

CHAIRMAN'S MESSAGE



Dear Shareholders,

It is my pleasure to present the Annual Report for FY 2018-19. The Company continues to pass through tough times but is confident to sustain and to find the way-out. The Company has been in the EPC business for more than 5 decades and has weathered such storms in the past. The Company has been struggling to bag new orders due to the continuous adverse market conditions in the power sector especially thermal power. To overcome this, the Company is making efforts to make a break through in the water distribution business. The Company has a strong foothold in Design & Engineering, Quality Assurance & Inspection etc., sufficient in-house resources in terms of

Engineering Manpower, Tools & Plants and Technical know-how to cater to the needs for undertaking the Turnkey Contracts of Mechanical, Civil and Associated Electrical & Instrumentation Works, which gives it confidence to expand and infuse more funds to strengthen the EPC business.

In order to raise funds, the Company has decided to offload its stake in Xlerate Driveline India Limited, a wholly owned subsidiary Company in the Auto component business to Bharat Gears Limited, a group Company which is an established name in the auto component industry and wants to concentrate in the core EPC business.

With the funds raised, the Company is going to diversify in the water distribution segment and also plans to bid for new projects in the power sector with sustainable margins to stay afloat and further discharge the current financial liabilities to reduce the financial burden over the Company.

With our sustained track record of timely execution, engineering capabilities, and client relationships, we have begun focussing on the water distribution space. This sector holds ample potential in our Country. As currently, India is suffering from the worst water crises in its history with about 60 crore people facing high to extreme water stress and about two lakh people dying every year die due to inadequate access to safe water. Citing data by agencies like Dalburg Analysis, FAO and UNICEF, the report said 40 per cent of population will have no access to drinking water by 2030. 21 cities, including New Delhi, Bengaluru and Hyderabad, will run out of groundwater by 2020, affecting 100 million people.

The Government has been steadily increasing budgetary allocation for the water sector. Ministry of Jal Shakti Department of Water Resources, River Development and Ganga Rejuvenation is taking many initiatives to expand water resources for irrigation, drinking, and cleaning up the Ganga, interlinking the rivers. The ministry is implementing key projects such as Namami Gange, Pradhan Mantri Krishi Sinchayi Yojana and inter-linking rivers. The above steps have led to increased orders in the pipeline and we expect to benefit from the same in the coming year.

Every hurdle gives us an opportunity to review and revisit our actions, and the downturn in our main business segment has provided us with this opportunity. We have started thinking out of the box and have come up with new avenues to scale our business. This has been a challenging yet exciting phase where our focus on quality and client relations have come to our aid. Going forward, we intend to grow in our newer focus areas of water distribution having great belief in the EPC business complimented by our core competencies in project management and timely execution.

In conclusion, I would like to thank all our shareholders for believing in us and standing by us through trying times. I would like to thank our customers and suppliers for their continued support in our existing and new growth plans. Last but of foremost value are our employees who have diligently worked with us on every step of the journey that we have undertaken, and are key to the success of our new path of revival. We firmly believe that our new efforts will bear fruit and put the Company back on the growth path.

With best regards,



Surinder Paul Kanwar
Chairman and Managing Director