



Q3 FY16

Q3FY16 Investor Update Presentation

POWER MECH PROJECTS LIMITED



Disclaimer

Safe Harbor Statement



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

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Business Segments

Service Presence across key components in thermal power plant



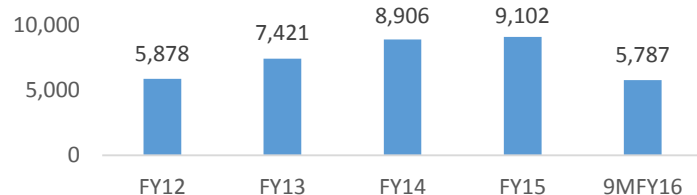
Erection Works

- ETC-BTG and BOP works for power sector (unit capacities ranging from 150MW to 800MW) as well as other allied industries
- Erection works services to gas and combined cycle power projects, HRSG, WHRB, CFBC boilers, steam turbine generators, steam generators including auxiliaries, ESPs, hydro turbines
- BOP packages, including structural steel works, ash handling, coal handling, fuel oil systems and high-pressure piping works

As of Dec 31, 2015, engaged in over 100 Erection Works projects (completed & ongoing) including 2 UMPPs and we had been engaged in 16 super critical power projects (with unit capacity ranging from 150MW to 800MW)

Order book as at Dec 31, 2015 : Rs. 19,800 million *

Segment Revenue – FY12 to FY15 CAGR of 13.77%



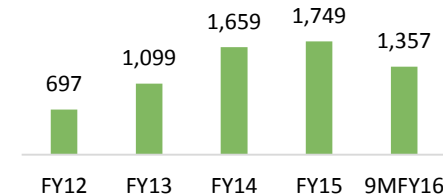
Civil Works

- Undertake various civil and structural works contracts that are ancillary to our ETC-BTG projects
- Service the entire power industry, including coal, gas and renewable.
- Also serve petrochemical projects, nuclear power projects and oil and gas refineries

Commenced in fiscal 2011 and has strongly grown over the last four years of operation

Rs. 5,040 million

FY12 to FY15 CAGR of 9.17%



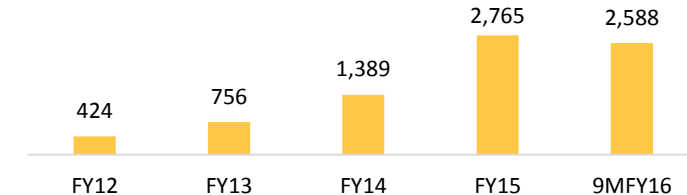
Operation & Maintenance

- Principal services include annual maintenance contracts ("AMCs"), Repairs & Maintenance ("R&M"), Residual Life Assessment ("RLA"), renovation and modernization, overhauling, among others
- Hydro Magus, our subsidiary, has increased strategic focus on providing renovation, modernization, upgradation and installation services for hydropower projects
- Joint Venture (50:50) with Chengdu and PMPL (CPNED) for the distribution of equipment and spare parts, including boilers, turbines and generators, for O&M projects in India

Engaged on more than 400 O&M contracts since 1999. As of Dec 31, 2015, we were engaged in 25 AMC services for power plants across India with an aggregate unit capacity of 36,315MW

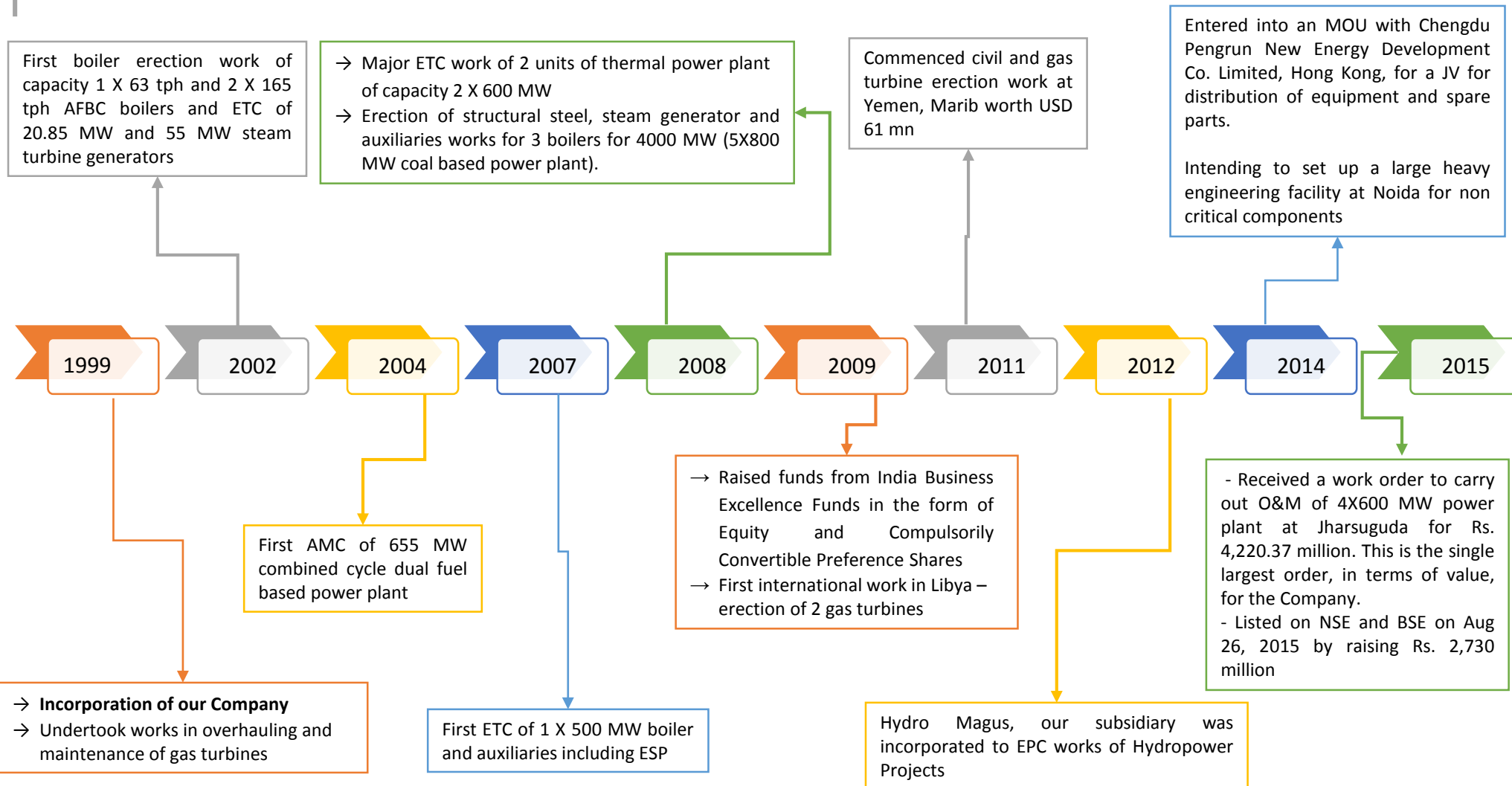
Rs. 11,310 million

FY12 to FY15 CAGR of 12.28%



Journey of the Company

Major milestones and achievements



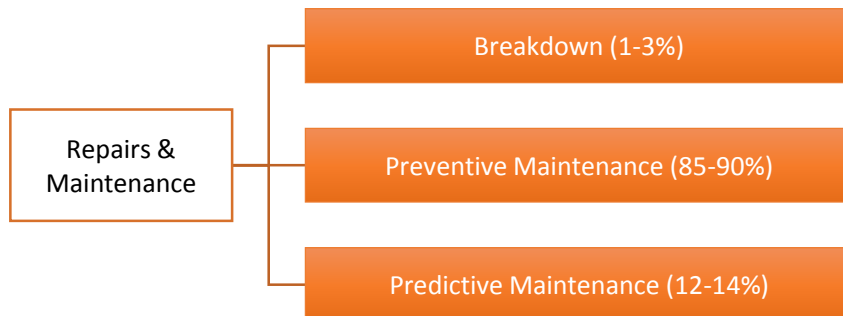
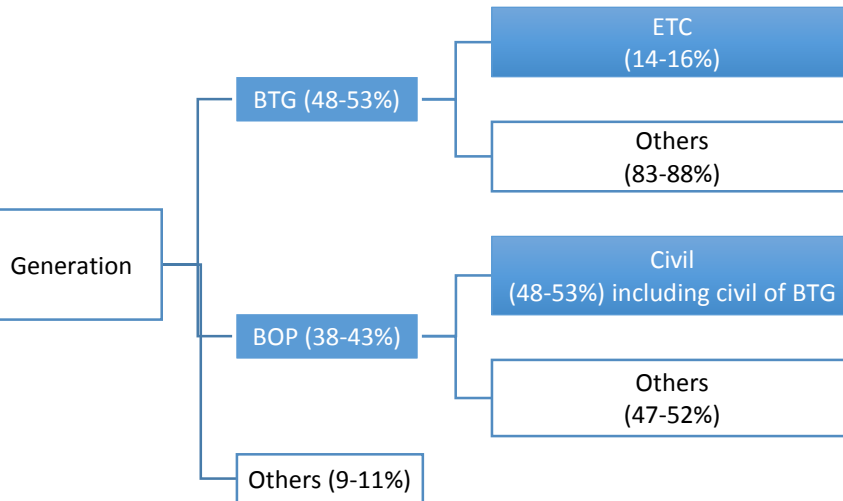
Comprehensive Service Offering

Integrated power infrastructure services company in India



Investment Pattern in Power Plants

Source: CRISIL Research, 2014



Has a Presence across entire Power Service Value Chain

Erection Work

- Our ETC-BTG and BOP business segments cover key components in the generation space
 - **ETC-BTG:** Services to UMPPs and Super critical power projects, gas and combined cycle power projects, HRSG, WHRB, CFBC boilers, steam turbine generators, steam generators including auxiliaries, ESPs, hydro turbines
 - **BOP:** Structural steel works, ash handling, coal handling, fuel oil systems and high-pressure piping works

Civil Work

- Primarily covers various civil and structural works contracts that are ancillary to our ETC-BTG projects
 - Civil work for the main plant and BOP requirements including grading, levelling, excavation, piling, concreting, turbine/generator decks and super-structures, fabrication and erection of structures etc

O&M Services

- Offers AMCs, R&M, renovation and modernization, RLA, scheduled shutdowns, retro-fits, as well as overhauling and upgradation services for power projects
- To provide comprehensive O&M solutions and to strengthen our service offering, we have -
 - entered into an agreement with Chengdu to establish a JV in Hong Kong for the distribution of equipment and spare parts; and
 - In the process of setting up a heavy engineering facility at Noida for non-critical equipment and spare parts

Management Focus: Annual Maintenance Services, Overhauling & Erection Business in Power Sector

Established Track Record

Integrated power infrastructure services company in India



Track record of ~15 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 16 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.**

355,000

MT of aggregate tonnage of the erection works executed by us in fiscal 2015

36,315

MW, the aggregate unit capacity of the AMCs we are engaged in as of December 31, 2015

33,801

MW, engaged on ETC-BTG and BOP Works when the thermal power plant capacity addition in India was 88,048 MW during fiscal 2011 through 2015.

400

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

271

Number of Cranes, as of December 31, 2015, ranging from 10 tonne to 300 tonne in capacity enabling the Company to quickly and effectively mobilize project works.

25

Number of AMC services for power plants across India

16

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

2

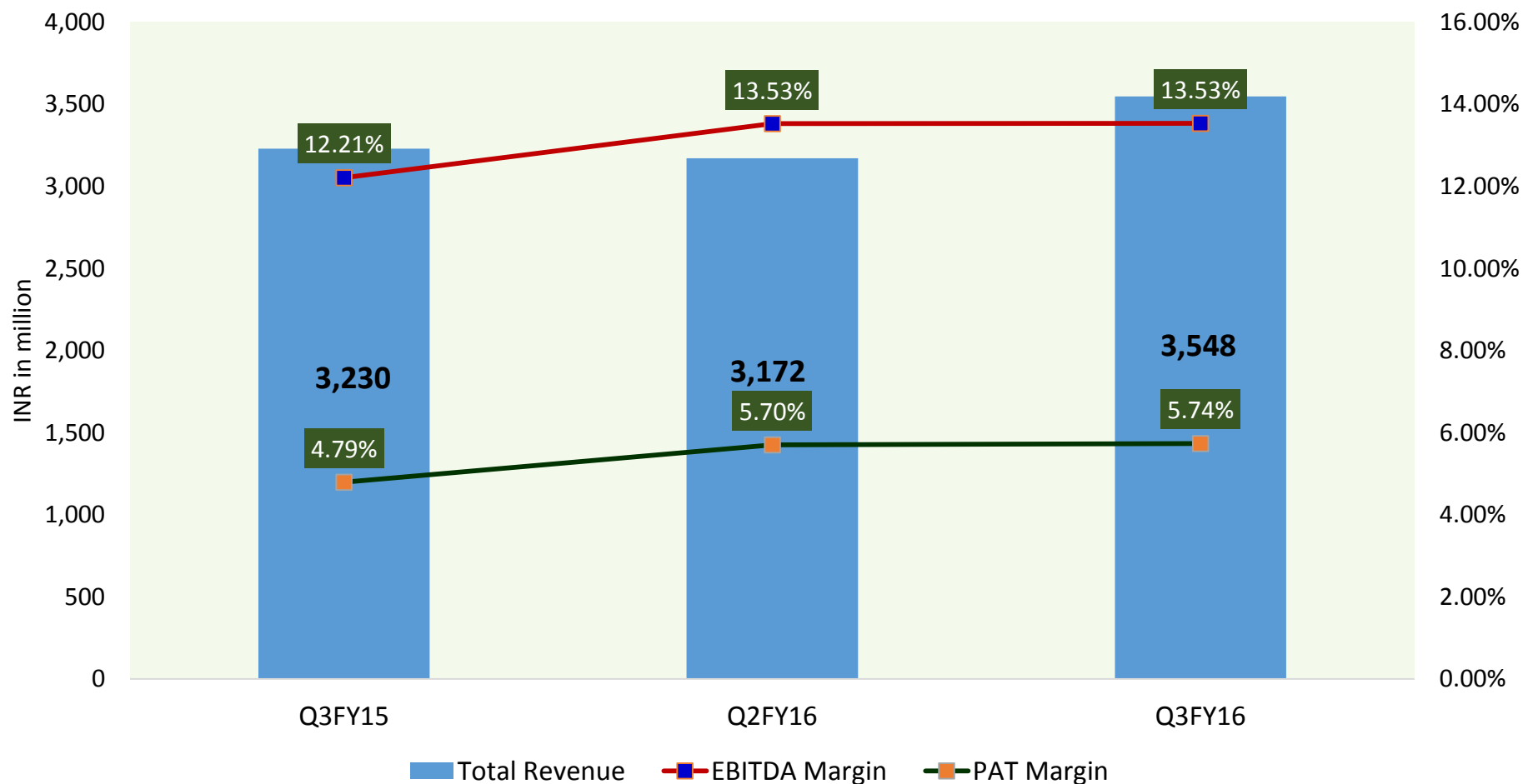
We executed ETC-BTG for both first 2 UMPPs in India

Q3FY16 Financial Performance

Integrated power infrastructure services company in India



Quarterly Performance

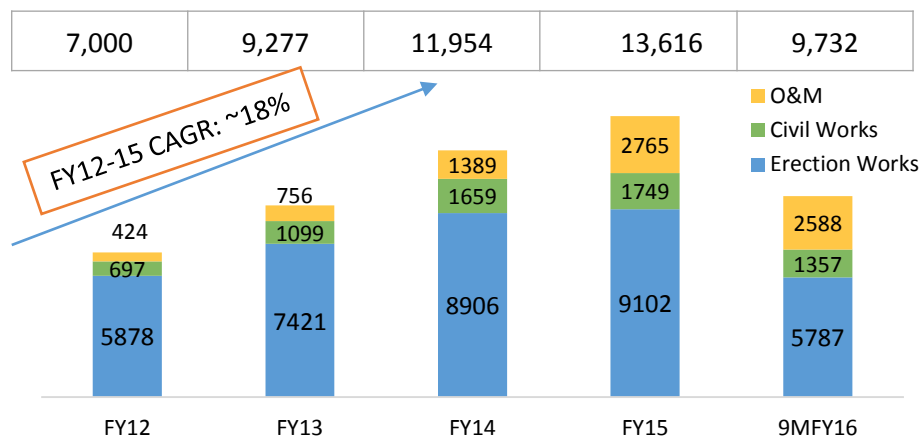


9MFY16 Financial Performance

Integrated power infrastructure services company in India

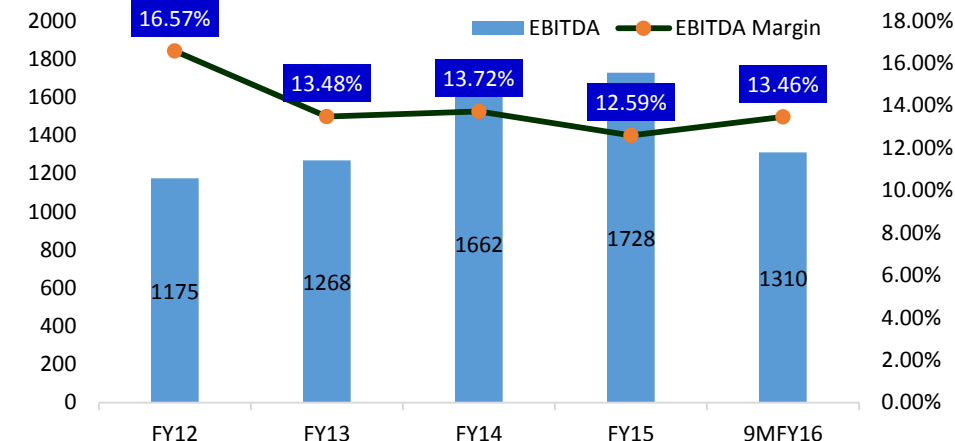


Contract Revenue has seen a growth at a CAGR of ~18%... INR in million



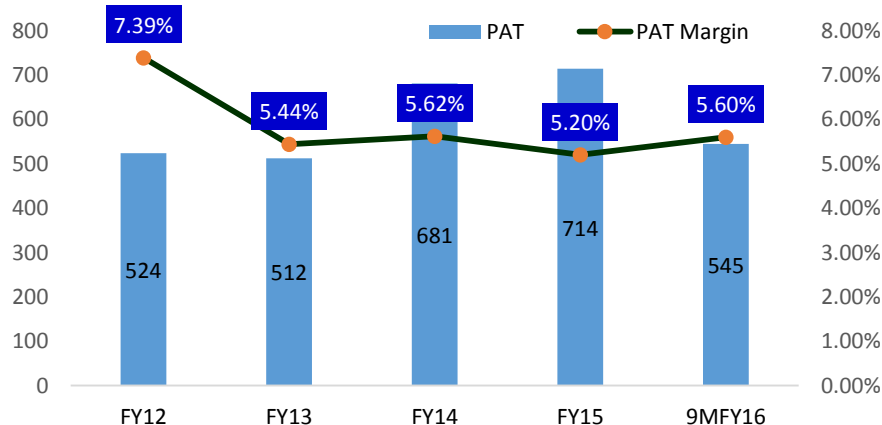
EBITDA Growth continues ...

INR in million



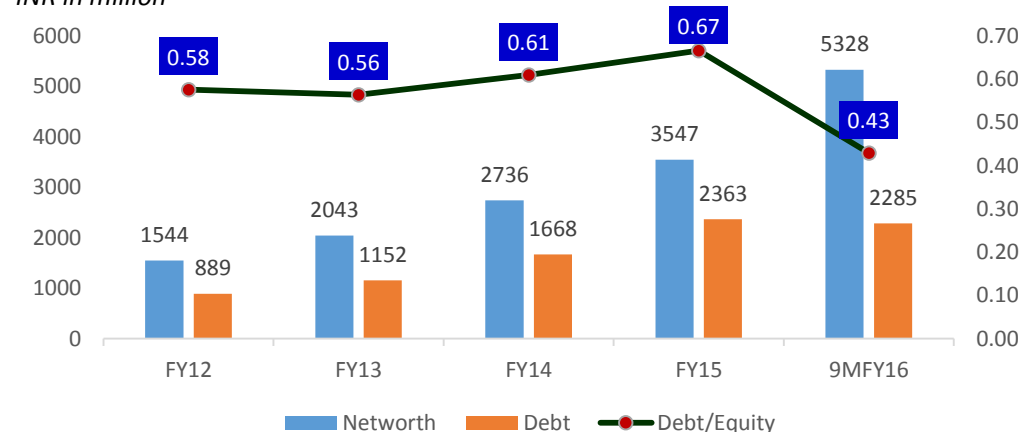
... with PAT growth starting to inch higher

INR in million



Healthy debt equity ratio provides significant headroom for growth

INR in million

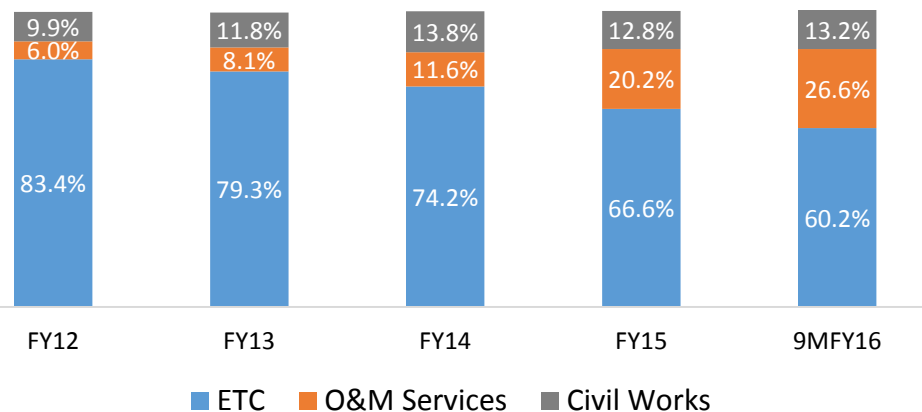


9MFY16 Financial Performance

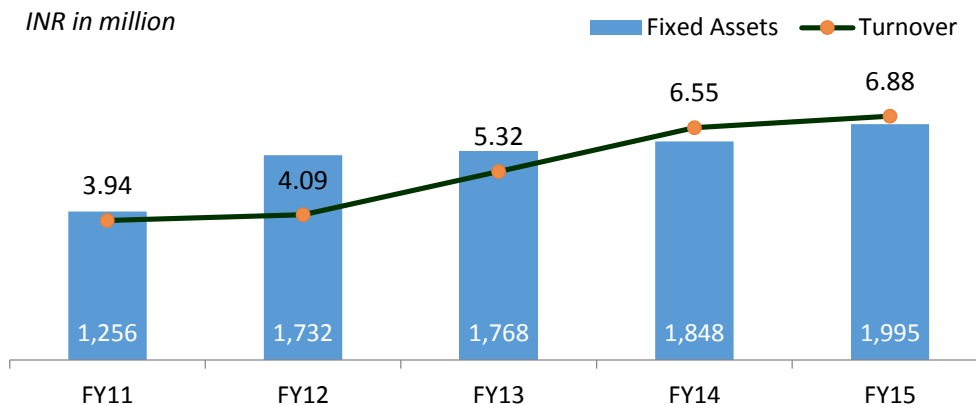
Integrated power infrastructure services company in India



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

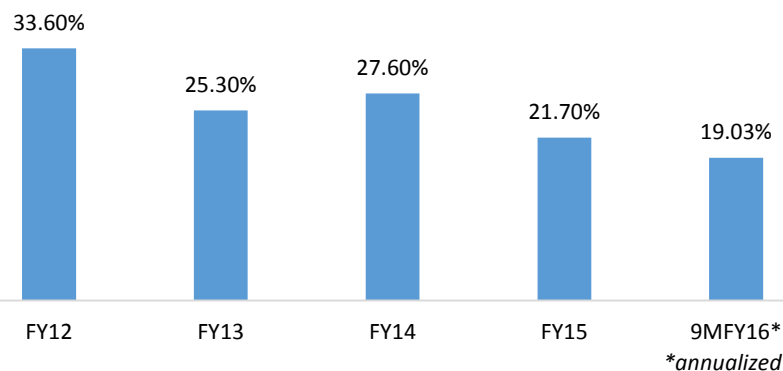


High Asset Turnover ... testament to higher efficiency

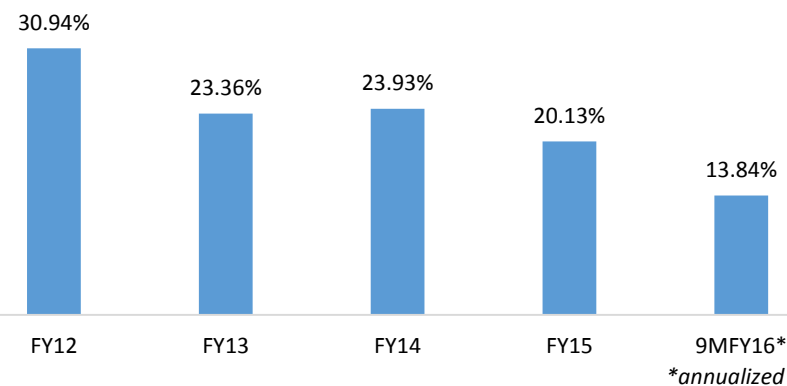


High Return Ratios in a challenging environment

Return on Capital Employed



Return on Network

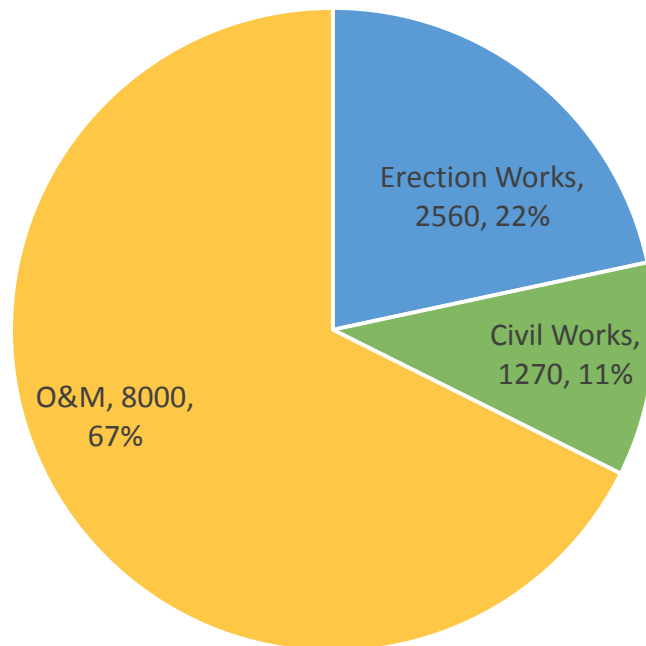




Segmental Breakup of Orders – 9M FY16 & Q3 FY16

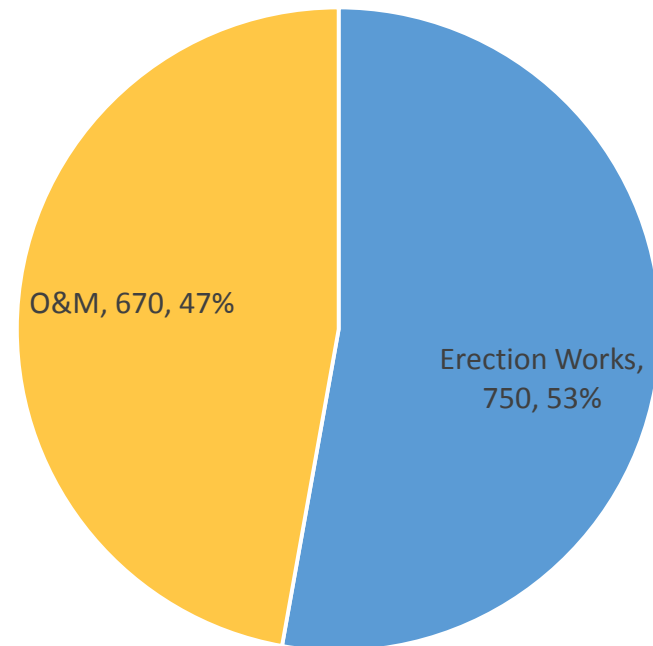
9M FY16 - Order Inflow Rs. 11,830 million

Figures in Rs. million



Q3 FY16 - Order Inflow Rs. 1,420 million

Figures in Rs. million

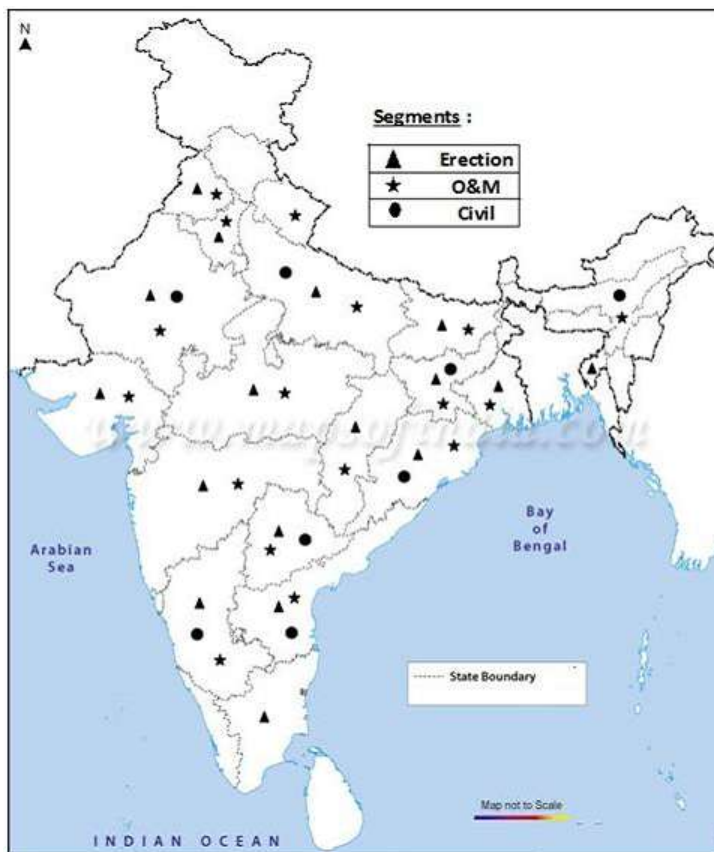


Large Order Book

Integrated power infrastructure services company in India

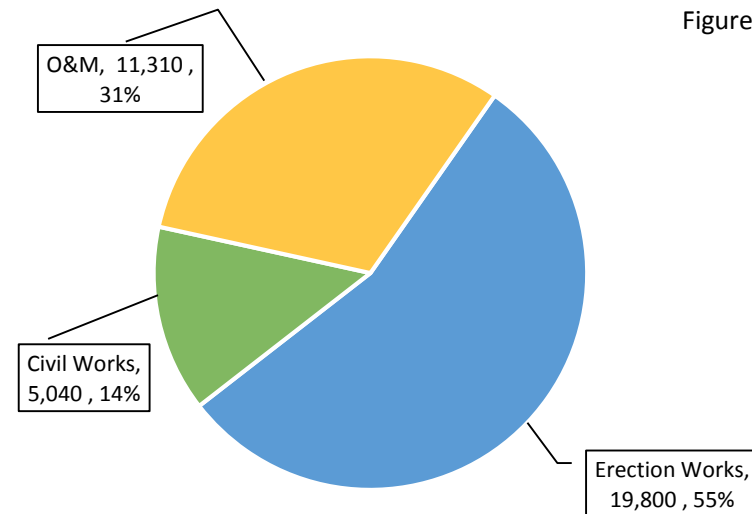


Order Book break up by Geography



Order Book break up by Business Segment (as of December 31, 2015 is Rs. 36,150* million)

Figures in Rs. million



**Includes Rs. 1,896.68 million of estimated Order Book related to suspended projects, i.e. contracts on which no operations have been conducted for a period exceeding six months because of various factors beyond our control.*

We have been awarded certain letter of intents or contracts in major projects in O&M and Civil, in H2FY16 i.e. Vandana Vidhyut Power Plant (2x135 MW; Rs. 301million) owned by Vandana Vidhyut Ltd. and Civil works for Coal Handling Plant (1x500 MW) of Feroze Gandhi Unchahar Thermal Power Station at Unchahar in Raebareli district Uttar Pradesh.

Order Backlog as of December 31, 2015 is Rs. 36,150 Mn providing a visibility of 24-30 months

Established Relationships with Clients

Integrated power infrastructure services company in India



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



ADANI

Adani Power Limited



Bharat Heavy Electricals Limited



BGR Energy
Systems Limited



The power of new standards

CLP India Private Limited



Doosan Power Systems



GE Power Services
(India) Private Limited,



KSK Group



Larsen & Toubro Limited-
Thermal Power Plant Construction BU



A Maharatna Company

NTPC Limited



SHANDONG TIEJUN
ELECTRIC POWER
ENGINEERING
COMPANY LTD.



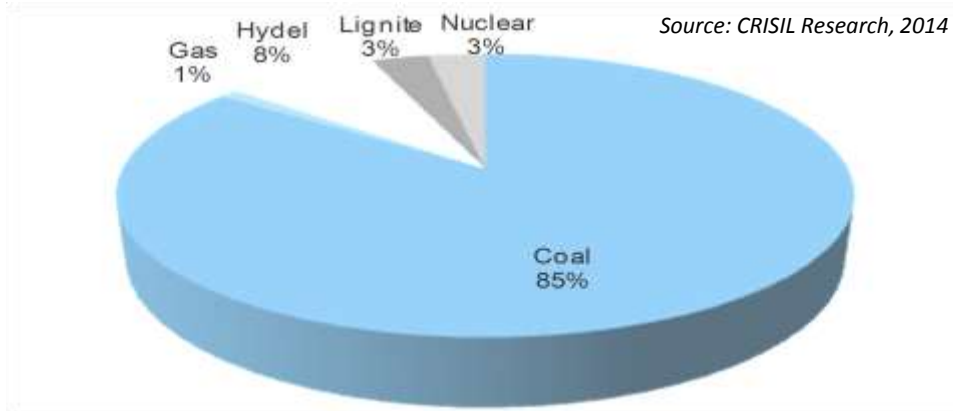
Our long term relationships help in a better understanding of our clients' requirements and better evaluation of the scope of work and risks involved in a project we bid for, as well as address changing demands in our target markets

Benefits from power project capacity addition in India and its maintenance

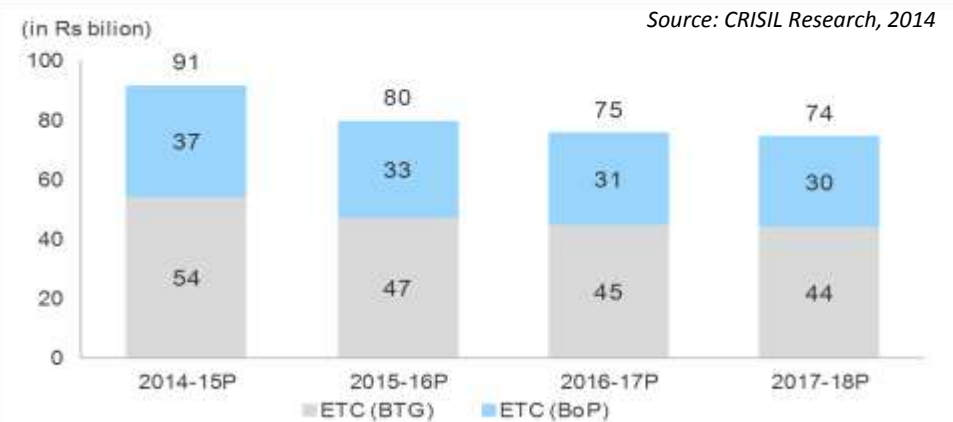
Ancillary and Auxiliary sectors to drive growth for Power Infrastructure Companies



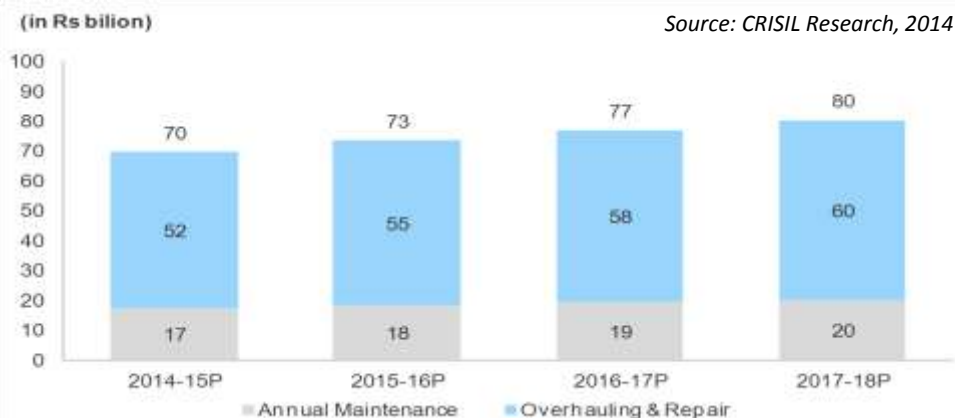
51GW of Capacity likely to be commissioned over 2014 to 2018



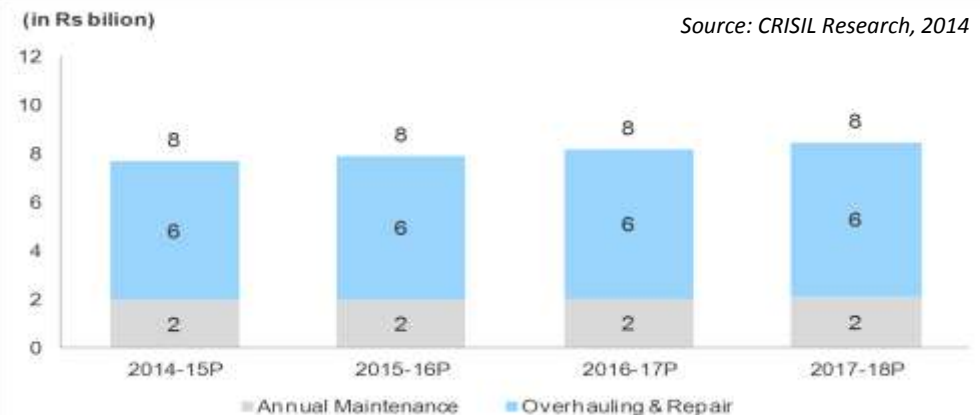
... with ETC(BOP) and ETC(BTG) players being direct beneficiaries



Existing capacity, plus new capacity will continue to provide significant opportunities for R&M activities in the Thermal Sector, estimated at ~ INR299 bn over 2014-2018



...identified potential for the overhauling and AMC in the hydro power, estimated at INR 11.9 bn over 2014-2018



Qualified Management & Experienced Team

Wide experience across sectors in Board with able KMPs at the helm of operations



Board of Directors & Key Managers



Sajja Kishore Babu, CMD

B.Tech and first generation entrepreneur with several years of experience in power projects and O&M activities



M. Rajendran, COO & Director

B.E(Civil) with Power Mech since 2002, has more than 30 years of experience in construction engineering



Sajja Lakshmi, Non Executive Director

B.Sc, is responsible for office expansion, human resources and structural modernization of the Company



T. Sankaralingam, Independent

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



Amitabha Guha, Independent

M.Sc, over 40 years of experience in the banking sector, served as the MD of SBT, SBH and DY MD of SBI. Currently, he is the part time non executive chairman of South Indian Bank



Mukul Lal Sah, Independent

B.E. (Hons), Mechanical, BITS, around 40 years of experience in project & construction management, service and project related purchases. Served as executive director in BHEL



GDV Prasada Rao, Independent

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



Sutanu Behuria, Independent

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



M Rajiv Kumar, Non Executive Director

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



G. Srinivasulu, ED – Corp Affairs

B.E(Mech) has 15 years of experience in power industry looks at project like Bokaro, Jamnagar, Mauda, Paradeep, Sagardighi etc.



Sanjay Bhattacharya, Director – O&M

M.E(Mech), over 30 years of experience in Power Sector. Has worked with Tata Power and Jindal Thermal power.



K Ajay Kumar, VP – O&M

B.E.(Mech) with several years of experience in the Energy Sector. Been with Power Mech since Nov,1999



J Satish, CFO

CA, MBA(exec), with 16 years of experience in finance & accounts and has worked at Indu Projects, Emaar MGF, Kerzner & PWC



S Rohit, VP - Operations

B.E. (Mech) and M.E (USC, California), responsible for execution and coordination of global operations

Business Strategy

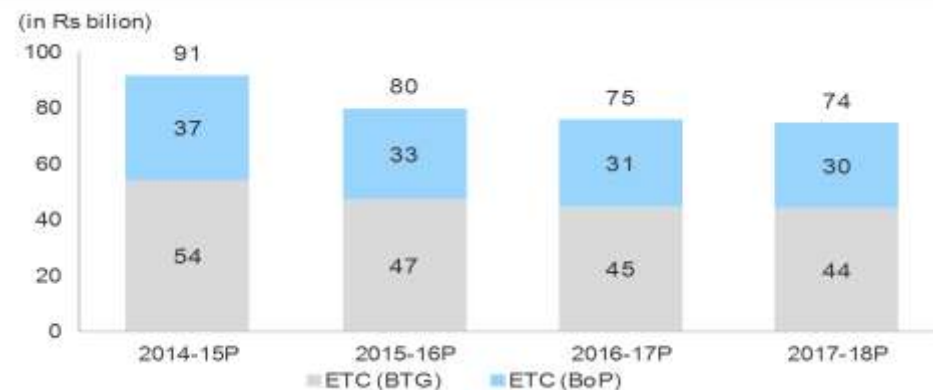
Leveraging technical expertise to target higher margin contracts



Capitalize and consolidate on leadership position

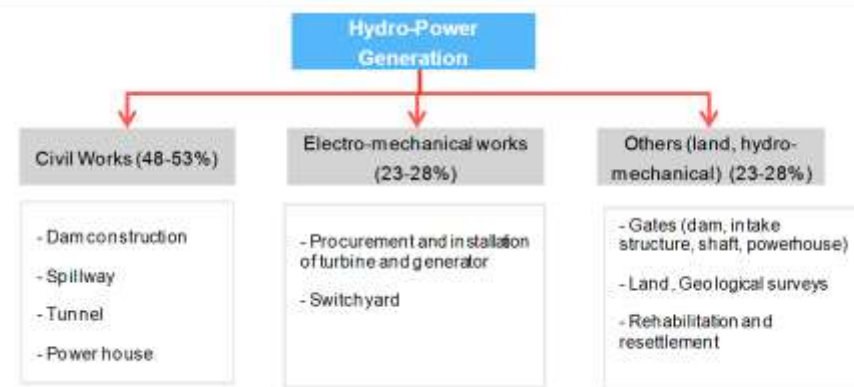
- **Strategically expanding our service offerings and targeting higher margin thermal and hydropower projects**
- Focus on potential projects and service offerings, including longer term AMC contracts, where we believe we can be competitive and improve profitability
- Further strengthening our technical capabilities and know how will also enable us to provide a wider service offering and offer comprehensive solutions
- Focus on O&M, particularly AMC business that are likely to garner higher margins and will result in a higher share of revenues going forward
- We believe the above will allow us to take advantage of the opportunities in the Thermal and Hydro Power Segment, according to CRISIL Research 2014, during 2014 to 2018 which are:
 - Opportunities in the Civil works and electro-mechanical segment of the hydro-power segment is expected to cumulatively sum up to Rs. 195 billion and Rs. 85.1 billion, respectively
 - Opportunities in the ETC for BTG and ETC for BOP is expected to be around Rs. 189 billion and Rs. 131 billion respectively

Future Investment potential in thermal power segment is around ~ Rs. 320bn



ETC in thermal power segment, (Source: CRISIL Research, 2014)

Future Investment potential in Hydro Power Segment is around Rs. 31.8bn



Business Strategy

Expand our Business, Backward Integrate and Focus on Higher Margin Businesses



Offer comprehensive O&M solutions to the power sector

- We believe that there is **significant potential for backward integration in our operations**
- We intend to **improve our engineering, machining and repair facilities** for general engineering components and non-critical equipment used in power projects including spare parts
- In order **to provide comprehensive O&M solutions**, we have recently entered into an agreement, dated Dec 01, 2014, with Chengdu
- We are in the process of setting up **a large heavy engineering facility** at Noida for non-critical equipment and spare parts
- Have entered into a **Cooperation Agreement** with Shanghai Electric Power Generation Service Co. with **respect to repair and overhauling contracts**
- Have entered in to a **JV agreement** with **GTA Engineering Nigeria Limited (SkipperSeil group)** to jointly undertake activities of repair of Steam/Gas Turbine, engineering services, component repair services and related repair services in Africa

Develop integrated O&M solutions for our clients and thereby seek to achieve economies of scale as well as higher operating margins from our O&M business

Expand our International Business

- Increase our operations internationally, particularly in the Middle East, North Africa and South Asia
- To focus on identifying opportunities to bid and win international projects including through strategic partnerships
- Recently bid for ETC-BTG projects in Bangladesh as well as maintenance projects in the Middle East

Focus on allied infrastructure sectors

- Intend to leverage our experience and credentials in power sector to expand our service offerings to other allied sectors
- Strategically diversify into other infrastructure and allied sectors including the petrochemicals, steel and cement industries

Working on advanced project execution methodologies

- Enhance our construction and related capabilities in order to provide effective and comprehensive solutions
- Further strengthening our technical capabilities and know how will also enable us to provide a wider service offering
- continue to evaluate opportunities to acquire and implement advanced engineering technology capabilities through strategic partnerships and acquisitions



Annexures Follow

Annexure 1

Financial Snapshot | Income Statement & Balance Sheet



Income Statement (Consolidated)

All figures in Rs. million

Particulars	FY11	FY12	FY13	FY14	FY15
Revenue from operations	4,918.14	7,050.54	9,357.95	12,002.71	13,662.23
Other Income	26.04	40.80	46.17	108.12	57.61
	4,944.18	7,091.34	9,404.12	12,110.83	13,719.84
Cost of materials	299.10	547.27	646.77	790.15	770.04
Change in inventories	(0.05)	7.33	1.24	(12.91)	7.58
Contract execution exp.	3,454.98	4,794.79	6,722.92	8,434.09	9,800.15
Personnel Cost	351.83	498.22	668.31	1,091.89	1,201.76
Other expenses	47.15	68.46	96.84	145.74	212.69
Sub-total	4,153.00	5,916.10	8,136.10	10,449.00	11,992.20
EBIDTA					
Finance costs	791.17	1,175.27	1,268.04	1,661.87	1,727.62
Depreciation and amort.	81.36	130.20	167.92	266.14	294.30
Adjustments	242.50	386.40	335.80	328.40	367.80
PBT	98.06	123.64	-	-	-
PAT (before MI)	565.37	782.31	764.32	1,067.33	1,065.52
PAT margin	-	-	-	1.04	1.71
Minority Interest	376.14	524.10	511.66	680.95	714.04
Restated PAT (after MI)	7.61%	7.39%	5.44%	5.62%	5.20%

Balance Sheet (Consolidated)

All figures in Rs. million

Particulars	FY11	FY12	FY13	FY14	FY15
Assets					
Fixed Assets	1,215.06	1,696.68	1,699.01	1,780.63	1,832.14
CWIP (incl. unallocated capex)	40.94	35.62	72.27	67.85	170.33
Non-current investments	0.19	0.16	0.15	0.16	0.20
Other Non Current Assets	667.33	788.48	981.42	1,730.63	1,643.23
Total Current Assets	1,422.37	2,778.78	4,333.33	5,292.26	7,354.25
Less: Current Liab. & Prov.	1,689.76	2,669.10	4,432.26	5,533.75	7,072.64
Net Current Assets	(267.39)	109.68	(98.93)	(241.49)	281.61
Cash & bank	425.47	420.42	567.22	688.42	678.29
Total	2,081.60	3,051.04	3,221.14	4,026.20	4,605.80
Liabilities					
Long Term Borrowings	460.92	575.05	280.40	274.19	365.75
Deferred Tax Liabilities	49.39	65.15	68.06	78.37	47.21
Other Non Current Liabilities	539.27	866.49	829.01	936.04	643.18
Minority Interest	-	-	0.49	1.53	2.49
Shareholder's Fund	1,032.02	1,544.35	2,043.18	2,736.07	3,547.17
Total	2,081.60	3,051.04	3,221.14	4,026.20	4,605.80

Annexure 2

Financial Snapshot | Condensed Income Statement and Balance Sheet (standalone)



All figures in Rs. million

Income Statement	Q3 FY16	9M FY16
Net Sales	3547.97	9736.22
EBITDA	480.19	1310.31
<i>EBITDA Margin</i>	<i>13.53%</i>	<i>13.46%</i>
Depreciation	94.40	275.87
EBIT	400.18	1075.13
<i>EBIT Margin</i>	<i>11.28%</i>	<i>11.04%</i>
Interest	81.53	237.83
PBT	318.65	837.31
<i>PBT Margin</i>	<i>8.98%</i>	<i>8.60%</i>
Tax	115.10	292.45
PAT	203.55	544.86
<i>PAT Margin</i>	<i>5.74%</i>	<i>5.60%</i>

Balance Sheet	As on 30 th Sep '15
Net Worth	5147.11
Borrowings	203.33
Other Non-current liabilities	1151.95
Total Sources	6502.39
Net Fixed Assets	1900.9
Loans & Advances	3474.01
Cash	792.76
Trade Receivables	2376.16
Inventory	329.63
Other Current Assets	4627.15
Less Current Liabilities	6998.22
Total Applications	6502.39

Annexure 3

Key Projects Under Execution as of December 31, 2015



ETC-BTG

Owner	Customer	Location
NTPC	BGR	Solapur
Raj Rajya Vidyut Utpadan Nigam	BHEL	Suratgarh
Thermal Powertech	BGR	Krishnapatnam
Karnataka Power Corp.	BHEL	Raichur
NTPC	Doosan	Kudgi
Nabinagar Power Generating Co	BHEL	Nabinagar
Hyundai Heavy Ind	MM Al Quraishi	Shuqaiq
Damodar Valley	BGR	Raghunathpur
Neyveli New Thermal Power Project	BHEL	Neyveli

BOP

Owner	Customer	Location
Sasan Power	Reliance Infra	Sasan
Athena Chhattisgarh Power	ABIR Infr	Singhitari
Raichur Power Corporation	BHEL	Raichur
Talwandi Sabo Power	SEPCO I	Talwandi

O&M Services

Owner	Customer	Location
Vedanta	Vedanta	Jharsuguda
BALCO	BALCO	Korba
Avantha Power & Infra. Ltd	Avantha Power & Infra. Ltd	Raigarh
Jaiprakash Power Ventures Ltd	Jaiprakash Power Ventures Ltd	Nigrie
IL&FS Tamil Nadu Power Co Ltd	IL&FS Tamil Nadu Power Co Ltd	Cuddalore

Gas/Combined Cycle Power Projects

Owner	Customer	Location
NEEPC	NTPC-BHEL	Monarchak
ONGC	BHEL	Dahej
IOCL	Simplex, BHEL	Paradip
Public Elec Corporation, Yemen	PEC, Yemen	Marib – Phase II
MRPL	BHEL	Mangalore

Hydro Magus

Owner	Customer	Location
Dhalipur power station	Uttarakhand Jal Vidyut Nigam	Dhalipur
Jhellum hydel project	J&K Power Dev.	Baramulla
Khandong power station	NE Electric Power Corp.	Khandong
Kopili power station	NEElectric Power Corp.	Kopili

Annexure 4

Awards & Accreditations



Awards

Year	Company/Project	Award
2015	Dhariwal Infrastructure Limited	Best AMC – safety practice award from
2014	Sasan Power Limited, Ultra Mega Power Project	Certificate of appreciation for 30 million safe man hours award
2013	Gujarat State Electricity Corporation Limited, Sikka	Zero fatal accident and maximum safety working man hours of 1.68 million hours
2012	SEPCO III at Jharsuguda	3 million accident free man hours award
2012	Adani Power Maharashtra Limited at Tiroda	Best safety conscious agency
2011	CLP India Private Limited, Paguthan	Best safety health and environment (SHE) award

Accreditations

Certifying authority	Certification details	Certificate	Validity
Absolute Quality Certification Private Limited	OHSAS 18001:2007	1014/O/004	January 17, 2017
Absolute Quality Certification Private Limited	ISO 14001:2004 for environmental management system	1014/E/004	January 17, 2017
Absolute Quality Certification Private Limited	ISO 14001:2004 for environmental management system	1014EA49	April 15, 2017
Absolute Quality Certification Private Limited	ISO 9001:2008 for quality management system	1014QR46	April 15, 2017

Thank You



For investor
enquiries, please
contact:

Mr. Mohit Gurjar – Company Secretary

Power Mech Projects Limited

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