends and dividend tax paid	(17,669,976)	(5,151,317)
Net cash from/(used in) financing activities (C)	538,084,936	(737,826,539)
Net Increase in cash and cash equivalents (A+B+C)	236,472,858	49,132,389
Cash and cash equivalents at the beginning of the period	72,073,714	22,941,325
Cash and cash equivalents at the end of the period	308,546,572	72,073,714
Net Increase in cash and cash equivalents	236,472,858	49,132,389

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	2017-18	2016-17
Cash on hand	6,465,604	2,977,155
Cheques, Drafts on Hand	123,901,180	-
In Current accounts	178,179,788	69,096,559
Deposits having maturity period for less than 3 months	-	-
	308,546,572	72,073,714

Changes in Liability arising from Financing activities

Particulars	Opening	Net Cash flow*	Non-Cash changes (forex)	Closing
Long term borrowings	340,524,693	90,926,095	46,834	431,403,954
Short term borrowings	1,591,869,961	799,353,783	-	2,391,223,744

* Repayment includes Rs. 11,56,535/- on account of foreign exchange fluctuations.

As per our report of even date

For BRAHMAYYA & CO

Chartered Accountants

Firm's Registration Number: 000513S

Sd/-

(Karumanchi Rajaj)

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 25.05.2018

For and on behalf of the Board

Sd/-

S. Kishore Babu

Chairman and Managing Director

(DIN: 00971313)

Sd/-

Rohit Tibrewal

Company Secretary

Sd/-

J Satish

CFO

Statement of Changes in Equity for the year ended 31st March, 2018

A. Equity Share Capital

Particulars	No's	INR
As at 31st March, 2016	14,710,764	147,107,640
Changes in equity during the year	-	-
As at 31st March, 2017	14,710,764	147,107,640
Changes in equity during the year	-	-
As at 31st March, 2018	14,710,764	147,107,640

B. Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Total
	Securities Premium Reserve	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/ (Losses)	
Balance at the end of reporting period - 31st March 2016	1,609,313,360	369,604,955	3,401,663,696	12,510	3,072,750	5,383,667,271
Profit for the period	-	-	636,778,642	-	-	636,778,642
Other Comprehensive Income	-	-	-	60,649	4,032,309	4,092,958
Total Comprehensive Income for the year	-	-	636,778,642	60,649	4,032,309	640,871,600
Less: Appropriations						
Transfer to General Reserve	-	-	-	-	-	-
Balance at the end of reporting period - 31st March 2017	1,609,313,360	369,604,955	4,038,442,338	73,159	7,105,059	6,024,538,871
Profit for the period	-	-	658,936,185	-	-	658,936,185
Other Comprehensive Income	-	-	-	31,962	(382,555)	(350,593)
Total Comprehensive Income for the year	-	-	658,936,185	31,962	(382,555)	658,585,592
Less: Appropriations						
Less: Final Dividend and tax thereon for the Financial year 2016-17 proposed & paid during the year	-	-	17,705,454	-	-	17,705,454
Balance at the end of reporting period - 31st March 2018	1,609,313,360	369,604,955	4,679,673,069	105,121	6,722,504	6,665,419,009

As per our report of even date

For BRAHMAYYA & CO**Chartered Accountants**

Firm's Registration Number: 0005135

Sd/-**(Karumanchi Rajaj)**

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 25.05.2018

Sd/-
J Satish
CFO

For and on behalf of the Board

Sd/-**S. Kishore Babu**Chairman and Managing Director
(DIN: 00971313)**Sd/-****Rohit Tibrewal**

Company Secretary

Company Overview and Significant Accounting Policies 2017-18

Note No.1: CORPORATE INFORMATION

Accounting Year 2017-18

Power Mech Projects Limited is incorporated in the year 1999 and is an engineering and construction company providing integrated service in erection, testing and commissioning (ETC) of boilers, turbines and generators and balance of plant (BOP), civil works and operation and maintenance (O&M). The company is undertaking projects of all types, sizes and in all environments in India and abroad which include ultra mega power projects, super critical thermal power projects, sub critical power projects, heat recovery steam generator, waste heat recovery steam generator, circulating fluidized bed combustion steam generator, gas turbine generator, hydro electric plants, maintenance, renovation, modernization and annual maintenance of running plants and complete civil works in India and abroad. Power Mech is now engaged in several power projects ranging from 135 MW to 800 MW, besides many projects in lower segment also.

The company is entering other related fields including railway projects and executing major railway project of doubling of tracks including electrification, signaling, culverts, platforms etc. The company has made its latest entry into transmission and distribution portfolio, a new venture of diversification and the company has already undertaken some major projects. Thus, Power Mech is proud to be a vital part of India's Power generation capacity augmentation.

Note No.2: BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 a) Basis of preparation of financial statements

These 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') 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.

Effective from 1st April, 2016, the company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards with 1st April, 2015 as transition date. The transition was carried out from Indian Accounting principles generally accepted in India as prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP) which was the previous GAAP.

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 requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements and estimates that have been made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

i) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets:

Property, plant and equipment / intangible assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

ii) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, past history of receivables, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iii) Fair value measurement of financial instruments:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Company also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

iv) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

v) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

vi) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii) Income Taxes:

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

viii) Defined benefit obligations:

The Company uses actuarial assumptions viz., discount rate, mortality rates, expected rate of return on assets, salary escalation rate etc., to determine employee benefit obligations. The assumptions adopted are disclosed in note no. 17 under "Provisions".

ix) Revenue recognition:

The company uses the percentage of completion method in accounting for its fixed price contracts and is measured with reference to actual completion of physical proportion of the work to the extent of work certified by the customer. Measurement of physical quantum of work completed is based on estimates at the reporting date.

x) Other estimates:

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.2 Significant accounting policies**a) Property, plant and equipment**

An item of Property, Plant and Equipment that qualified as an asset is measured at initial recognition at Cost. Following initial recognition, items of Property, plant and equipment are carried 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 company identifies and determines cost of each part of PPE separately, if the part has a cost which is significant to the total cost of that items of PPE and has useful life that is materially different from that of the remaining items.

Advances paid for acquisition of Property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Cost of the assets not put to use before such date are disclosed under 'Capital Work-in-progress'. Any subsequent expenditure relates to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. Items of spare parts are recognized as Property, plant and equipment when they meet the definition of Property, plant and equipment. The cost and related depreciation are eliminated from the property, plant and equipment upon sale or retirement of the asset and the resultant gain or losses are recognized in statement of profit and loss.

b) Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortization. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis from the date they are available for use.

c) Depreciation and Amortization

The depreciation on property, plant and equipment is provided under the Straight-line method over the useful lives of the assets estimated by the management. The management based on internal assessment, past history of lives of assets 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. Such estimation is made based on the past experience and working conditions in which assets are put to usage.

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

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

Improvements made in respect of leased properties are amortized over the period of lease and their useful life whichever is shorter.

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

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

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

Depreciation and amortization methods, useful lives and residual values are reviewed periodically at the end of each financial year with the effect of any change in estimate accounted for on a prospective basis.

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 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.

f) Borrowing Costs

Borrowing Costs, that are directly attributable to the acquisition or construction of assets, that necessarily take a substantial period of time to get ready for its intended use, are capitalized as part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

g) Investments in subsidiaries and joint ventures

The company has elected to recognize its investments in subsidiaries and Joint ventures at cost in accordance with the option available in Ind AS-27 'Separate Financial Statements'. 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 in which billing is yet to be commenced are included under work-in-progress and are valued at cost.
- c) Contracts awarded to the company and not commenced as on date of balance sheet, the cost incurred in securing the contract, mobilization expenses of labour and material and other related expenses incurred are shown as asset as per the requirements of Ind AS.

i) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from contracts is recognized by following the percentage of completion method and is measured with reference to actual completion of physical proportion of the work to the extent of work certified by the customer. The portion of the work which was completed, but pending for certification by the customer, is also recognized as revenue by treating the same as uncertified revenue. Any claims, variations and incentives is recognized as revenue to the extent that it is probable they will result in revenue and they are capable of being reliably measured. Provision for expected loss is recognized immediately when it is probable that the total estimated cost will exceed total contract revenue.

Amounts collected on behalf of third parties such as GST, VAT and Service tax are excluded from Revenue.

Revenue from sale of products is recognised when the goods are delivered and titles have passed i.e., time when the risks and rewards of ownership are transferred to the buyer under the terms of the contract and the company retains no effective control over the goods sold. Revenue is measured at the fair value of the consideration taking into account contractually defined terms of payment. Revenue is reduced for discounts, rebates and other similar allowances.

When there is any uncertainty as to the measurement or collectability of consideration, revenue recognition to the extent of amount of uncertainty is postponed until such uncertainty is resolved.

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.

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.

k) Foreign Currency Transactions

The functional currency of the company is Indian rupee and the financial statements are presented in Indian rupee.

Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately, with the difference in the rate of exchange arising on actual receipt/payment during the year.

At each Balance Sheet date

- i) Foreign currency denominated monetary items are translated into the relevant functional currency at exchange rate at the balance sheet date. The gains and losses resulting from such translations are included in net profit in the statement of profit and loss.
- ii) Foreign currency denominated non-monetary items are reported using the exchange rate at which they were initially recognized.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in statement of profit and loss.

l) Income-Taxes

Income tax expense comprises the sum of tax currently payable and deferred tax. Income tax expense is recognized in 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 it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and 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

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

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

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.

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.

(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.

Note No.3: STANDARDS ISSUED BUT NOT EFFECTIVE

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 – Revenue from Contract with Customers and certain amendments to existing Ind AS. These amendments shall be applicable to the company from April 01, 2018.

a) Issue of Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition standard Ind AS-18 Revenue, Ind AS-11 Construction Contracts and the related interpretations. Ind AS-115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

b) Amendment to Existing Ind AS

The MCA has also carried out amendments in some of the existing standards but application of said standards are not expected to have any significant impact on the Company's Financial Statements.

Note No. 4: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Carrying Amounts of:		
Land	41,489,973	41,489,973
Office Buildings	122,029,232	129,727,039
Plant and Equipment	119,961,333	150,197,106
Furniture and Fixtures	46,295,242	54,375,133
Computers	11,557,983	14,382,167
Office Equipment	35,382,881	38,205,310
Motor vehicles	166,697,762	178,959,974
Cranes	820,861,932	901,450,905
Temporary Sheds	119,119,295	100,025,526
	1,483,395,633	1,608,813,133
Capital Work-in-progress	56,559,184	79,142,140

Property, Plant and Equipment

Particulars	Land	Office Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Motor vehicles	Cranes	Temporary Sheds	Total
Gross Block										
As at 31st March, 2016	30,738,773	144,671,112	348,368,821	18,314,457	23,000,977	67,143,420	270,503,614	1,187,213,895	204,182,075	2,294,137,144
Additions	10,751,200	-	23,629,585	62,940,960	4,540,101	20,780,466	54,879,006	14,856,929	25,532,822	217,911,069
Disposals	-	-	75,267,630	5,732,001	332,786	17,577,174	29,097,214	44,364,966	369,051	172,740,822
As at 31st March, 2017	41,489,973	144,671,112	296,730,776	75,523,416	27,208,292	70,346,712	296,285,406	1,157,705,858	229,345,846	2,339,307,391
Additions	-	-	31,415,159	6,549,939	2,968,409	11,594,819	47,524,465	52,925,085	88,831,210	241,809,086
Disposals	-	-	7,509,162	-	-	-	1,286,670	1,977,349	-	10,773,181
As at 31st March, 2018	41,489,973	144,671,112	320,636,773	82,073,355	30,176,701	81,941,531	342,523,201	1,208,653,594	318,177,056	2,570,343,296
Accumulated Depreciation										
As at 31st March, 2016	-	7,246,266	84,872,144	9,113,476	6,658,511	17,224,068	64,705,810	131,686,834	63,165,166	384,672,275
Depreciation charge for the year	-	7,697,807	83,264,151	14,797,974	6,273,927	18,522,012	61,000,193	134,545,871	66,376,542	392,478,477
On disposals	-	-	21,602,625	2,763,167	106,313	3,604,678	8,380,571	9,977,752	221,388	46,656,494
As at 31st March, 2017	-	14,944,073	146,533,670	21,148,283	12,826,125	32,141,402	117,325,432	256,254,953	129,320,320	730,494,258
Depreciation charge for the year	-	7,697,807	57,726,318	14,629,830	5,792,593	14,417,248	59,155,725	132,462,681	69,737,441	361,619,643
On disposals	-	-	3,584,548	-	-	-	655,718	925,972	-	5,166,238
As at 31st March, 2018	-	22,641,880	200,675,440	35,778,113	18,618,718	46,558,650	175,825,439	387,791,662	199,057,761	1,086,947,663
Net Block										
As at 31st March, 2018	41,489,973	122,029,232	119,961,333	46,295,242	11,557,983	35,382,881	166,697,762	820,861,932	119,119,295	1,483,395,633
As at 31st March, 2017	41,489,973	129,727,039	150,197,106	54,375,133	14,382,167	38,205,310	178,959,974	901,450,905	100,025,526	1,608,813,133

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.

Capital Work-in-Progress

Particulars	Amount
At Cost	
As at 31st March, 2016	71,964,526
Additions	37,253,972
Capitalised during the year	30,076,358
As at 31st March, 2017	79,142,140
Additions	11,481,277
Capitalised during the year	34,064,233
As at 31st March, 2018	56,559,184

Note No.5: INTANGIBLE ASSETS

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Power Mech Brand	1,200	1,200
Computer Software	2,571,754	4,619,489
Total	2,572,954	4,620,689

Particulars	Power Mech Brand	Computer Software	Total
Gross Block			
As at 31st March, 2016	6,645	11,939,908	11,946,553
Additions	-	100,225	100,225
Disposals	-	-	-
As at 31st March, 2017	6,645	12,040,133	12,046,778
Additions	-	225,030	225,030
Disposals	-	-	-
As at 31st March, 2018	6,645	12,265,163	12,271,808
Accumulated Amortization			
As at 31st March, 2016	4,331	3,672,774	3,677,105
Depreciation charge for the year	1,114	3,747,870	3,748,984
On disposals	-	-	-
As at 31st March, 2017	5,445	7,420,644	7,426,089
Depreciation charge for the year	-	2,272,765	2,272,765
On disposals	-	-	-
As at 31st March, 2018	5,445	9,693,409	9,698,854
Net Block			
As at 31st March, 2018	1,200	2,571,754	2,572,954
As at 31st March, 2017	1,200	4,619,489	4,620,689

Note No.6: INVESTMENTS (NON-CURRENT)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
A. Investment in Equity Instruments		
(a) (i) Quoted - Trade (Carried at fair value through OCI)		
a) 24 Equity shares of Rs.10/ each in Reliance Power Limited	866	1,154
(ii) Quoted - Non-Trade (Carried at fair value through OCI)		
a) 200 Equity shares of Rs.10/ each in Assam Company Limited	820	1,570
Total Investment in Quoted Equity Instruments (a)	1,686	2,724
(b) (i) Unquoted - Trade		
Investment in Subsidiaries (Carried at cost):		
a) 1,85,000 (75,000) Equity shares of Rs.10 each in Hydro Magus Private Limited	29,376,000	1,326,000
b) 18,937 (18,937) Equity shares of Rs.10 each in Power Mech Industri Private Limited	43,090,413	43,090,413
c) 225 (225) Equity shares of SR 1000 each in MAS Power Mech Arabia	4,536,450	4,536,450
d) 1,75,000 (1,05,000) ordinary shares of RO 1 each in Power Mech Projects Limited LLC	30,180,980	18,489,452
e) 5,100 (Nil) Equity shares of Rs 10 each in Power Mech BSCPL Consortium Private Limited	51,000	-
Investment in Joint Venture (Carried at cost):		
a) Nil (5000) equity shares of HK\$ one each in Power Mech CPNED (Sold during the year)	-	43,150
b) 1,50,00,000 (1,50,00,000) equity shares of 1 Naira each in GTA Power Mech Nigeria Limited	3,218,142	3,218,142
Total Investment in Un-Quoted Equity Instruments (b)	110,452,985	70,703,607
Total Investment in Equity Instruments (A)= (a+b)	110,454,671	70,706,331
B. Investment in Preference Shares: (Carried at amortized cost)		
Investment in Subsidiary:		
a) Nil (10,00,000) 10% Redeemable, Cumulative, Non-participating Non-Convertible Preference share of Rs.10/- each in Hydro Magus Private Limited - Redeemable at the end of 5 years at one time (redeemed during the year)	-	10,000,000
b) Nil (13,84,861) 10% Redeemable, Cumulative, Non-participating Non-Convertible Preference share of Rs.10/- each in Hydro Magus Private Limited - Redeemable on or before completion of 10 years from the date of allotment with an option to redeem on or after completion of 5 years (redeemed during the year)	-	13,848,610
Total Investment in Preference Shares (B)	-	23,848,610
C. Investment in Mutual Funds - Quoted: (Carried at fair value through OCI)		
a) Investments in mutual funds 20,000 units of SBI Infra structure fund - I - Growth Rs.10/ each	305,600	272,600
Total Investment in Mutual Funds (C)	305,600	272,600
Total (A+B+C)	110,760,271	94,827,541
Aggregate amount of: Quoted investments -		
- At cost	218,051	218,051
- Market value	307,286	275,324
Aggregate amount of unquoted investments	110,452,985	94,552,217

Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31 st March, 2018		As at 31 st March, 2017	
	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised
Investments measured at:				
(i) Fair value through Other Comprehensive Income				
a) 24 Equity shares of Rs.10/ each in Reliance Power Limited	866	-	1,154	-
b) 200 Equity shares of Rs.10/ each in Assam Company Limited	820	-	1,570	-
c) Investments in mutual funds 20,000 units of SBI Infra structure fund - I - Growth Rs.10/ each	305,600	-	272,600	-
(ii) Carried at cost - Investment in Subsidiary Companies and Joint Venture	110,452,985	-	70,703,607	-
(iii) at Amortized cost - Investment in Cumulative Preference Shares of Subsidiary Company	-	-	23,848,610	-
Total	110,760,271	-	94,827,541	-

Note No.7: LOANS

Particulars	Non-Current		Current	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Unsecured, Considered Good				
a) Security deposits with Govt. authorities and others	143,469,431	67,259,903	-	-
b) EMD with customers	58,192,324	39,784,703	-	-
c) Employee related advances	-	-	38,063,227	16,267,039
d) Advances to related parties				
Subsidiary Companies				
- Power Mech Industri Private Limited	-	-	267,122,685	174,832,041
- MAS Power Mech Arabia	-	-	-	5,242,495
Joint Venture Company				
- Power Mech CPNED	-	-	-	274,159
e) Loans to Others	-	-	4,269,205	-
Total	201,661,755	107,044,606	309,455,117	196,615,734

Note:

- 1) No loans are due from directors or other officers of the company either severally or jointly with any other person nor any other loans are due from firms in which any director is a partner, a director or a member.
- 2) All the above advances given to subsidiaries/joint ventures are utilised for their business purposes.

Note No.8: OTHER FINANCIAL ASSETS

Particulars	Non-Current		Current	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
a) 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	445,144,558	457,208,847	-	-
b) Retention Money and Security Deposit with customers	1,626,604,397	1,794,519,457	841,503,646	829,735,430
c) Uncertified Revenue	-	-	2,456,810,140	2,109,869,964
Total	2,071,748,955	2,251,728,304	3,298,313,786	2,939,605,394

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.

Note No.9: OTHER ASSETS

Particulars	Non-Current		Current	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Unsecured, Considered Good				
a) Advances for Capital goods	12,399,067	16,822,728	-	-
b) Mobilisation advances to Sub -Contractors	-	-	40,746,390	22,939,607
c) Advances to creditors against supplies	-	-	97,547,073	130,404,997
d) Advances to sub-contractors against works	-	-	2,320,500,475	1,636,282,948
e) Prepaid expenses	-	-	40,665,728	28,168,415
f) Balances with Statutory Authorities:				
GST and other taxes receivable	-	-	27,536,184	41,343,033
Works contract tax (TDS)	-	-	63,530,371	70,757,990
Taxes paid under protest	-	-	5,439,360	5,439,360
Sales Tax Refund Receivable	-	-	10,841,690	10,485,950
Duty credit scrip on hand	-	-	2,468,444	3,970,432
g) Other advances	-	-	29,191,608	5,495,274
Total	12,399,067	16,822,728	2,638,467,323	1,955,288,006

Note No.10: INVENTORIES

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
a) Stores and spares	310,111,111	398,409,910
b) Work-in-progress	23,790,266	19,705,412
Total	333,901,377	418,115,322

Note:

- The mode of valuation of inventories has been stated in Note 2(h) in Accounting Policies.
- The cost of inventories recognised as an expense for the year ended 31st March, 2018 was Rs. 167,40,80,007 /- (for the year ended 31st March, 2017: Rs. 114,56,06,140/-)
- 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 recovered after more than twelve months.

Note No.11: TRADE RECEIVABLES

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Unsecured, Considered Good		
Outstanding for a period exceeding six months	327,476,092	418,611,673
Others	2,822,714,564	2,236,071,114
Total	3,150,190,656	2,654,682,787
*Includes receivables from Subsidiary Companies:		
- Hydro Magus Private Limited	59,240,642	39,086,676
- Power Mech Industri Private Limited	1,451,122	1,451,122
- Power Mech Projects Limited LLC	165,283,688	23,798,424
- MAS Power Mech Arabia	58,104,829	11,321,335
- Power Mech BSCPL Consortium Private Limited	37,697,849	-

- 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, Rs. 100.96 crores (as at March 31, 2017: Rs. 89.11 crores) is due from one of the Company's largest customer. Further, an amount of Rs.34.81 Crores (as at March 31, 2017: Rs. 22.22Crores) 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. Considering the above factors and outcome of negotiations, the management is of view that no provision for expected credit loss is required to be made.

Note No.12: CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
i) Balances with banks in Current accounts		
a. In Current accounts	178,179,788	69,096,559
ii) Cash on hand	6,465,604	2,977,155
iii) Cheques, Drafts on Hand	123,901,180	-
iv) Fixed Deposits with original maturity period of less than 3 months	-	-
Total	308,546,572	72,073,714

Note No.12: OTHER BANK BALANCES

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
a. Earmarked balances with banks held as margin money against LC and guarantees falls due for maturity within 12months from the date of Balance sheet	414,995,012	251,335,784
b. Earmarked balances with banks towards unclaimed dividends	66,969	34,379
Total	415,061,981	251,370,163

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**Authorised Share Capital**

Particulars	Equity	
	No's	INR
As at 31st March, 2016	26,000,000	260,000,000
Increase/(Decrease) during the year	-	-
As at 31st March, 2017	26,000,000	260,000,000
Increase/(Decrease) during the year	-	-
As at 31st March, 2018	26,000,000	260,000,000

Issued Share Capital

Equity shares of Rs. 10/- each issued, subscribed and fully paid

Particulars	No's	INR
As at 31st March, 2016	14,710,764	147,107,640
Increase/(Decrease) during the year	-	-
As at 31st March, 2017	14,710,764	147,107,640
Increase/(Decrease) during the year	-	-
As at 31st March, 2018	14,710,764	147,107,640

Rights, Preferences and restrictions attached to Equity shares

The Company has only one class of Equity shares having a face value of Rs.10/- each. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders

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

Name of the Share Holder	As at 31 st March, 2018		As at 31 st March, 2017	
	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	3,634,942	24.71 %	3,634,942	24.71 %
S. Kishore Babu (HUF)	1,344,000	9.14 %	1,344,000	9.14 %
S. Lakshmi	2,403,626	16.34 %	2,403,626	16.34 %
S. Rohit	1,570,688	10.68 %	1,573,296	10.69 %
	8,953,256	60.87 %	8,955,864	60.88 %

The Company is not a subsidiary Company to any of the Company. The Company had 3 Indian subsidiary companies Hydro Magus Private Limited, Power Mech Industri Private Limited and Power Mech BSCPL Consortium Private Limited and 2 foreign subsidiary companies MAS Power Mech Arabia and Power Mech Projects Limited LLC. None of the shares of the Company are held by its subsidiary companies.

Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:

During the Financial Year 2014-15, the Company had allotted 1,080,000 equity shares as fully paid up bonus shares by capitalising part of securities premium.

No shares were issued pursuant to a contract without payment being received in cash.

Note No.14: OTHER EQUITY

Securities Premium

Particulars	Amount
As at 31st March, 2016	1,609,313,360
Changes during the year	-
As at 31st March, 2017	1,609,313,360
Changes during the year	-
As at 31st March, 2018	1,609,313,360

General Reserve

Particulars	Amount
As at 31st March, 2016	369,604,955
Transfers during the year	-
As at 31st March, 2017	369,604,955
Transfers during the year	-
As at 31st March, 2018	369,604,955

Retained Earnings

Particulars	Amount
As at 31st March, 2016	3,404,748,956
Add: Total comprehensive income for the year transferred from statement of profit and loss	640,871,600
As at 31st March, 2017	4,045,620,556
Add: Total comprehensive income for the year transferred from statement of profit and loss	658,585,592
Less: Final Dividend and tax thereon for the Financial year 2016-17 proposed & paid during the year	17,705,455
As at 31st March, 2018	4,686,500,693

Summary of Other Equity

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Securities Premium	1,609,313,360	1,609,313,360
General Reserve	369,604,955	369,604,955
Retained Earnings	4,686,500,694	4,045,620,556
	6,665,419,009	6,024,538,871

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) 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 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
A. Secured				
i. Term loans				
a) From banks:				
i) Axis bank	94,134,081	7,310,941	52,146,884	49,988,175
ii) HDFC	18,922,075	31,378,986	22,119,326	24,114,620
iii) ICICI	-	-	-	5,802,001
iv) Standard Chartered Bank	129,944	4,981,669	4,851,449	6,406,158
v) Kotak Mahendra bank	-	-	-	3,768,358
vi) State Bank of India	-	-	-	4,077,000
vii) Emirates Islamic Bank	1,544,769	892,266	539,310	323,604
b) From Companies:				
i) HDB Financial Services	56,530,622	-	34,418,674	11,804,442
ii) TATA Capital	57,999,113	2,919,569	49,177,839	20,257,862
Total (a)	229,260,604	47,483,431	163,253,482	126,542,220
B. Unsecured				
a) Deferred payment liabilities Due to suppliers on deferred credit basis	-	18,991,226	38,889,867	147,507,815
Total (b)	-	18,991,226	38,889,867	147,507,815
Total (a+b)	229,260,604	66,474,657	202,143,349	274,050,035

- 1) The term loans from banks and companies are secured by way of hypothecation of assets funded under the said facility. Further, the loans are guaranteed by Managing Director and a Director in their personal capacities.
- 2) The above loans carries interest varies from 1.51 % to 12.26 %
- 3) The above loans are repayable in monthly / quarterly instalments.
- 4) Maturity pattern of above term loans (Non-Current) is as follows.
 Banks : 2019-20 – Rs. 7,30,35,143 & 2020-21 – Rs. 4,14,64,408 & 2021-2022 - Rs.2,31,318
 Companies : 2019-20 – Rs. 8,29,74,848 & 2020-21 – Rs. 3,15,54,887
- 5) No defaults were made in repayment of above term loans

Note No.16: OTHER FINANCIAL LIABILITIES

Particulars	Non-Current		Current	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
a) Retention Money & Security deposits recovered from Sub-Contractors	514,754,536	547,208,030	46,652,963	49,626,560
b) Current maturities of long-term debt (Refer note no.15)	-	-	202,143,349	274,050,035
c) Creditors for capital goods	-	-	22,002,123	16,260,210
d) Interest accrued and due	-	-	51,411	1,943,052
e) Interest accrued but not due	-	-	363,013	414,424
f) Unclaimed dividend	-	-	66,969	34,379
g) Employee related payments	-	-	282,906,056	260,378,949
h) Share application money refundable	-	-	1,036,800	1,203,200
i) Other Liabilities	-	-	174,910,644	179,611,901
Total	514,754,536	547,208,030	730,133,328	783,522,710

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 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	2,039,193	-	2,887,950	7,072,380
- Leave Encashment (Unfunded)	20,709,077	4,029,768	4,839,368	7,657,242
Total	22,748,270	4,029,768	7,727,318	14,729,622

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 Rs. 8.20 crores (Year ended March 31, 2017: Rs. 7.47 crores) for provident fund contributions, and Rs. 0.95 crores (Year ended March 31, 2017: Rs. 0.34 crores) 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.

(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 st March, 2018	As at 31 st March, 2017
Present value of obligation	62,812,650	48,696,037
Fair Value of plan assets	57,885,507	41,623,657
Net Liability recognised in the Balance Sheet	4,927,143	7,072,380

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Plan Assets	Plan Obligation	Deficit/(Surplus)
As at March 31, 2016	41,069,135	38,804,592	(2,264,543)
Current service cost	-	13,434,440	13,434,440
Interest cost	-	3,104,367	3,104,367
Interest income	3,169,574	-	(3,169,574)
Actuarial gain arising from changes in experience adjustments	-	(4,032,309)	(4,032,309)
Contributions by employer	-	-	-
Benefit payments	(2,615,053)	(2,615,053)	-
Return on plan assets, excluding interest income	-	-	-
As at March 31, 2017	41,623,656	48,696,037	7,072,381
Current service cost	-	13,800,987	13,800,987
Past service cost	-	1,210,298	1,210,298
Interest cost	-	3,754,214	3,754,214
Interest income	3,884,764	-	(3,884,764)
Actuarial gain arising from changes in experience adjustments	-	(1,112,157)	(1,112,157)
Contributions by employer	17,408,527	-	(17,408,527)
Benefit payments	(3,536,729)	(3,536,729)	-
Return on plan assets, excluding interest income	(1,494,711)	-	1,494,711
As at March 31, 2018	57,885,507	62,812,650	4,927,143

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Employee Benefit Expenses		
Current service cost	13,800,987	13,434,440
Past Service cost	1,210,299	-
Interest cost	3,754,214	3,104,367
Interest income	(3,884,764)	(3,169,574)
Net impact on profit before tax	14,880,736	13,369,233
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in Experience adjustments	(1,112,156)	(4,032,309)
Return on plan assets, excluding interest income	1,494,711	-
Net impact on other comprehensive income	382,555	(4,032,309)

(iv) Assets

The major categories of plan assets as a % of the total plan assets

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Funded with Life Insurance Corporation of India	100 %	100 %

(v) 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, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Discount rate	8.00 %	8.00 %
Salary escalation rate	6.00 %	6.00 %

(vi) Sensivity 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	As at 31 st March, 2018	
	Decrease	Increase
change in discount rate (1 % movement)	7,756,246	9,471,454
change in rate of salary escalation (1 % movement)	8,103,283	9,787,597
change in rate of employee (1 % movement)	1,719,670	1,425,015

(vii) Maturity profile of Defined Benefit Obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non-Current
Defined Benefit Obligation	2,887,950	13,985,391	16,542,573

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 st March, 2018	As at 31 st March, 2017
Liability:		
Towards depreciation	-	27,304,494
Asset:		
Disallowances under Income-tax	8,950,815	6,115,352
Towards depreciation	9,260,587	-
Total	18,211,402	21,189,142

Movement in Deferred Tax Assets/Liabilities

Component	As at 31 st March, 2016	Charge/(Credit) to Statement of P&L	As at 31 st March, 2017	Charge/(Credit) to Statement of P&L	As at 31 st March, 2018
Deferred tax liabilities/ (assets) in relation to:					
Depreciation	47,107,822	(19,803,328)	27,304,494	(36,565,081)	(9,260,587)
Expenses allowable under Income tax when paid	(4,878,103)	(1,237,249)	(6,115,352)	(2,835,463)	(8,950,815)
	42,229,719	(21,040,577)	21,189,142	(39,400,544)	(18,211,402)

Note No.19: OTHER LIABILITIES

Particulars	Non-Current		Current	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
a) Mobilisation advances received from customers	207,267,850	371,100,344	202,718,226	203,773,704
b) Advances received from customers against supplies or works	-	-	2,176,678	38,522,921
c) Statutory Liabilities	-	-	299,231,133	339,599,641
d) Deferred government grants (Refer note)	6,618,082	7,527,259	-	-
Total	213,885,932	378,627,603	504,126,037	581,896,266

Note:

- (i) 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.
The deferred government grant will be recognised in statement of profit and loss over the period in proportion to the depreciation expense on the assets to which such grant is utilized is recognised.
- (ii) The segregation of mobilisation advances received from customers has been made based on the estimated work to be completed in next year and as per the terms of agreement entered with customers, turnover, terms of release of amount and estimates of the management.

Note No.20: SHORT TERM BORROWINGS

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
A. Secured		
Loans repayable on demand:		
a) Working capital loans from banks		
i) State Bank of India	1,220,211,108	814,163,808
ii) Standard Chartered bank	250,000,000	250,000,000
iii) ICICI bank	46,932,897	35,455,431
iv) Ratnakar bank	237,019,404	197,965,463
v) Axis bank	465,208	46,252,925
vi) IDFC bank WCDL	201,428,200	-
b) Over Draft from banks:		
i) State Bank of India	985,657	-
B. Un Secured		
Loans repayable on demand:		
a) Working capital loans from banks		
i) HDFC Bank	251,737,532	151,084,014
ii) HDFC bill discounting	182,443,737	96,948,320
Total	2,391,223,743	1,591,869,961

Note:

- a) Working capital loans from SBI, Standard Chartered bank, ICICI, Axis, IDFC and Ratnakar bank are secured by way of first charge on entire current assets of the company on pari passu basis. Further these loans are secured by way of first charge on fixed assets both present and future, excluding those assets against which charge was given to equipment financiers.
The said loans are collaterally secured by way of equitable mortgage of immovable properties belonging to the company, Managing director, director and a firm.
- 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.

Note No.21: TRADE PAYABLES

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Dues to: Small and Micro Enterprises	8,734,842	17,054,304
: Other than Small and Micro Enterprises	2,874,428,666	2,382,975,688
Total	2,883,163,508	2,400,029,992

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 st March, 2018	As at 31 st March, 2017
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	8,734,842	-
(b) Interest due there on	1,107,797	-
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date Interest there on in terms of Sec 16 of the Act	-	-
(b) Interest paid along with such payments during the year	-	-
(c) Interest due and payable at the end of the year on such payments made during the year	-	-
3. Amount of Interest for the year u/s 16 of the Act accrued and remaining un-paid at the end of the year	1,107,797	-
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	5,606,851	4,499,054

Note No.22: CURRENT INCOME-TAX LIABILITIES (Net)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Provision for Income-tax	1,172,532,564	2,030,307,106
Less: Advance Income-tax and TDS	1,070,836,456	1,940,781,107
	101,696,108	89,525,999

Income-tax recognised in profit or loss

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Current Tax		
Tax expense in respect of current year Income	394,918,823	367,000,000
(Excess)/short provision of current tax in earlier years	(2,418,823)	-
	392,500,000	367,000,000
Deferred Tax		
Deferred Tax credit in respect of Current year	(39,400,544)	(21,040,577)
	(39,400,544)	(21,040,577)
Total income tax expense recognised	353,099,456	345,959,423

The current income- tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Profit before tax	1,012,035,641	982,738,065
Enacted Tax Rates in India	34.608 %	34.608 %
Computed Tax expense	350,245,295	340,105,989
Add: Tax effects of expenses which are not deductible in determining taxable profit		
- Depreciation difference	36,910,539	21,611,682
- Expenses(net of Income) not deductible for tax purposes	7,864,651	3,831,486
Tax on Ind AS adjustments	(101,662)	1,450,843
Excess provision of income tax relating to earlier years	(2,418,823)	-
Current Tax Provision (A)	392,500,000	367,000,000
Decrease of Deferred tax liability on account of Fixed Assets	(36,565,081)	(19,803,328)
Increase of Deferred tax Asset on account of Other Assets	(2,835,463)	(1,237,249)
Deferred Tax Credit (B)	(39,400,544)	(21,040,577)
Total Tax Expense (A+B)	353,099,456	345,959,423

Note No.23: REVENUE FROM OPERATIONS

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Contract receipts:		
Erection works	3,517,826,392	6,064,678,948
Civil works	3,413,926,996	2,048,032,816
Maintenance	4,937,880,166	4,683,957,765
Electrical works	379,572,038	-
Supply of services	270,660,118	-
Supply of material	458,209,357	76,795,456
Other operating revenue:		
Crane and equipment hire charges received	123,010,176	38,122,973
TOTAL	13,101,085,243	12,911,587,958

Note No.24: OTHER INCOME

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Interest from banks and others (at amortized cost)	56,677,936	57,141,608
Interest on unwinding portion of Rental Deposits (at amortized cost)	691,469	620,363
Profit on sale of assets	4,665,999	5,991,642
Profit on sale of investments	9,281,096	-
Gain on exchange fluctuations	1,203,369	3,472,933
Interest on Income-tax refund	-	3,642,448
Duty credit scrip under SFIS	932,625	5,977,373
TOTAL	73,452,494	76,846,367

Note No.25: COST OF MATERIALS CONSUMED

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Opening Stock	398,409,910	308,791,369
Add: Purchases	1,585,781,208	1,235,224,681
	1,984,191,118	1,544,016,050
Less: Closing Stock	310,111,111	398,409,910
TOTAL	1,674,080,007	1,145,606,140

Note No.26: CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Opening work-in-progress	19,705,412	726,445
	19,705,412	726,445
Closing work-in-progress	23,790,266	19,705,412
	23,790,266	19,705,412
Increase / (Decrease) in inventories	4,084,854	18,978,967

Note No.27: CONTRACT EXECUTION EXPENSE

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Sub-contract expenses	6,317,358,488	6,585,484,011
Radiography charges	85,052,852	108,625,418
Hire charges	196,766,906	211,670,257
Rent at Project sites	104,635,959	93,353,671
Power and fuel	50,352,358	40,762,390
Insurance	10,039,818	13,865,805
Vehicles movement and other freight expenses	113,677,498	119,014,702
Repairs and maintenance: Plant and machinery	57,624,164	76,722,540
Other assets	23,026,035	38,416,866
Fuel and vehicle maintenance	266,975,216	246,015,161
Travelling expenses at projects	129,966,900	260,740,347
TOTAL	7,355,476,194	7,794,671,168

Note No.28: EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Salaries and Wages	1,831,003,984	1,722,605,509
Remuneration to managerial personnel	59,353,611	54,842,531
Contribution to provident and other funds	91,506,561	78,186,731
Staff welfare expenses	197,894,589	248,574,672
Contribution towards group gratuity	14,880,736	13,369,233
TOTAL	2,194,639,481	2,117,578,676

Note No.29: FINANCE COST

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Interest paid to banks and others	316,439,291	298,729,234
Loan Processing charges	14,328,865	10,211,778
Interest on Income-tax	3,709,974	5,927,717
TOTAL	334,478,130	314,868,729

Note No.30: DEPRECIATION AND AMORTISATION

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Depreciation	361,619,643	392,478,477
Amortisation	2,272,765	3,748,984
TOTAL	363,892,408	396,227,461

Note No.31: OTHER EXPENSE

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Rents - Office	23,832,999	26,024,569
Directors Sitting Fee	1,200,000	1,150,000
Donations	7,120,000	92,421
Payments to auditors		
Towards Statutory audit	1,200,000	1,200,000
Towards tax audit and taxation matters	100,000	100,000
Rates and taxes	61,864,011	54,483,102
Miscellaneous expenses	123,402,396	150,855,438
CSR expenses	1,969,826	6,227,090
Loss on sale of assets	198,806	4,991,865
Loss on exchange fluctuations	23,132,692	10,598,568
TOTAL	244,020,730	255,723,053

Note No.32: CATEGORIES OF FINANCIAL INSTRUMENTS

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2018 and 31st March, 2017 are as follows:

Particulars	Carrying value		Fair value	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Financial assets				
Measured at Amortised cost				
(i) Other financial assets	5,370,062,740	5,191,333,698	5,370,062,740	5,191,333,698
(ii) Loans and advances	514,350,741	307,585,678	511,116,872	303,660,341
(iii) Investments in Preference shares of subsidiary company	-	23,848,610	-	23,848,610
Measured at FVTOCI				
(i) Investments in equity instruments	218,051	218,051	307,286	275,324
Total assets	5,884,631,532	5,522,986,037	5,881,486,898	5,519,117,973
Financial liabilities				
Measured at amortised cost				
(i) Borrowings (including current maturities of Long term borrowings)	431,403,954	340,524,693	431,403,954	340,524,693
(ii) Other financial liabilities	1,042,744,515	1,056,680,706	1,042,744,515	1,056,680,706
Total liabilities	1,474,148,469	1,397,205,399	1,474,148,469	1,397,205,399

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/Financial Liabilities	Fair Value as at		Fair Value hierarchy	Valuation technique and key input
	31 st March, 2018	31 st March, 2017		
1) Investments in Quoted Mutual Funds	305,600	272,600	Level I	Quoted bid prices in an active market
2) Investments in Quoted Equity Instruments	1,686	2,724	Level I	Quoted bid prices in an active market

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and short term borrowings at carrying value because their carrying amounts approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of bank borrowings, other financial assets and financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

Note No.34: FINANCIAL RISK MANAGEMENT

The Company financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company financial assets comprise mainly of investments, cash and cash equivalents, trade and other receivables.

The Company's business activities are exposed to a variety of financial risks namely credit risk, liquidity risk and foreign currency risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of Directors of the Company.

A. Credit Risk

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

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

Receivables from customers

Concentration of credit risk with respect to trade receivables are limited since major customers of the company are from public sector and accounts more than 35% of its trade receivables. All trade receivables are reviewed and assessed for default on a monthly basis. On historical experience of collecting receivables credit risk is low.

The following table gives details in respect of dues from trade receivables including retentions and deposits.

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Turnover from top Customer	3,771,536,786	3,289,894,959
Dues from top customer	1,930,942,983	2,103,603,817
Turnover from other top 4 customers	1,511,605,241	2,421,283,155
Dues from other top 4 customers	931,534,194	951,401,271

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, 2018, March 31, 2017 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: (Amount in Rupees)

Particulars	Currency	As at 31 st March, 2018	As at 31 st March, 2017
Letter of Credit	USD	38,889,867	166,499,041

- 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 unconvered amount, the particulars of which are given below.

(Amount in Rupees)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Net Investment in		
USD - US Dollars	165,420,701	29,469,137
SAR - Saudi Arabian Riyals	(34,073,258)	146,658,824
AED - Arab Emirates Dirham	137,882,193	45,042,935
BDT - Bangladeshi Taka	26,337,109	87,686,163
LYD - Libyan Dinars	18,314,511	111,531,009
KWD - Kuwaiti Dinar	8,343,329	-
	322,224,585	420,388,068

The company does not have any risk of currency fluctuation since it's entire liability in foregin 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, 2018 and March 31, 2017. 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 it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits.

The company is repaying its borrowings as per the schedule of repayment and no amount was pending for remittance beyond its due date.

All the amounts due to trade payables falls due within one year and the company is able to meet its obligations within the due dates.

In case of borrowings from banks, the maturity pattern has been given under Note no. 15.

D. Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on Management's judgment of its strategic day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or is necessary, adjust its capital structure.

Note No.35: CONTINGENT LIABILITIES AND COMMITMENTS

(Amount in Rupees)

Particulars		31.03.2018	31.03.2017
A. Contingent Liabilities			
a) Claims against the company not acknowledged as debts			
Sales Tax		47,479,341	72,672,193
b) Other contingent liabilities			
(i) Corporate guarantee given to bank in respect of limits sanctioned to subsidiary companies to the extent of balance outstanding (Guarantees given for their business activities)			
- Hydro Magus Private Limited		84,286,838	78,666,919
- Power Mech Industri Private Limited		122,690,817	143,626,742
B. Commitments			
Estimated amount of contracts remaining to be Executed on capital account and not provided for		111,361,804	20,232,156

Note No.36

Particulars	31.03.2018	31.03.2017
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.	6,636,166,600	6,722,728,509

Note No. 37: CIF VALUE OF IMPORTS MADE BY THE COMPANY DURING THE YEAR

Particulars	31.03.2018	31.03.2017
a) Consumables & Spare parts	666,507	475,949
b) Capital goods	7,941,372	34,999,858

Note No.38: EARNINGS IN FOREIGN CURRENCY

Particulars	31.03.2018	31.03.2017
a) Contract receipts (Projects executed outside India)		
Abu Dhabi	325,649,080	184,761,561
Bheramara	261,300,165	342,615,883
Shuqaiq	85,521,418	1,551,495,478
Libya	49,000,166	112,604,673
IBRI	202,669,299	39,777,080
Saudi	165,711,108	-
b) Joint venture Company Power Mech CPNED	-	4,442,313
c) Interest received from Subsidiary - Power Mech Projects Limited LLC	-	1,063,903
d) Consideration received on sale of shares in CPNED	9,324,246	-
e) Sale of assets to subsidiary - MAS Power Mech Arabia	-	119,846,000

Note No.39: EXPENDITURE IN FOREIGN CURRENCY

Particulars	31.03.2018	31.03.2017
a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
Yemen	31,368	2,349,427
Abu Dhabi	241,864,480	170,114,085
Bheramara	258,733,382	363,777,622
Kuwait	60,151	-
Shuqaiq	238,591,086	1,455,063,723
Libya	39,679,423	60,098,515
b) Foreign travel	1,529,966	1,665,199

Note No.40: EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
a) Gross amount required to be spent by the company during the year	15,787,300	17,285,960
b) Amount spent during the year (Contribution paid to Power Mech Foundation and HEAL)	1,969,826	6,227,090

Note No.41: PARTICULARS DISCLOSED PURSUANT TO IND AS-24 “RELATED PARTY TRANSACTIONS”

A)	i) Key Managerial personnel	S. Kishore Babu, Chairman and Managing director
	ii) Relatives of Key Managerial personnel	S. Lakshmi – Director W/o S.Kishore Babu S. Rohit S/o S. Kishore Babu S. Kishore Babu (HUF)
	iii) Companies controlled by KMP/Relatives of KMP	Power Mech Infra Limited Bombay Avenue Developers Private Limited True Rrav Marketing Private Limited Power Mech Foundation Lakshmi Agro Farms
	iv) Subsidiary companies	Hydro Magus Private Limited Power Mech Industri Private Limited Power Mech Projects Limited LLC MAS Power Mech Arabia Power Mech BSCPL Consortium Private Limited
	v) Joint Venture	Power Mech - CPNED Services (HonKong) Holding Co. Limited * GTA Power Mech Nigeria Limited

* The company has withdrawn it's investment in joint venture company during the financial year 2017-18

B) Transactions with related parties

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture
i) Rent Paid	a) S. Kishore Babu	2,490,000				
		(2,880,000)				
	b) S. Lakshmi		720,000			
			(1,020,000)			
	c) S. Kishore Babu (HUF)		840,000			
			(840,000)			
	d) S. Rohit		1,089,000			
ii) Remuneration Paid			(1,089,000)			
	e) Power Mech Infra Limited			15,248,640		
				(18,338,603)		
iii) Sub-Contract Expenses & Hire charges Paid	a) S. Kishore Babu	53,848,886				
		(52,442,531)				
	b) S.Rohit		500,000			
			(916,667)			
iii) Sub-Contract Expenses & Hire charges Paid	a) Power Mech Infra Limited			50,824,957		
				(52,054,915)		
	b) Hydro Magus Private Limited				92,225,447	
					-	
	c) Power Mech Industri Private Limited				1,550,000	
					-	
					-	

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture
iv)	Stores Material Purchased from					
	a) Power Mech Industri Private Limited				14,038,463	
					-	
v)	Sale of assets Receipts from					
	a) MAS Power Mech Arabia				-	
					(119,846,000)	
vi)	Contract receipts from sale of services					
	a) Hydro Magus Private Limited				3,198,936	
					(14,230,171)	
	b) Power Mech Projects Limited LLC				114,795,273	
					(39,777,080)	
	c) MAS Power Mech Arabia				154,155,939	
					-	
	d) GTA Power Mech Nigeria Limited					1,708,904
						-
	e) Power Mech CPNED					-
						(4,442,313)
	f) Power Mech BSCPL Consortium Private Limited				210,187,386	
					-	
vii)	Contract receipts from supply of material					
	a) Power Mech Projects Limited LLC				4,674,026	
					-	
	b) MAS Power Mech Arabia				31,317,690	
					-	
viii)	Crane hire charges received					
	a) Power Mech Projects Limited LLC				83,200,000	
					-	
ix)	Interest Received					
	a) Hydro Magus Private Limited				-	
					(817,146)	
	b) Power Mech Projects Limited LLC				-	
					(1,063,903)	
x)	Rent Received					
	a) Hydro Magus Private Limited				42,000	
					(56,000)	
xi)	Donations paid					
	a) Power Mech foundation			1,369,826		
				(6,227,090)		

C) Balances outstanding as on 31.03.2018

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture
i)	Investment in Hydro Magus Private Limited				29,376,000	
					(25,174,610)	
ii)	Investment in Power Mech Industri Private Limited				43,090,413	
					(43,090,413)	
iii)	Investment in MAS Power Mech Arabia				4,536,450	
					(4,536,450)	
iv)	Investment in Power Mech Projects Limited LLC				30,180,980	
					(18,489,452)	

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP	Subsidiary Company	Joint Venture
v)	Investment in Power Mech BSCPL consortium Private Limited				51,000	
					-	
vi)	Investment in Power Mech CPNED a Jointly controlled entity					-
						(43,150)
vii)	Investment in GTA Power Mech Nigeria Limited					3,218,142
						(3,218,142)
viii)	Due to Power Mech Infra Limited			39,903,201		
				(14,967,623)		
ix)	Rental Deposit with Power Mech Infra Limited			8,945,300		
				(9,609,250)		
x)	Remuneration Payable	16,497,544				
		(2,448,500)				
xi)	Rent Payable					
	S. Kishore Babu	153,000				
		(216,000)				
	S. Lakshmi		54,000			
			-			
	S. Kishore Babu (HUF)		63,000			
			(63,000)			
	S.Rohit		81,675			
			(81,675)			
xii)	Due from Power Mech Industri Private Limited				267,122,685	
					(174,832,041)	
xiii)	Due from MAS Power Mech Arabia				-	
					(5,242,495)	
xiv)	Trade Receivable - Hydro Magus Private Limited (including Retention money and Security Deposits)				71,110,360	
					(50,956,305)	
xv)	Trade Receivable - Power Mech Industri Private Limited				1,451,122	
					(1,451,122)	
xvi)	Trade Receivable - Power Mech Projects Limited LLC				165,283,688	
					(23,798,424)	
xvii)	Trade Receivable - Power Mech BSCPL Consortium Private Limited (including Retention money and Security Deposits)				41,354,286	
					-	
xviii)	Trade Receivable - Mas Power Mech Arabia				58,104,829	
					-	
xix)	Trade Receivable - GTA Power Mech Nigeria Limited				1,708,904	
					-	
xx)	Mobilisation advance to Hydro Magus Private Limited				2,017,293	
					-	
xxi)	Trade Payable to Hydro Magus Private Limited (including Retention money and Security Deposits)				35,097,774	
					-	
xxii)	Security Deposit -Power Mech BSCPL Consortium Private Limited				20,000,000	
xxiii)	Advance to Power Mech CPNED					-
						(274,159)

42 Balances with customers and some of the suppliers accounts are subject to confirmation and reconciliation.

43 The company has claimed an amount of Rs.6,35,30,371/- (As on 31.03.2017 Rs. 7,07,57,990/-) being the Works contract tax deducted by the customers under local sales tax laws and outstanding as on 31.03.18 in respect of works carried out in some of the states. The company's management is of opinion that there is no sales tax liability in respect of the said works carried out and hence claimed as refund due and grouped under other current assets. Sales tax liability, if any has arisen, on completion of assessments will be charged to Profit and Loss account.

44 SEGMENT REPORTING

Business Segment: The company 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.

45 CALCULATION OF EARNINGS PER SHARE

Sl. No	Particulars	2017-18	2016-17
1)	Basic and Diluted Earning per share		
	No. of shares at the beginning of the year	14,710,764	14,710,764
	Change in equity during the year	-	-
	Total Weighted average number of shares	14,710,764	14,710,764
	Profit after tax	658,936,185	636,778,642
	Basic and diluted Earning per share	44.79	43.29

46 DISCLOSURE REQUIREMENT UNDER IND AS 11 "CONSTRUCTION CONTRACTS"

	Particulars	31.03.2018	31.03.2017
a)	Contract revenue recognized during the year	12,978,075,068	12,873,464,985
b)	Method used to recognise the revenue	% of Completion Method	% of Completion Method
c)	Method used to determine stage of completion	Physical proportion of work completion	Physical proportion of work completion
d)	Dues from customers	3,150,190,656	2,654,682,787
e)	Retention & SD amounts due from customers	2,468,108,043	2,624,254,887
f)	Due to Sub Contractors	2,021,437,588	1,712,051,402
g)	Retention & SD amount due to Sub Contractors	561,407,499	596,834,590
h)	Mobilisation advance from Customers	409,986,076	574,874,048
i)	Mobilisation advance to Sub Contractors	40,746,390	22,939,607

47 DIVIDEND

The board of Directors at its meeting held on 25.05.2018 have recommended a dividend of Rs. 1/- each per share of face value of Rs. 10/- each for the financial year ended 31st March, 2018. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as a liability.

48 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 st March, 2018	Maximum Balance Outstanding for the year 2017-18	Balance as on 31 st March, 2017	Maximum Balance Outstanding for the year 2016-17
Hydro Magus Private Limited - Subsidiary	-	-	-	2,701,352
Power Mech Industri Pvt Ltd - Wholly owned Subsidiary				
	267,122,685	267,122,685	174,832,041	174,832,041
MAS Power Mech Arabia - Subsidiary	-	5,242,495	5,242,495	5,242,495
Power Mech BSCPL Consortium Private Limited - Subsidiary	-	-	-	-
Power Mech Projects Limited LLC - Subsidiary	-	-	-	50,210,313
Power Mech CPNED - Joint Venture	-	274,159	274,159	1,700,306

(ii) Details of investments made and guarantees given under Section 186 of the Companies Act, 2013 are disclosed in Note 6 and Note 35 respectively.

(iii) All the above loans and guarantees were given for carrying on their business activities.

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

As per our report of even date

For BRAHMAYYA & CO**Chartered Accountants**

Firm's Registration Number: 000513S

Sd/-**(Karumanchi Rajaj)**

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 25.05.2018

For and on behalf of the Board

Sd/-**S. Kishore Babu**

Chairman and Managing Director

(DIN: 00971313)

Sd/-**Rohit Tibrewal**

Company Secretary

Sd/-**J Satish**

CFO



Consolidated Financials

Independent Auditors' Report

To The Members of
POWER MECH PROJECTS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of POWER MECH PROJECTS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Jointly controlled entities comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its Jointly controlled entities 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 Jointly controlled entities 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in paragraphs of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the overseas subsidiaries, 1 Indian Subsidiary and its Jointly controlled entities referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Jointly controlled entities as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of 2 overseas subsidiaries and 1 Indian Subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of Rs.1520.64 Mns as at 31st March, 2018, total revenues of Rs.2781.98 Mns, total net profit after tax Rs.275.20 Mns and other comprehensive income Rs. Nil for the year ended on that date as considered in the consolidated financial results. The consolidated financial results also includes groups share of net loss Rs. 2.33 Mns and other comprehensive income of Rs. Nil for the year ended on that date as considered in consolidated financial results in respect of 2 joint ventures whose financial information has not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements in so far as

relates to the amounts and disclosures included in respect of these overseas and Indian subsidiaries and jointly controlled entities are based on solely of the other auditors. In respect of the subsidiaries and Joint ventures located outside India, the financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and the company's management has converted these financial statements as per the accounting principles generally accepted in India. We have audited these conversion adjustments made by the company's management. Our opinion in so far as it relates to the balances and affairs of such overseas subsidiary companies / JV is based on reports of other auditors and the conversion adjustments prepared by the management of the company and audited by us.

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 the report of other auditors on separate financial statements of Overseas and Indian subsidiary and Jointly controlled entities, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of, the Holding Company's / subsidiary company's incorporated in India, internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditors' 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:

The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities.

The Group and its jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

**Sd/-
(Karumanchi Rajaj)
Partner
Membership No. 202 309**

**Place: Camp: Hyderabad
Date: 25.05.2018**

Annexure-A

Independent Auditors' Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the company for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of POWER MECH PROJECTS LIMITED ("the holding company") and its subsidiary companies incorporated in India as on that date.

Management's Responsibility for Internal Financial Controls

The respective board of directors of the holding company and its Indian subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its Indian subsidiaries based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of Indian subsidiary is sufficient and appropriate to provide a basis for our audit opinion on the Company's and its Indian subsidiaries internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 2018, 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 one Indian subsidiary is based on the report of the other auditor.

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

**Sd/-
(Karumanchi Rajaj)
Partner
Membership No. 202 309**

**Place: Camp: Hyderabad
Date: 25.05.2018**

Consolidated Balance Sheet as at 31st March, 2018

(Amount in Rs.)

Particulars		Note No.	As at 31 st March, 2018	As at 31 st March, 2017
ASSETS				
1	Non-Current Assets			
	(a) Property, Plant and Equipment	4	1,998,430,831	2,035,720,704
	(b) Capital Work-in-progress		59,915,593	119,287,095
	(c) Intangible Assets	5	27,035,662	28,913,124
	(d) Unallocated Capital expenditure	6	-	-
	(e) Financial Assets			
	(i) Investments	7	1,295,964	9,100,599
	(ii) Loans	8	212,041,692	111,959,951
	(iii) Other financial assets	9	2,161,982,168	2,261,907,834
	(f) Deferred Tax Asset (Net)	20	25,318,227	-
	(g) Other Non-current assets	10	15,543,827	19,131,446
	Total Non-Current Assets		4,501,563,964	4,586,020,753
2	Current Assets			
	(a) Inventories	11	472,145,532	436,903,098
	(b) Financial Assets			
	(i) Trade Receivables	12	3,086,048,181	2,948,716,682
	(ii) Cash and cash equivalents	13	521,144,101	85,644,837
	(iii) Other Bank Balances	13	426,511,644	261,836,228
	(iv) Loans	8	49,762,731	21,884,676
	(v) Other Financial Assets	9	3,890,765,084	3,101,535,654
	(c) Other Current assets	10	2,897,474,136	2,184,848,276
	Total Current Assets		11,343,851,409	9,041,369,451
	Total Assets		15,845,415,373	13,627,390,204
EQUITY AND LIABILITIES				
1	Equity			
	(a) Equity Share Capital	14	147,107,640	147,107,640
	(b) Other Equity	15	6,837,660,118	6,065,433,598
			6,984,767,758	6,212,541,238
2	Non-Controlling Interests	16	137,947,354	21,089,379
	Liabilities			
3	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Long-term borrowings	17	277,109,479	154,969,555
	(ii) Other financial liabilities	18	511,346,953	560,528,714
	(b) Provisions	19	22,964,161	4,100,801
	(c) Deferred Tax Liabilities (Net)	20	-	21,468,169
	(d) Other non-current liabilities	21	288,637,109	385,211,929
	Total Non-Current Liabilities		1,100,057,702	1,126,279,168
4	Current Liabilities			
	(a) Financial Liabilities			
	(i) Short-term borrowings	22	2,462,331,861	1,642,520,609
	(ii) Trade payables	23	3,074,516,207	2,653,524,041
	(iii) Other financial liabilities	18	1,376,054,073	979,719,144
	(b) Other current liabilities	21	561,081,565	880,676,772
	(c) Provisions	19	13,232,040	14,784,415
	(d) Current tax Liabilities (Net)	24	135,426,813	96,255,438
	Total Current Liabilities		7,622,642,559	6,267,480,419
	Total Liabilities		8,722,700,261	7,393,759,587
	Total Equity and Liabilities		15,845,415,373	13,627,390,204

Note: The accompanying notes 1-51 form an integral part of the Financial statements.

As per our report of even date

For BRAHMAYYA & CO

Chartered Accountants

Firm's Registration Number: 0005135

Sd/-

(Karumanchi Rajaj)

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 25.05.2018

For and on behalf of the Board

Sd/-

S. Kishore Babu

Chairman and Managing Director

(DIN: 00971313)

Sd/-

Rohit Tibrewal

Company Secretary

Sd/-
J Satish
CFO

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2018

(Amount in Rs.)

Particulars		Note No.	Year ended 31 st March, 2018	Year ended 31 st March, 2017
I	Revenue from Operations	25	15,478,339,652	13,382,019,808
II	Other Income	26	67,180,268	77,021,229
III	Total Income (I+II)		15,545,519,920	13,459,041,037
IV	Expenses			
	Cost of Material Consumed	27	1,964,177,131	1,244,535,463
	(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	28	(85,477,573)	(28,964,393)
	Contract Execution expenses	29	8,145,555,343	7,927,654,071
	Employee benefits expense	30	3,121,641,296	2,265,275,832
	Finance Costs	31	358,752,810	329,260,388
	Depreciation and Amortization expense	32	428,427,299	409,306,105
	Other expenses	33	309,660,719	314,276,178
	Total Expenses (IV)		14,242,737,025	12,461,343,644
V	Profit before share of profit/(Loss) from Joint Venture, exceptional items and tax (III-IV)		1,302,782,895	997,697,393
VI	Share of Profit/(Loss) from Joint Venture		(2,330,093)	5,563,983
VII	Profit before exceptional items and tax (V+VI)		1,300,452,802	1,003,261,376
VIII	Exceptional Items			-
IX	Profit before tax (VII-VIII)		1,300,452,802	1,003,261,376
X	Tax Expense:			
	Current tax		439,064,686	377,771,224
	Deferred tax		(46,786,396)	(20,753,647)
	MAT Credit entitlement		-	(260,403)
XI	Profit for the period (IX-X)		908,174,512	646,504,202
XII	Other Comprehensive Income			
	A. Items that will not be re-classified to profit and Loss account			
	a) Changes in Fair value of Investments		31,962	60,649
	b) Remeasurement of defined employee benefit plans		(382,555)	4,032,309
XIII	Total Comprehensive Income for the period (XI+XII)		907,823,919	650,597,160
	Profit for the year before Other Comprehensive Income		908,174,512	646,504,202
	Attributable to			
	Equity holders of the parent		794,470,521	646,756,167
	Non-Controlling Interests		113,703,991	(251,965)
	Total Comprehensive Income for the period		907,823,919	650,597,160
	Attributable to			
	Equity holders of the parent		794,119,928	650,849,125
	Non-Controlling Interests		113,703,991	(251,965)
XIV	Earnings per Share - Basic and Diluted		54.01	43.96

Note: The accompanying notes 1-51 form an integral part of the Financial statements.

As per our report of even date

For BRAHMAYYA & CO

Chartered Accountants

Firm's Registration Number: 000513S

Sd/-

(Karumanchi Rajaj)

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 25.05.2018

For and on behalf of the Board

Sd/-

S. Kishore Babu

Chairman and Managing Director

(DIN: 00971313)

Sd/-

Rohit Tibrewal

Company Secretary

Sd/-

J Satish

CFO

Consolidated Cash Flow Statement for the Year ended 31st March, 2018

(Amount in Rs.)

PARTICULARS		2017-18 (Rs)	2016-17 (Rs)
I.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	1,300,452,802	1,003,261,376
	Add/Less: Adjustments for:		
	Depreciation	428,427,299	409,306,105
	Interest and Finance charges	358,752,810	329,260,388
	Loss on sale of assets	198,806	4,991,865
	Net loss arising on financial assets measured at FVTPL	88,802	159,908
	Interest income (excluding interest on rental deposit)	(57,366,831)	(56,019,529)
	Profit on sale of assets	(4,665,999)	(5,991,642)
	Loss on sale of investments in JV	346,917	
	Remeasurement benefits on defined benefit Plans/Obligations considered in Other Comprehensive Income	(382,555)	4,032,309
	Operating profit before working capital changes	2,025,852,051	1,689,000,780
	<u>Movements in Working Capital</u>		
	Adjustments for (increase)/decrease in operating assets:		
	- Trade Receivables	(137,331,500)	(226,945,237)
	- Inventories	(35,242,434)	(97,601,532)
	- Other Assets	(1,534,628,181)	(110,175,000)
	Adjustments for increase/(decrease) in operating liabilities:		
	- Trade Payables	420,992,166	(51,199,277)
	- Other Liabilities and Provisions	18,040,393	388,463,063
	Cash generated from operations	757,682,495	1,591,542,797
	Less: Direct taxes paid	(399,972,573)	(400,721,766)
	Net cash from / (used in) Operating activities (A)	357,709,922	1,190,821,031
II.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets/Capital works-under progress	(335,495,481)	(528,587,661)
	Proceeds from sale of fixed assets	10,074,212	134,161,962
	Proceeds from sale of JV	6,410,692	
	Margin money deposits with banks and other balances	(156,349,037)	(58,416,665)
	Interest received (Excl interest on rental deposit)	57,366,831	56,019,529
	Net cash used in Investing activities (B)	(417,992,783)	(396,822,835)
III.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Share capital at a premium (Net of expenses)	-	-
	Proceeds from/(Repayment of) borrowings	872,204,911	(398,141,852)
	Interest and Finance charges paid	(358,752,810)	(329,260,388)
	Dividends and dividend tax paid	(17,669,976)	(5,151,317)
	Net cash from/(used in) financing activities (C)	495,782,125	(732,553,557)
	Net Increase/(decrease) in cash and cash equivalents (A+B+C)	435,499,264	61,444,639
	Cash and cash equivalents at the beginning of the period	85,644,837	24,200,198
	Cash and cash equivalents at the end of the period	521,144,101	85,644,837
	Net Increase/(Decrease) in cash and cash equivalents	435,499,264	61,444,639

Components of cash and cash equivalents

Particulars	2017-18	2016-17
Cash on hand	26,243,379	7,700,436
In Current accounts	370,999,542	77,944,401
Cheques, Drafts on Hand	123,901,180	-
Deposits having maturity period for less than 3months	-	-
	521,144,101	85,644,837

Changes in Liability arising from financing Activities

Particulars	Opening	Net Cash flow*	Non-Cash changes (forex)	Closing
Long term borrowings	469,624,733	52,440,492	46,834	522,018,391
Short term borrowings	1,642,520,609	819,811,253	-	2,462,331,861

As per our report of even date

For BRAHMAYYA & CO**Chartered Accountants**

Firm's Registration Number: 0005135

Sd/-**(Karumanchi Rajaj)**

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 25.05.2018

For and on behalf of the Board

Sd/-**S. Kishore Babu**

Chairman and Managing Director

(DIN: 00971313)

Sd/-**Rohit Tibrewal**

Company Secretary

Sd/-**J Satish**

CFO

Consolidated Statement of Changes in Equity for the year ended 31st March, 2018

A. Equity Share Capital

Particulars	No's	INR
As at 31st March, 2016	14,710,764	147,107,640
Changes in equity during the year	-	-
As at 31st March, 2017	14,710,764	147,107,640
Changes in equity during the year	-	-
As at 31st March, 2018	14,710,764	147,107,640

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/ (Losses)	
Balance at the end of reporting period - 31st March 2016	1,609,313,360	369,989,584	81,754	3,421,052,251	12,510	3,072,750	5,403,522,209
Add: Profit for the year (Net of Minority Interest)	-	-	-	646,756,167	-	-	646,756,167
Add: Other Comprehensive Income	-	-	-	-	60,649	4,032,309	4,092,958
Add: Exchange difference on revaluation at Balance sheet date	-	-	11,062,264	-	-	-	11,062,264
Total Comprehensive Income for the year	-	-	11,062,264	646,756,167	60,649	4,032,309	661,911,389
Less: Appropriations	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-
Balance at the end of reporting period - 31st March 2017	1,609,313,360	369,989,584	11,144,018	4,067,808,418	73,159	7,105,059	6,065,433,598
Profit for the year (Net of Minority Interest)	-	-	-	794,470,521	-	-	794,470,521
Other Comprehensive Income	-	-	(10,524,221)	-	31,962	(382,555)	(10,874,814)
Total Comprehensive Income for the year	-	-	(10,524,221)	794,470,521	31,962	(382,555)	783,595,707
Dividend and Dividend tax	-	-	-	17,705,454	-	-	17,705,454
Waiver of preference dividend	-	-	-	6,336,267	-	-	6,336,267
Balance at the end of reporting period - 31st March 2018	1,609,313,360	369,989,584	619,797	4,850,909,752	105,121	6,722,504	6,837,660,118

As per our report of even date

For **BRAHMAYYA & CO**

Chartered Accountants

Firm's Registration Number: 0005135

Sd/-

(Karumanchi Rajaj)

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 25.05.2018

For and on behalf of the Board

Sd/-

S. Kishore Babu

Chairman and Managing Director
(DIN: 00971313)

Sd/-

J Satish

CFO

Sd/-

Rohit Tibrewal

Company Secretary

Significant Accounting Policies and Notes on Consolidated Financial Statements

Note No.1: GROUP INFORMATION

Accounting year 2017-18

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.

The parent company Power Mech Projects Limited is incorporated in the year 1999 and is an engineering and construction company providing integrated service in erection, testing and commissioning (ETC) of boilers, turbines and generators and balance of plant (BOP), civil works and operation and maintenance (O&M). The company is also undertaking railway projects and executing major railway project of doubling of tracks including electrification, signaling, culverts, platforms etc. and has made its latest entry into transmission and distribution portfolio, a new venture of diversification and the company has already undertaken some major projects.

The company, its subsidiaries and its joint venture considered in the consolidated financial statements are:

a) Subsidiaries:

Name of the company	Country of incorporation	Principal activities	Year ended	
			31.3.2018	31.3.2017
Hydro Magus Private Limited	India	Maintenance contracts	88 %	75 %
Power Mech Industri Private Limited	India	Manufacture of spare parts	100 %	100 %
Power Mech BSCPL Consortium Private Limited (Incorporated during the year)	India	Infrastructure development	51 %	Nil
Power Mech Projects LLC	Muscat	Installation and repair of electric power and transformer plants	70 %	70 %
MAS Power Mech Arabia	Saudi Arabia	Installation and Maintenance services	51 %	51 %

b) Joint Venture:

Name of the company	Country of incorporation	Principal activities	Year ended	
			31.3.2018	31.3.2017
GTA Power Mech Nigeria	Nigeria	Turbine repair	50 %	50 %
Power Mech-CPNED Services (Sold during the year)	Hong Kong	Trading of spare parts	Nil	50 %

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

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

Power Mech Projects LLC was incorporated in the year 2016-17 which is engaged in the business of construction contracts of water, electricity and telephone net work and installation and repair of electric power and transformer plants. During the year, the parent company further subscribed for 70000 shares of OR 1 each.

MAS Power Mech Arabia was incorporated in the year 2015 in which the parent company holds 51 % and is engaged in the business of provision of services of installation, operation, testing and maintenance of electricity stations and pressure transformers.

During the year, the company by subscribing to memorandum, incorporated a company Power Mech BSCPL Consortium Private Limited, in which the parent company holds 51 % of the share capital. The company is engaged in the business of infrastructure development works. At present, the said company is undertaking the work of development of medical device manufacturing park at Visakhapatnam, AP.

The parent company, Power Mech Projects Limited along with Chengdu Pengrun New Energy Development Company Limited established a Jointly controlled entity under the name Power Mech CPNED Services (Honkong) Holding company Limited in which Power Mech Projects Limited holds 50 % interest. The said entity was incorporated in Hong Kong. However, the entire equity in said company was disposed by the parent company during the year.

The parent company, Power Mech Projects Limited along with Skipper Limited established a Jointly controlled entity under the name GTA Power Mech Nigeria Limited in which Power Mech Projects Limited holds 50 % interest. The said entity was incorporated in Nigeria.

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 and Companies (Indian Accounting Standards) Amendment Rules, 2016 w.e.f 1st April, 2016.

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.

Subsidiaries are entities where the group exercise or controls more than one-half of its total voting power. The net assets and profits of the subsidiaries are included in the statements from their respective date of acquisition being the date on which group obtains control. 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 over the investee to affect its returns.

Principles of Consolidation

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events insimilar circumstances. 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. 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.
- b) Profits and losses resulting from intra-group transactionsthat 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 and joint ventures, 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 has been accounted under the equity method as per Ind AS-28 "Investments in Associates and Joint ventures".
- g) The financial statements of the company and its subsidiary and joint venture companies are drawn up to the same reporting date i.e of 31st March except in case of one overseas subsidiary where financial statements have been drawn upto 31st December, 2017 and for consolidation purposes additional financial information for the q.e 31st March, 2018 has been prepared.

Other Significant Accounting policies:

a) Use of estimates and Judgements

The preparation of the Company'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 company's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

i) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets:

Property, plant and equipment / intangible assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

ii) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, past history of receivables, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iii) Fair value measurement of financial instruments:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Company also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

iv) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

v) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

vi) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii) Income Taxes:

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

viii) Defined benefit obligations:

The Company uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine such employee benefit obligations.

ix) Revenue recognition:

The company uses the percentage of completion method in accounting for its fixed price contracts and is measured with reference to actual completion of physical proportion of the work to the extent of work certified by the customer. Measurement of physical quantum of work completed is based on estimates at the reporting date.

ix) 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.

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 company identifies and determines cost of each part of PPE separately, if the part has a cost which is significant to the total cost of that items of PPE and has useful life that is materially different from that of the remaining items.

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 as follows.

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

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

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

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

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

f) **Investment in Joint venture**

Investment in jointly controlled entity 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 since the date of acquisition. Goodwill relating to the jointly controlled 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. 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 jointly controlled entity are eliminated to the extent of interest in jointly controlled entity. If groups share of losses in jointly controlled entity exceeds its investment, the group discontinues recognising its share of further losses. If the entity reports profits subsequently, the group resumes recognising its share of profits only after its share of profits equals the share of losses not recognised.

g) **Impairment of Assets**

i) Financial assets (other than at fair value)

The group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The 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 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.

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 is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from contracts is recognized by following the percentage of completion method and is measured with reference to actual completion of physical proportion of the work to the extent of work certified by the customer. The portion of the work which was completed, but pending for certification by the customer, is also recognized as revenue by treating the same as uncertified revenue. Any claims, variations and incentives is recognized as revenue to the extent that it is probable they will result in revenue and they are capable of being reliably measured. Provision for expected loss is recognized immediately when it is probable that the total estimated cost will exceed total contract revenue.

Revenue from sale of products is recognised when the goods are delivered and titles have passed i.e time when the risks and rewards of ownership are transferred to the buyer under the terms of the contract and the company retains no effective control over the goods sold. Revenue is measured at the fair value of the consideration taking into account contractually defined terms of payment. Revenue is reduced for discounts, rebates and other similar allowances.

When there is any uncertainty as to the measurement or collectability of consideration, revenue recognition to the extent of amount of uncertainty is postponed until such uncertainty is resolved.

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 share holders at the Annual General Meeting.

p) **Earnings per share**

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

q) **Leases**

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

r) **Cash 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**

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.

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.

(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.² 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.

Note No. 3: STANDARDS ISSUED BUT NOT EFFECTIVE

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 – Revenue from Contract with Customers and certain amendments to existing Ind AS. These amendments shall be applicable to the company from April 01, 2018.

a) Issue of Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition standard Ind AS-18 Revenue, Ind AS-11 Construction Contracts and the related interpretations. Ind AS-115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

b) Amendment to Existing Ind AS

The MCA has also carried out amendments in some of the existing standards but application of said standards are not expected to have any significant impact on the Company's Financial Statements.

Note No. 4: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Carrying Amounts of:		
Land	41,489,973	41,489,973
Lease Hold Land	19,363,423	19,611,672
Office Buildings	294,601,639	307,958,082
Plant and Equipment	284,394,277	251,580,987
Furniture and Fixtures	53,330,075	57,618,363
Computers	14,683,941	16,816,984
Office Equipment	68,698,665	61,283,910
Motor vehicles	192,865,950	212,225,870
Cranes	878,396,862	942,776,050
Temporary Sheds	150,606,026	124,358,813
	1,998,430,831	2,035,720,704
Capital Work-in-progress	59,915,593	119,287,095

Property, Plant and Equipment

Particulars	Land	Lease Hold Land	Office Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipment	Motor vehicles	Cranes	Temporary Sheds	Total
Gross Block											
As at 31st March, 2016	30,738,773	20,108,170	144,671,112	354,468,715	18,679,650	23,945,597	67,890,979	272,156,563	1,194,741,885	204,182,075	2,331,583,519
Additions	10,751,200	-	178,711,639	124,905,949	66,492,746	6,924,166	45,165,095	90,325,768	54,653,803	51,232,735	629,163,101
Disposals	-	-	-	77,662,295	5,812,330	332,786	18,565,038	31,097,892	48,886,301	369,051	182,725,693
As at 31st March, 2017	41,489,973	20,108,170	323,382,751	401,712,369	79,360,066	30,536,977	94,491,036	331,384,439	1,200,509,387	255,045,759	2,778,020,927
Additions	-	-	-	112,819,554	12,299,457	4,655,174	28,607,341	47,913,738	74,766,195	113,381,698	394,443,157
Disposals	-	-	-	7,509,162	-	-	-	1,286,670	1,977,349	-	10,773,181
As at 31st March, 2018	41,489,973	20,108,170	323,382,751	507,022,761	91,659,523	35,192,151	123,098,377	378,011,507	1,273,298,233	368,427,457	3,161,690,903
Accumulated Depreciation including accumulated Impairment losses											
As at 31st March, 2016	-	248,249	7,246,266	85,002,103	9,226,129	6,960,962	17,425,664	65,145,150	131,886,922	63,165,166	386,306,611
Depreciation charge for the year	-	248,249	8,178,403	87,568,999	15,281,335	6,865,344	19,419,665	62,732,770	137,519,187	67,743,168	405,557,120
On disposals	-	-	-	22,439,720	2,765,761	106,313	3,638,203	8,719,351	11,672,772	221,388	49,563,508
As at 31st March, 2017	-	496,498	15,424,669	150,131,382	21,741,703	13,719,993	33,207,126	119,158,569	257,733,337	130,686,946	742,300,223
Depreciation charge for the year	-	248,249	13,356,443	76,081,650	16,587,745	6,788,217	21,192,586	66,642,706	138,094,006	87,134,485	426,126,087
On disposals	-	-	-	3,584,548	-	-	-	655,718	925,972	-	5,166,238
As at 31st March, 2018	-	744,747	28,781,112	222,628,484	38,329,448	20,508,210	54,399,712	185,145,557	394,901,371	217,821,431	1,163,260,072
Net Block											
As at 31st March, 2018	41,489,973	19,363,423	294,601,639	284,394,277	53,330,075	14,683,941	68,698,665	192,865,950	878,396,862	150,606,026	1,998,430,831
As at 31st March, 2017	41,489,973	19,611,672	307,958,082	251,580,987	57,618,363	16,816,984	61,283,910	212,225,870	942,776,050	124,358,813	2,035,720,704

Notes:

- 1) Term loans taken for purchase of Vehicles, Cars and Cranes are secured by way of hypothecation on respective assets for which loans were availed.
- 2) Working Capital Loans from SBI, Standard Chartered bank, Axis, IDFC, ICICI and Ratnakar bank are secured by way of first charge on Property, Plant and Equipment of the Group both present and future, excluding those assets against which charge was given to equipment financiers.

Capital Work-in-Progress

Particulars	Amount
Carrying value - At Cost	
As at 31st March, 2016	188,651,049
Additions	77,398,927
Capitalised during the year	146,762,881
As at 31st March, 2017	119,287,095
Additions	14,837,686
Capitalised during the year	74,209,188
As at 31st March, 2018	59,915,593

Note No.5: INTANGIBLE ASSETS

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Power Mech Brand	1,200	1,200
Computer Software	2,742,027	4,619,489
Goodwill	24,292,435	24,292,435
Total	27,035,662	28,913,124

Particulars	Power Mech Brand	Computer Software	Goodwill	Total
Gross Block				
As at 31st March, 2016	6,645	11,939,908	24,292,435	36,238,988
Additions	-	100,225	-	100,225
Disposals	-	-	-	-
As at 31st March, 2017	6,645	12,040,133	24,292,435	36,339,213
Additions	-	423,749	-	423,749
Disposals	-	-	-	-
As at 31st March, 2018	6,645	12,463,882	24,292,435	36,762,962
Accumulated Amortization				
As at 31st March, 2016	4,331	3,672,774	-	3,677,105
Depreciation charge for the year	1,114	3,747,870	-	3,748,984
On disposals	-	-	-	-
As at 31st March, 2017	5,445	7,420,644	-	7,426,089
Depreciation charge for the year	-	2,301,211	-	2,301,211
On disposals	-	-	-	-
As at 31st March, 2018	5,445	9,721,855	-	9,727,300
Net Block				
As at 31st March, 2018	1,200	2,742,027	24,292,435	27,035,662
As at 31st March, 2017	1,200	4,619,489	24,292,435	28,913,124

Note No.6: UNALLOCATED CAPITAL EXPENDITURE

Particulars	Amount
Carrying value - At Cost/Deemed Cost	
As at 31st March, 2016	31,311,711
Additions	-
Capitalised during the year	(31,311,711)
As at 31st March, 2017	-
Additions	-
Capitalised during the year	-
As at 31st March, 2018	-

Note No.7: INVESTMENTS (NON-CURRENT)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
A. Investment in Equity Instruments		
(a) (i) Quoted - Trade (carried at fair value through OCI)		
a) 24 Equity shares of Rs.10/ each in Reliance Power Limited	866	1,154
(ii) Quoted - Non-Trade (carried at fair value through OCI)		
a) 200 Equity shares of Rs.10/ each in Assam Company Limited	820	1,570
Total Investment in Quoted Equity Instruments (a)	1,686	2,724
(b) Unquoted - Trade (Values using Equity method as per Ind AS - 27)		
a) Investment in Power Mech CPNED - A Jointly controlled entity (Disposed during the year)	-	6,757,609
b) Investment in GTA Power Mech Nigeria Limited - A Jointly controlled entity	988,678	2,067,666
Total Investment in Un-Quoted Equity Instruments (b)	988,678	8,825,275
Total Investment in Equity Instruments (A)= (a+b)	990,364	8,827,999
B. Investment in Mutual Funds - Quoted (Carried at fair value through OCI)		
a) Investments in mutual funds 20,000 units of SBI Infrastructure fund - I - Growth Rs.10/ each	305,600	272,600
Total Investment in Mutual Funds (B)	305,600	272,600
Total (A+B)	1,295,964	9,100,599
Aggregate amount of: Quoted investments -		
- At cost	218,051	218,051
- Market value	307,286	275,324
Aggregate amount of unquoted investments	988,678	8,825,275

Category wise - Investments as per Ind AS 109 Classification

Particulars	As at 31 st March, 2018		As at 31 st March, 2017	
	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised
Financial assets measured at:				
(i) Fair value through Other Comprehensive Income				
a) 24 Equity shares of Rs.10/ each in Reliance Power Limited	866	-	1,154	24
b) 200 Equity shares of Rs.10/ each in Assam Company Limited	820	-	1,570	-
c) Investments in mutual funds 20,000 units of SBI Infrastructure fund - I - Growth Rs.10/ each	305,600	-	272,600	-
(ii) Using Equity method for Investments in Joint Ventures and Associates as per Ind As 28	988,678	-	8,825,275	-
Total	1,295,964	-	9,100,599	24

Note No.8: LOANS

Particulars	Non-Current		Current	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Unsecured, Considered Good				
a) Security deposits with Govt. authorities and others	151,811,684	68,302,788	2,008,716	1,758,771
b) EMD with customers	60,230,008	43,657,163	-	-
c) Employee related advances	-	-	43,484,810	19,851,746
d) Loans to others	-	-	4,269,205	274,159
Total	212,041,692	111,959,951	49,762,731	21,884,676

Note:

- 1) No loans are due from directors or other officers of the Group either severally or jointly with any other person nor any other loans are due from firms in which any director is a partner, a director or a member.

Note No.9: OTHER FINANCIAL ASSETS

Particulars	Non-Current		Current	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
a) 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	448,882,468	457,208,847	-	-
b) Retention Money and Security Deposit with customers	1,713,099,700	1,804,698,987	863,615,610	837,325,827
c) Uncertified Revenue	-	-	3,025,961,474	2,263,021,827
d) Other receivables	-	-	1,188,000	1,188,000
Total	2,161,982,168	2,261,907,834	3,890,765,084	3,101,535,654

The bifurcation of Retention money & Security deposit with customers between current and non-current is made based on the terms of contract, time schedule in the execution of work orders, fulfilment of conditions for release of Retention money and Security deposit and based on estimates by management.

Note No.10: OTHER ASSETS

Particulars	Non-Current		Current	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Unsecured, Considered Good				
a) Advances for Capital goods	15,543,827	18,552,246	-	-
b) Mobilisation advances to Sub -Contractors	-	579,200	42,522,866	22,939,607
c) Advances to creditors against supplies	-	-	136,892,778	154,742,833
d) Advances to sub-contractors against works	-	-	2,356,130,219	1,636,605,236
e) Prepaid expenses	-	-	61,755,542	38,651,996
f) Balances with Statutory Authorities:				
GST credit receivable	-	-	36,049,608	49,919,749
Works contract tax (TDS)	-	-	79,682,253	82,106,047
MAT Credit entitlement	-	-	500,260	500,260
Sales Tax Refund Receivable	-	-	10,841,690	10,485,950
Custom Duty Receivable	-	-	2,468,444	3,970,432
Taxes paid under protest	-	-	5,439,360	5,439,360
g) Other advances	-	-	165,191,116	179,486,806
Total	15,543,827	19,131,446	2,897,474,136	2,184,848,276

Note No.11: INVENTORIES

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
a) Stores and spares	356,977,122	407,212,260
b) Construction Work-in-progress	115,168,410	29,690,838
Total	472,145,532	436,903,098

Note:

- The mode of valuation of inventories has been stated in Note 2(i) in Accounting Policies.
- The cost of inventories recognised as an expense for the year ended 31st March, 2018 was Rs. 196,41,77,131 /- (for the year ended 31st March, 2017: Rs. 124,45,35,463/-)
- 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 recovered after more than twelve months.

Note No.12: TRADE RECEIVABLES

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Unsecured, Considered Good		
Outstanding for a period exceeding six months	478,029,204	438,942,703
Others	2,608,018,977	2,509,773,979
Total	3,086,048,181	2,948,716,682

- 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, Rs. 100.96 crores (as at March 31, 2017: Rs. 89.11 crores) is due from one of the Group largest customers. Further, an amount of Rs.34.81 Crores (as at March 31, 2017: Rs. 22.22 Crores) 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. Considering the above factors and outcome of negotiations, the management is of view that no provision for expected credit loss is required to be made.

Note No.13: CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
i) Balances with banks in Current accounts		
a. In Current accounts	370,999,542	77,944,401
ii) Cash on hand	26,243,379	7,700,436
iii) Cheques, Drafts on Hand	123,901,180	-
iv) Fixed Deposits with original maturity period of less than 3 months	-	-
Total	521,144,101	85,644,837

Note No.13: OTHER BANK BALANCES

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
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	426,444,675	261,801,849
b. Earmarked balances with banks towards unclaimed dividends	66,969	34,379
Total	426,511,644	261,836,228

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**Authorised Share Capital**

Particulars	Equity	
	No's	INR
As at 31st March, 2016	26,000,000	260,000,000
Increase/(Decrease) during the year	-	-
As at 31st March, 2017	26,000,000	260,000,000
Increase/(Decrease) during the year	-	-
As at 31st March, 2018	26,000,000	260,000,000

Issued Share Capital

Equity shares of Rs. 10/- each issued, subscribed and fully paid

Particulars	No's	INR
As at 31st March, 2016	14,710,764	147,107,640
Increase/(Decrease) during the year	-	-
As at 31st March, 2017	14,710,764	147,107,640
Increase/(Decrease) during the year	-	-
As at 31st March, 2018	14,710,764	147,107,640

Rights, Preferences and restrictions attached to Equity shares

The Parent Company has only one class of Equity shares having a face value of Rs.10/- each. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

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

Name of the Share Holder	As at 31 st March, 2018		As at 31 st March, 2017	
	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	3,634,942	24.71 %	3,634,942	24.71 %
S. Kishore Babu (HUF)	1,344,000	9.14 %	1,344,000	9.14 %
S. Lakshmi	2,403,626	16.34 %	2,403,626	16.34 %
S. Rohit	1,570,688	10.68 %	1,573,296	10.69 %
	8,953,256	60.87 %	8,955,864	60.88 %

Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:

During the Financial Year 2014-15, the Parent Company had allotted 1,080,000 equity shares as fully paid up bonus shares by capitalising part of securities premium.

No shares were issued pursuant to a contract without payment being received in cash.

Note No.15: OTHER EQUITY**Securities Premium Reserve**

Particulars	Amount
As at 31st March, 2016	1,609,313,360
Changes during the year	-
As at 31st March, 2017	1,609,313,360
Changes during the year	-
As at 31st March, 2018	1,609,313,360

General Reserve

Particulars	Amount
As at 31st March, 2016	369,989,584
Transfers during the year	-
As at 31st March, 2017	369,989,584
Transfers during the year	-
As at 31st March, 2018	369,989,584

Foreign Currency Translation Reserve Account

Particulars	Amount
As at 31st March, 2016	81,754
Transfers during the year	11,062,264
As at 31st March, 2017	11,144,018
Transfers during the year	(10,524,221)
As at 31st March, 2018	619,797

Retained Earnings

Particulars	Amount
As at 31st March, 2016	3,424,137,511
Add: Total comprehensive income for the year transferred from statement of profit and loss	650,849,125
As at 31st March, 2017	4,074,986,636
Add: Total comprehensive income for the year transferred from statement of profit and loss	794,119,928
Less: Final Dividend and tax thereon for the Financial year 2016-17 proposed & paid during the year	17,705,454
Add: Waiver of Preference dividend with the consent of preference share holders	6,336,267
As at 31st March, 2018	4,857,737,377

Summary of Other Equity

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Securities Premium	1,609,313,360	1,609,313,360
General Reserve	369,989,584	369,989,584
Foreign Currency Translation Reserve Account	619,797	11,144,018
Retained Earnings	4,857,737,377	4,074,986,636
	6,837,660,118	6,065,433,598

Nature of reserves:

- Securities premium:
Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.
- 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.
- 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.
- 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
As at 31st March, 2016	4,385,138
Changes during the year	16,704,241
As at 31st March, 2017	21,089,379
Changes during the year	116,857,975
As at 31st March, 2018	137,947,354

Note No.17: LONG TERM BORROWINGS

Particulars	Non-Current		Current	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
A. Secured				
i. Term loans				
a) From banks:				
i) Axis bank	94,134,081	7,310,941	52,146,884	49,988,175
ii) HDFC	19,120,950	32,023,884	22,565,350	24,519,763
iii) ICICI	-	-	-	5,802,001
iv) Standard Chartered Bank	129,944	4,981,669	4,851,449	6,406,158
v) Kotak Mahendra bank	-	-	-	3,768,358
vi) State Bank of India	-	-	-	4,077,000
vii) Ratnakar Bank	47,650,000	87,850,000	42,319,538	40,200,000
viii) Emirates Islamic Bank	1,544,769	892,266	539,310	323,604
b) From Companies:				
i) HDB Financial Services	56,530,622	-	34,418,674	11,804,442
ii) TATA Capital	57,999,113	2,919,569	49,177,839	20,257,862
Total (a)	277,109,479	135,978,329	206,019,044	167,147,363
B. Unsecured				
i) Deferred payment liabilities due to suppliers on deferred credit basis	-	18,991,226	38,889,867	147,507,815
Total (b)	-	18,991,226	38,889,867	147,507,815
Total (a+b)	277,109,479	154,969,555	244,908,911	314,655,178

- 1) The term loans from banks and companies are secured by way of hypothecation of assets funded under the said facility. Further, the loans are guaranteed by Managing Director and a Director in their personal capacities.
- 2) The above loans carries interest varies from 1.51 % to 12.26 %
- 3) The above loans are repayable in monthly / quarterly instalments.
- 4) Maturity pattern of above term loans (non-current) is as follows
 Banks : 2019-20 – Rs. 110,884,021; 2020-21 – Rs. 47,464,408; 2021-22 - 4,231,315
 Companies : 2019-20 – Rs. 82,974,848; 2020-21 - Rs. 31,554,887
- 5) No defaults were made in repayment of above term loans

Note No.18: OTHER FINANCIAL LIABILITIES

Particulars	Non-Current		Current	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
a) Retention Money & Security deposits recovered from Sub-Contractors	511,346,953	560,528,714	53,615,237	52,796,418
b) Current maturities of long-term debt	-	-	244,908,912	314,655,178
c) Creditors for capital goods	-	-	23,199,536	18,160,089
d) Interest accrued and due	-	-	51,411	2,357,476
e) Interest accrued but not due	-	-	363,013	-
f) Unclaimed dividend	-	-	66,969	34,379
g) Employee related payments	-	-	432,423,425	278,681,877
h) Share application money refundable	-	-	1,036,800	1,203,200
i) Other Liabilities	-	-	620,388,770	311,830,527
Total	511,346,953	560,528,714	1,376,054,073	979,719,144

Note No.19: PROVISIONS

Particulars	Non-Current		Current	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
a) Provision for employee benefits				
- Group gratuity (Net of plan assets)	2,208,040	-	3,165,935	7,072,380
- Leave Encashment (Unfunded)	20,756,121	4,100,801	10,066,105	7,712,035
Total	22,964,161	4,100,801	13,232,040	14,784,415

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 Company recognised Rs. 8.30 crores (Year ended March 31, 2017: Rs. 7.47 crores) for provident fund contributions, and Rs. 0.99 crores (Year ended March 31, 2017: Rs. 0.34 crores) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

b. Defined benefit plans

The Group provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

(i) Balance Sheet

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Present value of obligation	63,259,482	48,696,037
Fair Value of plan assets	57,885,507	41,623,657
(Asset)/Liability recognised in the Balance Sheet	5,373,975	7,072,380

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Plan Assets	Plan Obligation	Deficit/(Surplus)
As at March 31, 2016	41,069,135	38,804,592	(2,264,543)
Current service cost	-	13,434,440	13,434,440
Interest cost	-	3,104,367	3,104,367
Interest Income	3,169,574	-	(3,169,574)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(4,032,309)	(4,032,309)
Contributions by employer	-	-	-
Benefit payments	(2,615,053)	(2,615,053)	-
Return on plan assets, excluding interest income	-	-	-
As at March 31, 2017	41,623,656	48,696,037	7,072,381
Current service cost	-	13,908,428	13,908,428
Past service cost	-	1,549,689	1,549,689
Interest cost	-	3,754,214	3,754,214
Interest Income	3,884,764	-	(3,884,764)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(1,112,157)	(1,112,157)
Contributions by employer	17,408,527	-	(17,408,527)
Benefit payments	(3,536,729)	(3,536,729)	-
Return on plan assets, excluding interest income	(1,494,711)	-	1,494,711
As at March 31, 2018	57,885,507	63,259,482	5,373,975

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Employee Benefit Expenses		
Current service cost	13,908,428	13,434,440
Past service cost	1,549,690	-
Interest cost	3,754,214	3,104,367
Interest Income	(3,884,764)	(3,169,575)
Net impact on profit before tax	15,327,568	13,369,232
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in financial assumptions	(1,112,156)	(4,032,309)
Return on plan assets, excluding interest income	1,494,711	-
Net impact on other comprehensive income before tax	382,555	(4,032,309)

(iv) Assets

The major categories of plan assets as a % of the total plan assets

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Funded with Life Insurance Corporation of India	100 %	100 %

(v) 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, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Discount rate	8.00 %	8.00 %
Salary escalation rate	6.00 %	6.00 %

(vi) 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 sensitivity analysis is given below.

Particulars	As at 31 st March, 2018	
	Decrease	Increase
change in discount rate (1 % movement)	8,182,399	9,943,370
change in rate of salary escalation (1 % movement)	8,525,721	10,263,153
change in rate of employee (1 % movement)	2,162,026	1,875,533

(vii) Maturity profile of defined benefit obligation

Particulars	Year 1 Current	Year 2-5 Non-Current	Above 5 years Non-Current
Defined Benefit obligation	3,167,597	14,034,615	16,612,103

Note No.20: DEFERRED TAX

Particulars	Components	
	As at 31 st March, 2018	As at 31 st March, 2017
Liability:		
Towards depreciation	-	30,270,895
Asset:		
Disallowances under Income-tax/ Unabsorbed Depreciation	23,976,433	(8,802,726)
Towards depreciation	1,341,794	-
Total	25,318,227	21,468,169

Movement in Deferred Tax Assets/Liabilities

Component	As at 31 st March, 2016	Charge/(Credit) to Statement of P&L	As at 31 st March, 2017	Charge/(Credit) to Statement of P&L	As at 31 st March, 2018
Deferred tax liabilities/ (assets) in relation to:					
Depreciation	47,099,917	(16,829,022)	30,270,895	(31,612,689)	(1,341,794)
Expenses allowable under Income tax when paid	(4,878,103)	(3,924,623)	(8,802,726)	(15,173,707)	(23,976,433)
	42,221,814	(20,753,645)	21,468,169	(46,786,396)	(25,318,227)

Note No.21: OTHER LIABILITIES

Particulars	Non-Current		Current	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
a) Mobilisation advances received from customers	282,019,027	377,684,670	216,115,487	367,908,599
b) Advances received from customers against supplies or works	-	-	5,889,078	160,571,536
c) Statutory Liabilities	-	-	337,792,763	350,912,400
d) Liability towards Scrip Income	6,618,082	7,527,259	-	-
e) Provision for tax on preference dividend	-	-	1,284,237	1,284,237
Total	288,637,109	385,211,929	561,081,565	880,676,772

Note:

- 1) The Parent Company received government grants in the nature of export incentives and same is utilised against import of capital goods and capitalised to Property, plant and equipment. The deferred government grant will be recognised in statement of profit and loss over the period in proportion to the depreciation expense on the assets to which such grants is utilised is to the recognised.
- 2) The segregation of mobilization advances received from customers has been made based on the estimated work to be completed in next year and as per the terms of agreement entered with customers, turnover, terms of release of amount and estimates of the management.

Note No.22: SHORT TERM BORROWINGS

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
A. Secured		
Loans repayable on demand:		
a) Working capital loans from banks		
i) State Bank of India	1,258,597,947	849,237,713
ii) Standard Chartered bank	250,000,000	250,000,000
iii) ICICI bank	46,932,897	35,455,431
iv) Ratnakar bank	269,740,683	213,542,206
v) Axis bank	465,208	46,252,925
vi) IDFC bank WCDL	201,428,200	-
b) Over Draft from banks:		
i) State Bank of India	985,657	-
B. Un Secured		
Loans repayable on demand:		
a) Working capital loans from banks		
i) HDFC Bank	251,737,532	151,084,014
ii) HDFC bill discounting	182,443,737	96,948,320
Total	2,462,331,861	1,642,520,609

Note:

- a) Working capital loans from SBI, Standard Chartered bank, Axis, IDFC, ICICI and Ratnakar bank are secured by way of first charge on entire current assets of the respective company's of the Group on pari passu basis. Further these loans are secured by way of first charge on fixed assets both present and future, excluding those assets against which charge was given to equipment financiers.

The said loans are collaterally secured by way of equitable mortgage of immovable properties belonging to the company, Managing director, director and a firm.

- b) Overdraft facility from banks is secured against fixed deposits with banks.

- c) All the above loans are guaranteed by Managing Director and a director of the Parent Company in their personal capacities.

Note No.23: TRADE PAYABLES

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Dues to: Small and Micro Enterprises	8,734,842	17,054,304
: Other than Small and Micro Enterprises	3,065,781,365	2,636,469,737
Total	3,074,516,207	2,653,524,041

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

Based on and to the extent of information obtained during the year 2017-18 and available with the Group, with regard to the status of their suppliers under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT), on which the auditors have relied, the disclosure requirement with regard to the payment made/ due to Micro, Small and Medium Enterprises are given below.

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year		
(a) Principal amount of bills to be paid	8,734,842	-
(b) Interest due there on	1,107,797	-
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date Interest there on in terms of Sec 16 of the Act	-	-
(b) Interest paid along with such payments during the year	-	-
(c) Interest due and payable at the end of the year on such payments made during the year	-	-
3. Amount of Interest for the year u/s 16 of the Act accrued and remaining un-paid at the end of the year	1,107,797	-
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	5,606,851	4,499,054

Note No.24: CURRENT INCOME-TAX LIABILITIES (Net)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Provision for Income-tax	1,235,717,274	2,058,113,915
Less: Advance Income-tax and TDS	1,100,290,461	1,961,858,477
	135,426,813	96,255,438

Income-tax recognised in profit or loss

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Current Tax		
Tax expense in respect of current year Income	441,483,509	377,771,224
(Excess)/Short provision of current tax in earlier years	(2,418,823)	-
	439,064,686	377,771,224
Deferred Tax		
Deferred Tax Income in respect of Current year	(46,786,396)	(20,753,647)
	(46,786,396)	(20,753,647)
MAT Credit Entitlement		
MAT Credit in respect of tax paid u/s 115JAA of the Income Tax Act	-	(260,403)
	-	(260,403)
Total tax expense recognised	392,278,290	356,757,174

Note No.25: REVENUE FROM OPERATIONS

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Contract receipts:		
Erection works	6,375,805,463	6,321,666,994
Civil works	3,433,890,942	2,048,032,816
Maintenance	5,175,558,151	4,858,829,235
Supply of services	1,708,906	-
Supply of material	451,566,014	115,367,790
Other operating revenue:		
Crane hire charges received	39,810,176	38,122,973
TOTAL	15,478,339,652	13,382,019,808

Note No.26: OTHER INCOME

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Interest from banks and others	57,366,831	56,639,892
Interest on unwinding portion of Rental Deposits (at amortized cost)	691,469	-
Rent received	2,025,563	1,264,000
Profit on sale of assets	4,665,999	5,991,642
Gain on exchange fluctuations	1,497,781	3,505,874
Duty Credit Scrip under SFIS	932,625	5,977,373
Interest on Income tax refund	-	3,642,448
TOTAL	67,180,268	77,021,229

Note No.27: COST OF MATERIALS CONSUMED

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Opening Stock	407,212,260	309,732,958
Add: Purchases	1,913,941,993	1,342,014,765
	2,321,154,253	1,651,747,723
Less: Closing Stock	356,977,122	407,212,260
TOTAL	1,964,177,131	1,244,535,463

Note No.28: CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Opening work-in-progress	29,690,838	726,445
	29,690,838	726,445
Closing work-in-progress	115,168,410	29,690,838
	115,168,410	29,690,838
Increase / (Decrease) in inventories	85,477,572	28,964,393

Note No.29: CONTRACT EXECUTION EXPENSE

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Sub-contract expenses	6,683,611,699	6,595,737,118
Radiography charges	144,688,117	109,521,514
Hire charges	352,193,047	234,483,389
Rent at Project sites	129,362,918	97,435,767
Power and fuel	68,292,335	41,017,390
Insurance	22,692,437	18,791,059
Vehicles movement and other freight expenses	143,472,841	121,176,927
Repairs and maintenance: Plant and machinery	70,182,216	77,476,988
Other assets	29,001,497	39,308,928
Fuel and vehicle maintenance	274,521,963	246,382,522
Travelling expenses at projects	155,675,315	300,493,729
Wages paid to contract labour	71,860,958	45,828,740
TOTAL	8,145,555,343	7,927,654,071

Note No.30: EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Salaries and Wages	2,633,166,870	1,826,355,780
Remuneration to managerial personnel	64,063,611	84,557,134
Contribution to provident and other funds	93,001,376	79,206,029
Staff welfare expenses	316,081,871	261,787,656
Contribution towards group gratuity	15,327,568	13,369,233
TOTAL	3,121,641,296	2,265,275,832

Note No.31: FINANCE COST

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Interest paid to banks and others	286,721,365	270,773,989
Bank charges and BG commission	53,195,664	41,840,119
Loan Processing charges	14,900,575	10,371,778
Interest on Income-tax	3,935,206	6,274,502
TOTAL	358,752,810	329,260,388

Note No.32: DEPRECIATION AND AMORTISATION

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Depreciation	426,154,534	405,557,121
Amortisation	2,272,765	3,748,984
TOTAL	428,427,299	409,306,105

Note No.33: OTHER EXPENSE

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Rents - Office	27,327,218	32,519,455
Directors Sitting Fee	1,200,000	1,150,000
Donations	7,120,000	150,421
Payments to auditors		
Towards Statutory audit	1,200,000	1,200,000
Towards tax audit and taxation matters	100,000	100,000
Rates and taxes	70,453,313	56,099,385
Miscellaneous expenses	175,291,372	200,539,080
CSR expenses	1,969,826	6,227,090
Loss on sale of assets	198,806	4,991,865
Loss on Disposal of Investment in Joint venture	346,917	-
Loss on exchange fluctuations	23,895,118	10,598,568
Business promotion expenses	558,149	700,314
TOTAL	309,660,719	314,276,178

Note No.34: CATEGORIES OF FINANCIAL INSTRUMENTS

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2018 and 31st March, 2017 are as follows:

Particulars	Fair value		Carrying value	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Financial Assets				
Measured at Amortised cost				
(i) Other financial assets	6,052,747,252	5,363,443,488	6,052,747,252	5,363,443,488
(ii) Loans and advances	261,804,424	133,844,627	265,038,292	137,769,964
Measured at FVTOCI				
(i) Investments in equity instruments	307,286	275,324	218,051	218,051
Total Assets	6,314,858,962	5,497,563,439	6,314,858,962	5,497,563,439
Financial Liabilities				
Measured at amortised cost				
(i) Borrowings (Including Current Maturities of Long Term Debt)	522,018,391	469,624,732	522,018,391	469,624,732
(ii) Other financial liabilities	1,642,492,114	1,225,592,681	1,642,492,114	1,225,592,681
Total Liabilities	2,164,510,505	1,695,217,413	2,164,510,505	1,695,217,413

Note No.35: FAIR VALUE HIERARCHY

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The categories used are as follows:

Level 1: Quoted prices for identified instruments in an active market.

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data.

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets are measured at the fair value at the end of each reporting period.

The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique and other inputs used).

Financial Assets/Financial Liabilities	Fair Value as at		Fair Value hierarchy	Valuation technique and key input
	31 st March, 2018	31 st March, 2017		
1) Investments in Quoted Mutual Funds	305,600	272,600	Level I	Quoted bid prices in an active market
2) Investments in Quoted Equity Instruments	1,686	2,724	Level I	Quoted bid prices in an active market

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and short term borrowings at carrying value because their carrying amounts approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of bank borrowings, other financial assets and financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

Note No.36: FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks namely credit risk, liquidity risk and foreign currency risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of Directors of the Company.

A. Credit Risk

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

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

Receivables from customers

Concentration of credit risk with respect to trade receivables are limited since major customers of the company are from public sector and accounts 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.

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Turnover from top Customer	3,771,536,786	3,289,894,959
Dues from top customer	1,930,942,983	2,103,603,817
Turnover from other top 4 customers	1,511,605,241	2,421,283,155
Dues from other top 4 customers	931,534,194	951,401,271

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, 2018, March 31, 2017, is the carrying value of each class of financial assets.

B. Foreign currency risk management

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:

(Amount in INR)

Particulars	Currency	As at 31 st March, 2018	As at 31 st March, 2017
Letter of Credit	USD	38,889,867	166,499,041

Since the company 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 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 the net investment (Assets-liabilities) in such operations, the particulars of which are given below.

(Amount in INR)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Net Investment in		
USD - US Dollars	165,420,701	29,469,137
SAR - Saudi Arabian Riyals	(34,073,258)	146,658,824
AED - Arab Emirates Dirham	137,882,193	45,042,935
BDT - Bangladeshi Taka	26,337,109	87,686,163
LYD - Libyan Dinars	18,314,511	111,531,009
OMR - Oman Riyals	8,343,329	-
	322,224,585	420,388,068

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 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, 2018 and March 31, 2017. 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 it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits.

The company is repaying its borrowings as per the schedule of repayment and no amount was pending for remittance beyond its due date.

All the amounts due to trade payables falls due within one year and the company is able to meet its obligations within the due dates.

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 is necessary, adjust its capital structure.

Note No.37: CONTINGENT LIABILITIES AND COMMITMENTS

(Amount in Rupees)

Particulars	31.03.2018	31.03.2017
A. Contingent Liabilities		
a) Claims against the company not acknowledged as debts		
– Sales Tax	47,479,341	72,672,193
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	113,211,804	31,029,410

Note No.38

Particulars	31.03.2018	31.03.2017
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.	6,682,066,600	6,766,321,523

Note No. 39: CIF VALUE OF IMPORTS MADE BY THE COMPANY DURING THE YEAR

Particulars	31.03.2018	31.03.2017
a) Consumables & Spare parts	666,507	475,949
b) Capital goods	7,941,372	34,999,858

Note No. 40: EARNINGS IN FOREIGN CURRENCY

Particulars	31.03.2018	31.03.2017
a) Contract receipts (Projects executed outside India)		
Abu Dhabi	325,649,080	184,761,561
Bheramara	261,300,165	342,615,883
Shuqaiq	85,521,418	1,551,495,478
Libya	49,000,166	112,604,673
b) Consideration Received on Sale of Shares in CPNED	9,324,246	-

Note No.41: EXPENDITURE IN FOREIGN CURRENCY

Particulars	31.03.2018	31.03.2017
a) Expenditure on contracts executed outside India (Including Consumables and Spares)		
Yemen	31,368	2,349,427
Abu Dhabi	241,864,480	170,114,085
Bheramara	258,733,382	363,777,622
Kuwait	60,151	-
Shuqaiq	238,591,086	1,455,063,723
Libya	39,679,423	60,098,515
Rent for Canada office	-	52,988
Consultancy Charges Paid	7,221,826	-
b) Foreign travel	1,529,966	1,665,199

Note No.42: EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
a) Gross amount required to be spent by the company during the year	15,787,300	17,285,960
b) Amount spent during the year (Contribution paid to Power Mech Foundation and HEAL)	1,969,826	6,227,090

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	100.00 %
MAS Power Mech Arabia (MASPA)	Saudi Arabia	51.00 %
Power Mech Projects Limited LLC	Oman	70.00 %
Power Mech BSCPL Consortium Private Limited	India	51.00 %

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
GTA Power Mech Nigeria Limited	Nigeria	50 %

Note No.44:

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary and Joint Ventures

Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Power Mech Projects Limited	93.25 %	6,641,674,830	71.48 %	648,957,576
Subsidiaries & Joint Venture				
Hydro Magus Private Limited	0.88 %	63,023,403	0.73 %	6,659,482
Power Mech Industri Private Limited	0.01 %	822,467	(2.38 %)	(21,564,836)
MAS Power Mech Arabia (MASPA)	2.19 %	156,059,156	8.72 %	79,170,064
Power Mech Projects Limited LLC	1.66 %	118,088,667	8.95 %	81,217,870
GTA Power Mech Nigeria Limited	0.02 %	1,158,323	(0.26 %)	(2,330,093)
Power Mech BSCPL Consortium Private Ltd	0.06 %	3,940,912	0.22 %	2,009,865
Share of Minority	1.94 %	137,947,354	12.52 %	113,703,991
	100.00%	7,122,715,112	100%	907,823,919

ANNEXURE-A

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES AND JOINT VENTURES AS PER COMPANIES ACT, 2013

Sr. No.	Name of Subsidiary Company / Joint Venture	Reporting Currency	Share Capital	Reserves & Surplus	Other Liabilities	Total Assets	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	% of Shareholding
1	Hydro Magus Private Limited	INR	2,100,000	63,023,403	188,820,486	253,943,889	208,645,073	10,448,605	2,889,193	7,559,412	88.10 %
2	Power Mech Industri Private Limited	INR	189,370	822,467	414,463,227	415,475,064	103,868,727	(28,692,711)	(7,127,876)	(21,564,836)	100 %
3	POWER MECH BSCPL CONSORTIUM PRIVATE LIMITED	INR	100,000	3,940,912	59,508,300	63,549,212	215,576,812	5,307,626	1,366,714	3,940,912	51 %
4	MAS Power Mech Arabia (MASPA)	SAR	500,000	8,984,533	43,700,858	53,185,391	95,149,176	10,115,628	1,155,711	8,959,918	51 %
5	Power Mech Projects Limited LLC	Oman Rials	250,000	697,075	2,183,566	3,130,641	5,437,875	817,865	130,497	687,368	70 %
6	GTA Power Mech Nigeria Limited	NGN	30,000,000	(23,520,900)	11,933,975	18,413,075	27,415,226	(12,291,268)	-	(12,291,268)	50 %

Note No.45: PARTICULARS DISCLOSED PURSUANT TO AS-18 “RELATED PARTY TRANSACTIONS”

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

B) Transactions with related parties

Sl No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP
i)	Rent & Electricity Charges Paid			
	a) S. Kishore Babu	2,490,000 (2,880,000)		
	b) S. Lakshmi		720,000 (1,020,000)	
	c) S. Kishore Babu (HUF)		840,000 (840,000)	
	d) S. Rohit		1,089,000 (1,089,000)	
	e) Power Mech Infra Limited			18,239,060 (18,338,603)
ii)	Remuneration Paid			
	a) S. Kishore Babu	53,848,886 (52,442,531)		
	b) S. Rohit		500,000 (916,667)	
	c) Jitendra kumar	600,000 (2,600,000)		
	d) Arbind kumar koul	3,300,000 (3,300,000)		
	e) Ajay Kumar	810,000 (700,000)		
iii)	Sub-Contract Expenses Paid			
	a) Power Mech Infra Limited			50,824,957 (52,054,915)
iv)	Assets & Stores Material Purchase From			
	a) Power Mech Infra Limited			- -
v)	Donations paid			
	a) Power Mech Foundation			1,369,826 (6,227,090)

C) Balances outstanding as on 31.03.2018

SI No.	Particulars	KMP	Relatives of KMP	Companies controlled by KMP/Relatives of KMP
i)	Due to Power Mech Infra Limited			43,719,405
				(17,725,563)
	Rental Deposit with Power Mech Infra Limited			8,945,300
				(9,609,250)
ii)	Remuneration Payable			
	S. Kishore Babu	16,497,544		
		(2,448,500)		
	Jitendra Kumar	110,051		
		(1,099,608)		
	Arbind Kumar Koul	2,268,694		
		(1,820,380)		
	Ajay Kumar	13,563		
		(7,300)		
iii)	Rent Payable			
	S. Kishore Babu	153,000		
		(216,000)		
	S. Lakshmi		54,000	
			-	
	S. Kishore Babu (HUF)		63,000	
			(63,000)	
	S. Rohit		81,675	
			(81,675)	

46 In the opinion of the management, current assets, loans and advances have a value on realization in the ordinary course of business equal to the value at which they are stated. Balances in some of the parties account are subject to confirmation and reconciliation.

47 The group has claimed an amount of Rs. 7,96,82,253 (As on 31.03.2017 Rs. 8,21,06,047/-) being the Works contract tax deducted by the customers and outstanding as on 31.03.18 in respect of works carried out in some of the states. The management is of opinion that there is no sales tax liability in respect of the said works carried out and hence claimed as refund due and grouped under loans and advances. Sales tax liability, if any has arisen, on completion of assessments will be charged to Profit and Loss account.

48 SEGMENT REPORTING

Business Segment: The group predominantly 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 2017-18	Segment Assets as on 31.03.2018	Capital Expenditure for the year 2017-18
With in India	12,190,461,256	13,353,175,123	239,022,170
(Previous year)	(10,732,386,517)	(11,890,135,810)	(427,145,440)
Outside India	3,287,878,396	2,492,240,251	97,872,304
(Previous year)	(2,649,633,291)	(1,737,254,394)	(202,117,889)

49 CALCULATION OF EARNINGS PER SHARE

Sl. No	Particulars	2017-18	2016-17
1)	Basic and Diluted Earning per share		
	No. of shares at the beginning of the year	14,710,764	14,710,764
	Weighted average number of shares	14,710,764	14,710,764
	Profit after tax attributable to equity share holders and after minority interest	794,461,594	646,756,169
	Basic and Diluted Earning per share	54.01	43.96

50 DISCLOSURE REQUIREMENT UNDER AS 11 'CONSTRUCTION CONTRACTS'

	Particulars	31.03.2018	31.03.2017
a)	Contract revenue recognized during the year	15,478,339,652	13,382,019,808
b)	Method used to recognise the revenue	% of Completion Method	% of Completion Method
c)	Method used to determine stage of completion	Physical proportion of work completion	Physical proportion of work completion
d)	Dues from customers	3,086,048,181	2,948,716,682
e)	Retention & SD amounts due from customers	2,576,715,310	2,642,024,814
f)	Due to Sub Contractors	2,404,273,250	1,733,857,055
g)	Retention & SD amount due to Sub Contractors	564,962,190	613,325,133
h)	Mobilisation advances from Customers	498,134,514	745,593,268
i)	Mobilisation advances to Sub Contractors	42,522,866	23,518,807

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

As per our report of even date

For BRAHMAYYA & CO

Chartered Accountants

Firm's Registration Number: 000513S

Sd/-

(Karumanchi Rajaj)

Partner

Membership Number: 202309

Place: Camp: Hyderabad

Date: 25.05.2018

For and on behalf of the Board

Sd/-

S. Kishore Babu

Chairman and Managing Director

(DIN: 00971313)

Sd/-

Rohit Tibrewal

Company Secretary

Sd/-

J Satish

CFO

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FORM FOR ECS MANDATE / BANK MANDATE

To
Karvy Computershare Pvt Ltd
Karvy Selenium Tower B,
6th Floor, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad - 500 032.

Dear Sir,

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

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

(* Strike out whichever is not applicable)

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

Client ID

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

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

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

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

POWER MECH PROJECTS LIMITED

Registered Office: Plot No:77, Jubilee Enclave, Opp: Hitex, Madhapur, Hyderabad - 500081. CIN: L74140TG1999PLC032156

Form No. MGT-11

PROXY FORM

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

Name of the member (s):

Registered Address:

E-mail ID:

Folio No. / Client ID: DP ID:

I/We, being the member(s) holding shares of the above named Company, here by appoint:

1. Name:

Address:

E-mail: Signature:or failing him

2. Name:

Address:

E-mail: Signature:or failing him

3. Name:

Address:

E-mail: Signature:

As my /our proxy to attend and vote (on poll) for me / us and on my / our behalf at the 19th Annual General Meeting of the Company, to be held on the 27th day September, 2018 at 11:00 A.M at The Westin Hotel, Raheja IT Park, Hi-tech City, Madhapur, Hyderabad - 500081, Telangana. India and at any adjournment thereof in respect of such resolutions as are indicated.

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

Affix
Re. 1/-
Revenue
Stamp

Signed thisday of 2018

Signature of shareholder

Signature of Proxy holder(s)

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

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

(to be surrendered at the venue of the meeting)

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

I hereby record my presence at the 19th Annual General Meeting of the shareholders of Power Mech Projects Limited on 27th September, 2018 at The Westin Hotel, Raheja IT Park, Hi-tech City, Madhapur, Hyderabad - 500081, Telangana, India.

DP ID* Reg. Folio No

Client ID* No. of Shares.....

* Applicable if shares are held in electronic form

Name & Address of Member

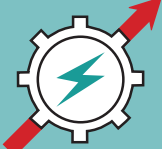
.....

Signature of Shareholder / Proxy / Representative (Please Specify)

Route map to the venue of the AGM



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

www.powermechprojects.com