



# POWER MECH PROJECTS LTD

*Growth Unlimited*





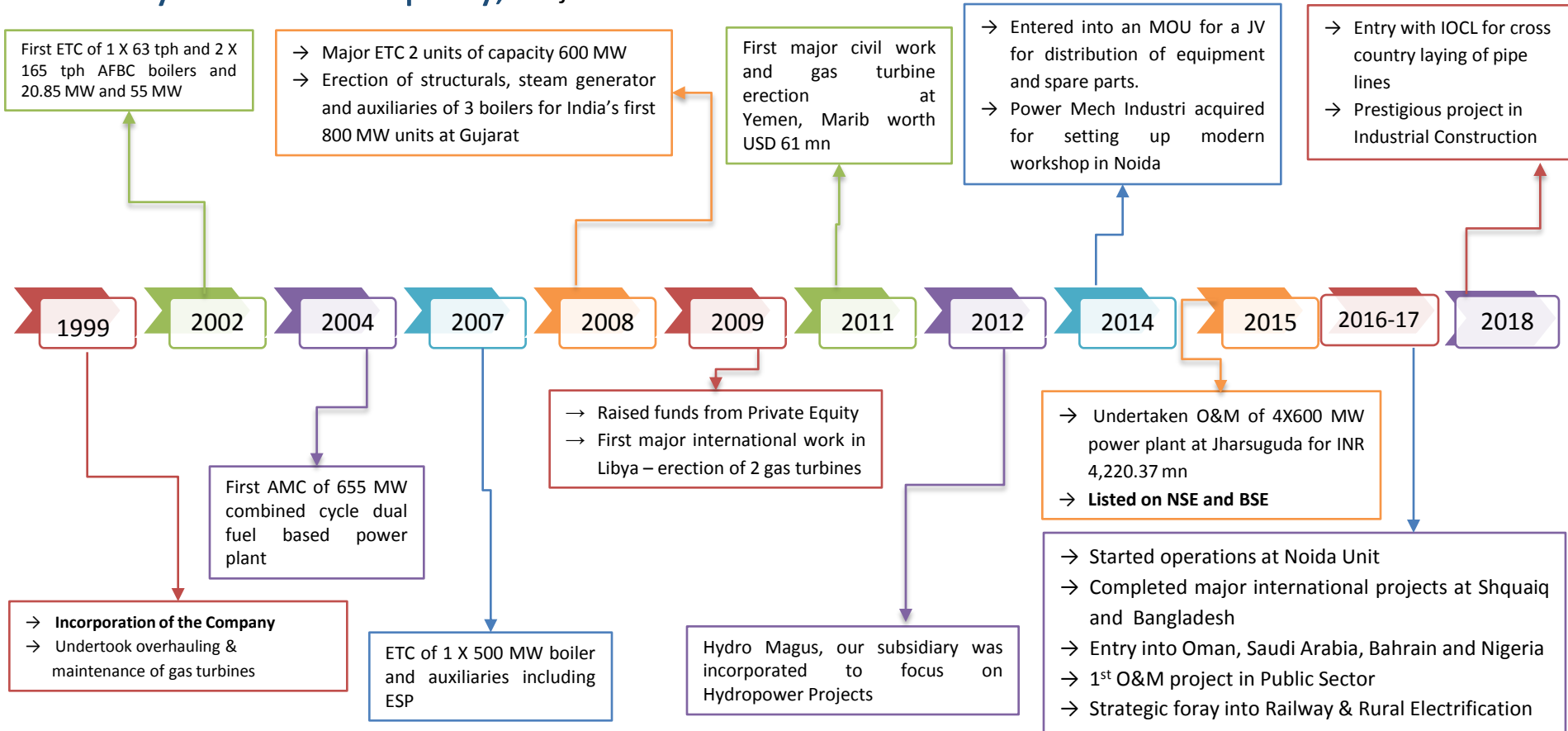
# Disclaimer

## Safe Harbor Statement

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



# Journey of the Company, Major milestones and achievements



Expanding Horizons.....

.....Broadening Capabilities





## Established Track Record

Integrated power infrastructure services

### 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 17 super-critical power projects in India
- These include up to 800 MW unit capacity super-critical projects
- Carried out **the overhauling of a super-critical 660 MW turbine** and providing AMC services for an ultra-mega power project (UMPP)
- In addition to our operations in India, we have also executed various **international power projects in the Middle East, North Africa, South Asia and South America.**

2,19,232

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

49,828

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

57,510

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

520

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

300

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

39

Number of AMC services for power plants across India

17

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

2

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



## Our Service presence across key areas



### Industrial Construction

**Power Projects** (Ultra Mega, Super Critical, Sub Critical & Combined Cycle Power Projects), **Nuclear, Refinery & Petro Chemicals, Steel Plant, Oil Pipe Line & Cement**

- Erection, Testing & Commissioning of BTG & BOP
- Steam Generators & Auxiliaries
- Steam Turbine Generators & TG Auxiliaries
- Critical Piping, LP & HP Piping, High Pressure Piping
- Structural Steel, Coal Handling Plant, Ash Handling, Cooling Water System, Fuel Oil System
- ESP, Ducts, FGD & SCR



### Infrastructure Construction (Civil)

**Power Plants, Railway, Industrial Projects etc.**

- Foundation, Decks & Plant Buildings
- Chimney, Cooling Towers
- Geothermal Soil Exploration
- Mass Excavation and Area Grading, Land Development
- Bored Cast and Driven Cast Piping, etc.
- Earth Work in Formation
- Permanent Way – EWE
- Permanent Way Linking Works
- Minor & Major Bridges
- OHE, S&T, Track Linking etc.



### Electrical T&D

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



### International Operations

- Erection, Testing & Commissioning of Oil Fired Boiler, HRSG, Reserve/Auxiliary Boiler & BOP
- Steam Turbine Generators & Auxiliaries, Gas Turbine Generators & Auxiliaries
- Combined Cycle Power Piping, LP & HP Piping, High Pressure Piping, Structural Steel, Plant, Cooling Water System, Fuel Oil System
- ESP, Ducts, & SCR, Rotating Equipment's (ID Fan, FD Fan, GR Fan, Pumps & Re-regenerative Air Heater)





## Our Service presence across key areas (cont...)



### Industrial Services (O&M)

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



### Manufacturing Facility

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



### Hydro Power Project Services

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



## Company Strengths

Successful track record of 18 years

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

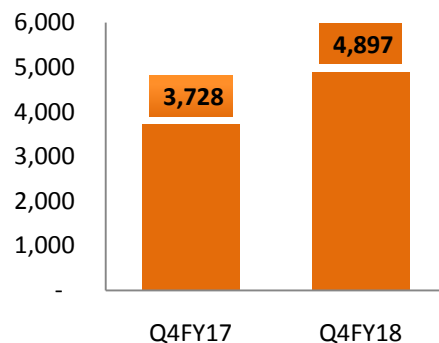




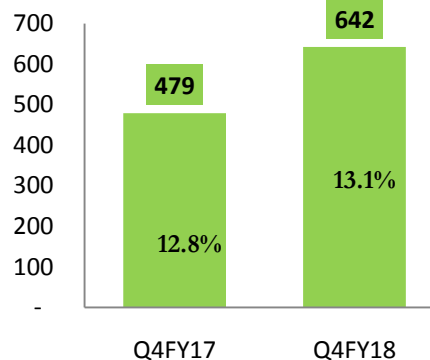
## Q4 & 12M FY18 – YoY Consolidated Financial Performance

INR in million

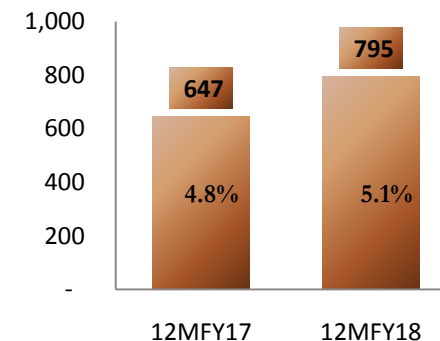
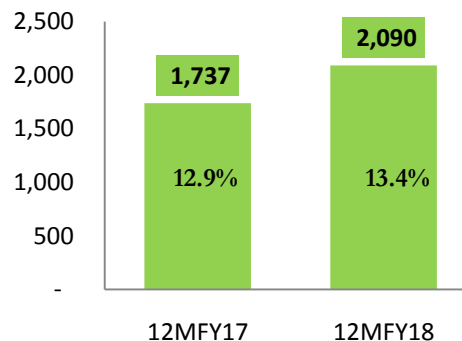
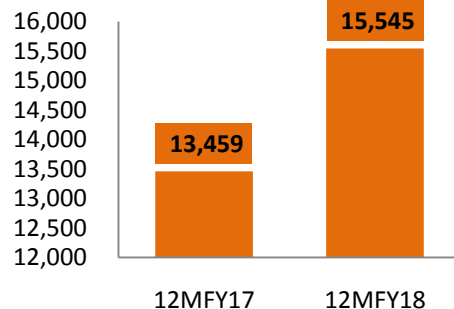
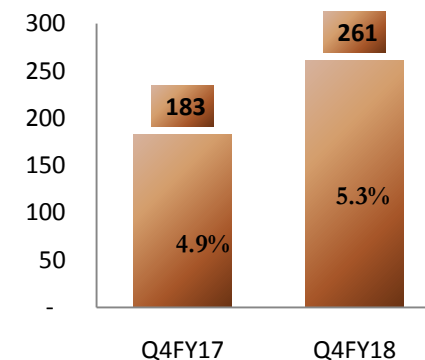
### Revenue



### EBIDTA



### PAT

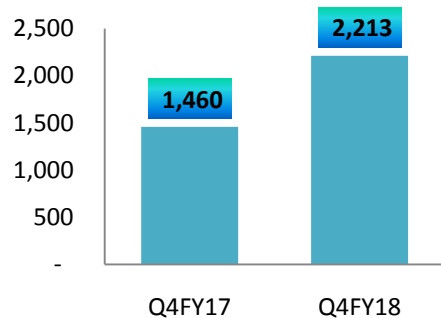




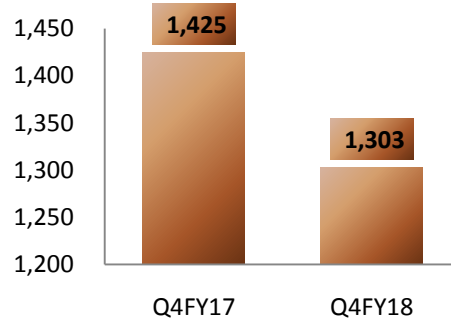
## Q4 & 12M FY18 – YoY Consolidated Revenue \*

INR in million

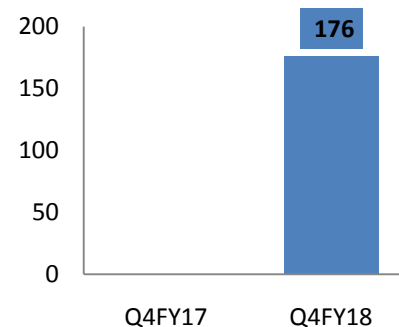
### Erection



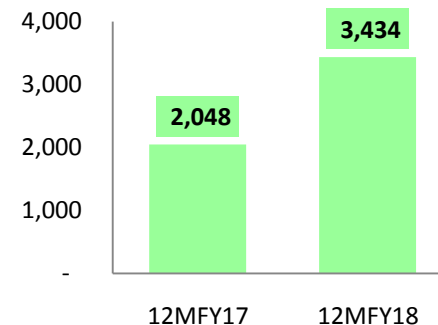
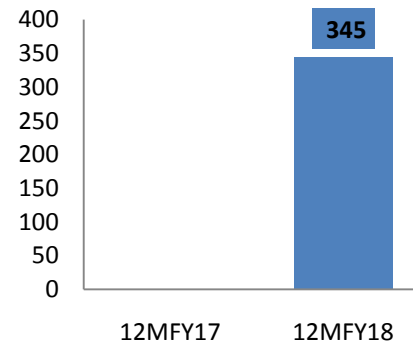
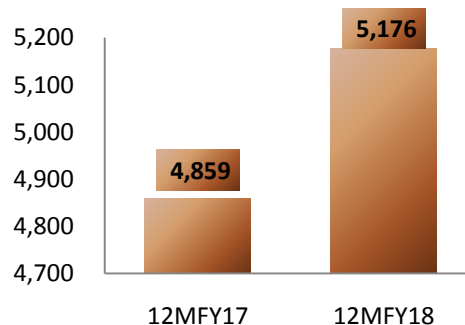
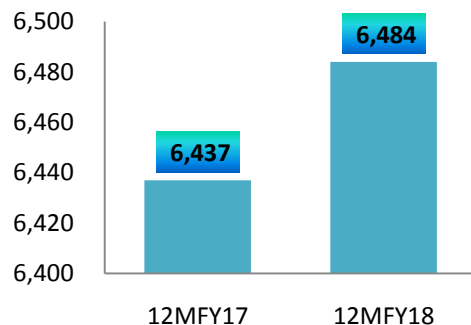
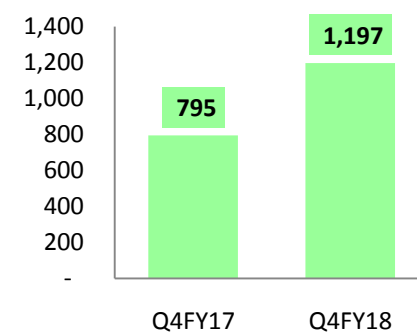
### O&M



### Electrical Works



### Civil & Other Works



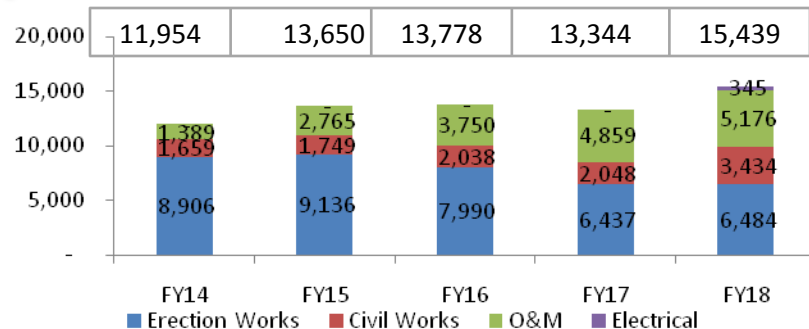
\* Excluding hire & other income



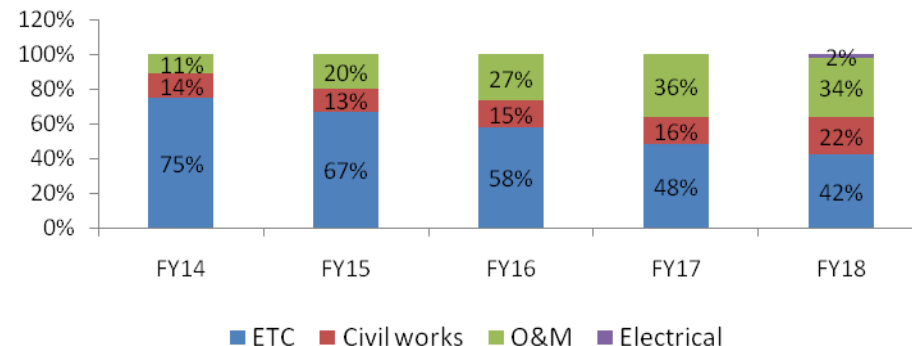
## FY18 Financial Performance (consolidated)

INR in million

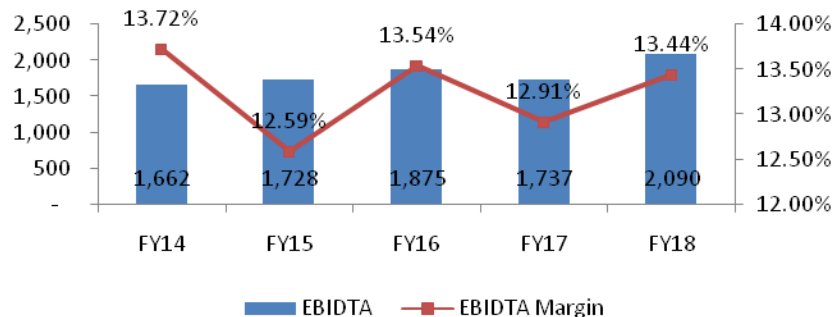
### Contract Revenue



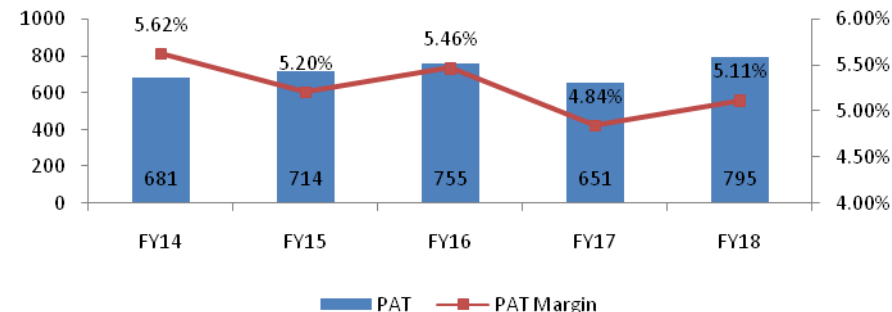
### Revenue mix shift towards high-margin O&M services segment



### EBITDA Margins continue to remain healthy....



### Profit After Tax

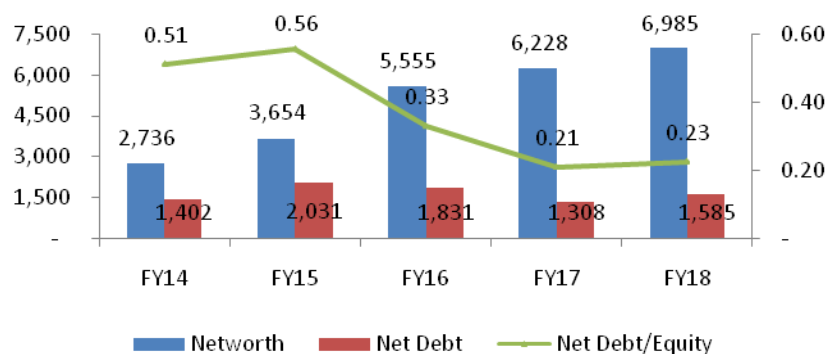




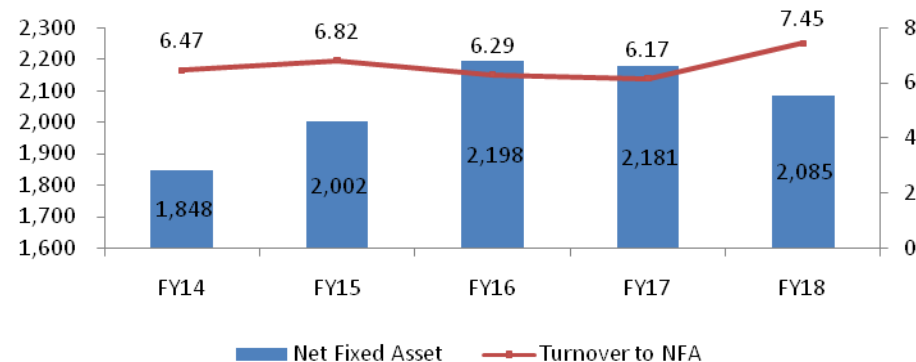
## FY18 Financial Performance (consolidated)

INR in million

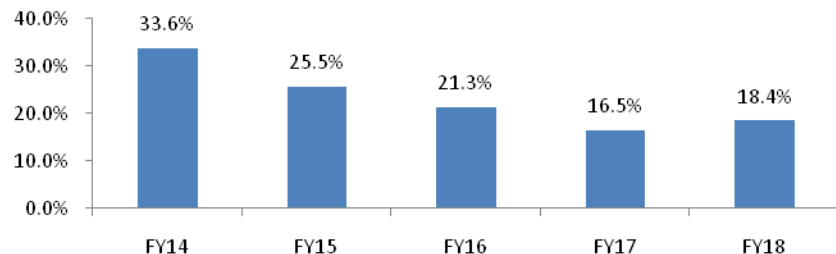
**Healthy net debt equity ratio provides significant headroom for growth**



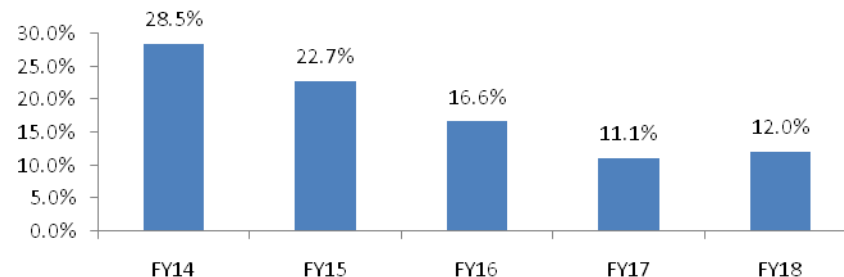
**High Asset Turnover ... testament to higher efficiency**



■ Return on Capital Employed



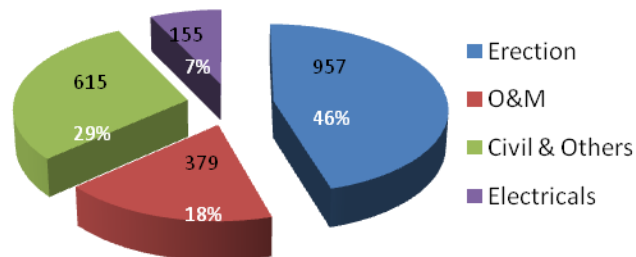
■ Return on Network



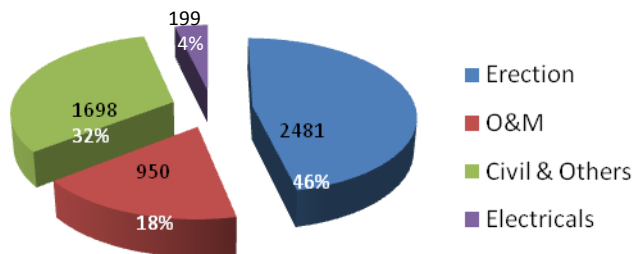


## Consolidated Order Book

Order Inflow during FY 18 Rs. 21,060 Mn



Order back log as on May, 2018 Rs 53,280 Mn \*



\*Works executed post March' 2018 not considered

\* Order backlog includes order of Rs 8,380 Mn in L1 stage

INR in million

Segment	Key projects received during FY 18/ FY19	Location	Value Mn
Erection	Erection, testing, commissioning of boiler and its auxiliaries, <b>BHEL</b>	Rampal, Bangladesh	1,080
	Installation works of HRSG, Center Line (STG & GTG), <b>Gama</b>	Bahrain	1,330
	Piping Civil Electrical & I & C, <b>Dangote</b>	Nigeria	4,910
	Onsite assembly of the piping & equipment for the combined cycle, <b>Abener</b>	Saudi Arabia	720
Civil & Other Works	Civil & Architectural works for Coal Handling Plant & BOP, <b>BHEL</b>	Kothagudem, Telangana	1,250
	Infrastructure Development Work , <b>AMTZ</b>	Vizag, AP	3,570
	Construction of Ramayampet Canal with distributory network for irrigating, <b>I&amp;CAD Dep (L1)</b>	Siddipet, TS	3,740
	Laying 18" OD, 511 Km cross country product pipeline from Dumad Station (Gujrat) to Akolner Station (Maharashtra), <b>IOCL (L1)</b>	Vadodra, Gujrat	3,140
	Laying 18" od, 143km Cross country pipeline from ramanathapuram to tuticorin, <b>IOCL (L1)</b>	Tamilnadu	1500
	Civil work for Maitree STPP , <b>BHEL</b>	Bangladesh	1,330



# Business Strategy

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

## Offer comprehensive O&M solutions to the power sector

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

## Expand our International Business

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

## Working on advanced project execution methodologies & improve cash flow

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

## New Developments

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



## Expanding Services Footprint



**International  
Erection & O&M  
Operations**

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



**Flue-gas  
desulfurization  
(FGD) and DeNOx**

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



**Rehab and  
Reconstruction**

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



**Oil & Gas Sector**

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



**Steel Sector**

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



**Transmission &  
Distribution**

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



**Railway**

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





## Established Relationships with Clients – Domestic Projects





## Established Relationships with Clients – International Projects





## Board of Directors



**Sajja Kishore Babu, CMD**

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



**N. Bhupesh Chowdary, Wholetime Director & CEO**

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



**Sajja Lakshmi, Non Executive Director**

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



**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



**Sutanu Behuria, Independent Director**

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



**T. Sankaralingam, Independent Director**

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



**GDV Prasada Rao, Independent Director**

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



**Vivek Paranjpe, Independent Director**

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



## Professional and Experienced Management Team



### **M. Rajendran, COO**

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



### **Arbind Koul, MD Hydro Magus P.Ltd**

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



### **S K Kodandaramaiah, Director – Business Development**

Post graduate in mechanical engineering. More than 4 decades of experience in power and industry sector related to EPC, Construction, project management, Business Development. Worked in BHEL, GE, Sunil Hitech,.



### **K Ajay Kumar, VP – O&M**

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



### **Sunil Mahto, VP SMX**

B.Tech (Civil Engg.) from Institute of Technology, Banaras. He has more than 30 years of experience in construction engineering. Previously he was associated with Larsen & Toubro & Mecon Limited



### **Prasad K.R.S (Patnaik) - Sr. VP SMX - Civil**

B Tech (Civil) Nagarjuna University. He has more than 3 decades of experience in the construction industry especially Road projects. He was with Rithwik Projects Pvt Ltd, Hyderabad.



### **Biswajit Das - VP – O&M**

B Sc Engineering (Electrical). With more than 30 years of experience in erection, commissioning and maintenance of large power plants. He was with Lanco Infratech.



### **Janardhan Kar, Director O&M**

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



### **G. Srinivasulu – Executive Director (HR)**

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



### **Anantha Reddy, VP- Electrical T&D**

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



### **J. Satish, CFO**

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



### **Tanaji Dnyanu Shinde, VP SMX IO**

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.



### **K. Sekhar Babu, AVP – Site Management**

B.E (Mech.) from JNTU, Telangana, with more than 23 years in construction, project and quality management. He was associated with Indwell Construction Ltd. as a Project Manager.



### **C V K Prasad Rao, Sr Vice President**

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



## Financial Snapshot | Consolidated Income Statement & Balance Sheet

*INR in million*

### Income Statement (Consolidated)

Particulars	FY14	FY15	FY16*	FY17* H1	FY18	FY18
Revenue from operations	12,003	13,662	13,782	13,382	7,036	15,478
Other Income	108	58	55	77	47	67
	<b>12,111</b>	<b>13,720</b>	<b>13,837</b>	<b>13,459</b>	<b>7,083</b>	<b>15,545</b>
Cost of materials	790	770	1,145	1,245	684	1,964
Change in inventories	-13	8	5	-29	20	-85
Contract execution exp.	8,434	9,800	8,989	7,928	3,943	8,145
Personnel Cost	1,092	1,202	1,549	2,265	1,296	3,122
Other expenses	146	213	275	313	182	310
Sub-total	<b>10,449</b>	<b>11,993</b>	<b>11,963</b>	<b>11,722</b>	<b>6,125</b>	<b>13,456</b>
<b>EBIDTA</b>	<b>1,662</b>	<b>1,727</b>	<b>1,874</b>	<b>1,737</b>	<b>958</b>	<b>2,089</b>
Finance costs	266	294	329	329	163	359
Depreciation and amort.	328	368	390	410	211	428
Share of profit from JV's	0	0	3	6	-1	-2
PBT	<b>1,068</b>	<b>1,065</b>	<b>1,152</b>	<b>992</b>	<b>585</b>	<b>1,304</b>
PAT (before MI)	682	716	757	647	409	392
Minority Interest	1	2	2	0	55	114
Restated PAT (after MI)	<b>681</b>	<b>714</b>	<b>755</b>	<b>647</b>	<b>354</b>	<b>795</b>
<b>PAT Margin</b>	<b>5.6%</b>	<b>5.2%</b>	<b>5.5%</b>	<b>4.8%</b>	<b>5.0%</b>	<b>5.1%</b>

\* Restated as per IND-AS reporting format

### Balance Sheet (Consolidated)

Particulars	FY14	FY15	FY16	FY17	H1 FY18	FY18
<b>Assets</b>						
Fixed Assets	1,781	1,832	1,978	2,062	2,095	2,025
CWIP (incl. unallocated capex)	68	170	220	119	69	60
Non-current investments	-	-	-	9	20	1
Other Non Current Assets	1,731	1,643	1,872	1,936	2,061	1,974
Total Current Assets	5,292	6,158	8,305	8,697	10,114	10,396
Less: Current Liab. & Prov.	5,534	5,876	6,343	6,273	7,092	7,633
Net Current Assets	(241)	282	1,962	2,424	3,021	2,763
Cash & bank	688	678	686	805	783	1,397
<b>Total</b>	<b>4,026</b>	<b>4,605</b>	<b>6,718</b>	<b>7,355</b>	<b>8,050</b>	<b>8,220</b>
<b>Liabilities</b>						
Long Term Borrowings	274	366	214	155	230	277
Deferred Tax Liabilities	78	47	42	21	1	-
Other Non Current Liabilities	936	643	910	950	1,176	821
Minority Interest	2	2	4	21	85	138
Shareholder's Fund	2,736	3,547	5,548	6,207	6,557	6,985
<b>Total</b>	<b>4,026</b>	<b>4,605</b>	<b>6,718</b>	<b>7,355</b>	<b>8,050</b>	<b>8,220</b>



# Thank You

For investor queries, please contact:  
***Mr. Rohit Tibrewal, Company Secretary***  
***Ph: +91-040-30444418***  
***Email: [cs@powermech.net](mailto:cs@powermech.net)***