

OPERATIONAL ENERGY GROUP INDIA LIMITED
(Formerly Sri Balaganapathy Mills Limited)
CIN: U40100TN1994FLC028309
A, 5TH FLOOR, GOKUL ARCADE – EAST WING,
NO.2&2A, SARDAR PATEL ROAD,
ADYAR, CHENNAI – 600020

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of OPERATIONAL ENERGY GROUP INDIA LIMITED will be held at the Registered office of the company A, 5th Floor, Gokul Arcade – East Wing, No.2& 2A, Sardar Patel Road, Adyar, Chennai – 600020 in the state of Tamil Nadu on Friday, 16th day of September, 2016 at 2.00 PM to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption Of Accounts & Approval Of Directors Report

To receive, consider and adopt the Director's Report and the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended March, 31, 2016, and the Independent Auditor's Report thereon.

2. To appoint a Director in place of Mr. George Jameidas who retires by rotation and being eligible, offers himself for re-appointment.

3. To Ratify the Appointment Of Statutory Auditor

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

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. SRI & CO., Chartered Accountants (Firm Registration No. 010495S), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 on such remuneration as may be determined by the Board of Directors”.

SPECIAL BUSINESS:

- 4. To appoint Mr.P. Swaminathan (DIN:02603984) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act,2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s)thereof, for the time being in force), Mr.P.Swaminathan (DIN:02603984), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to 2021”.

- 5. To appoint Mr.B.Viswanathan (DIN:00702802) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act,2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s)thereof, for the time being in force), Mr.B.Viswanathan (DIN: 00702802), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to 2021”.

- 6. Appointment of Mrs. Usha Ramesh (DIN: 00053451) as Director**

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

“RESOLVED THAT pursuant to provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mrs. Usha Ramesh (DIN-00053451) who qualifies for being appointed as a Director in respect of whom the company has received a notice in writing under Sections 160 of the Act, from a member proposing her Candidature for the office of Director, is hereby appointed as a Director of the Company liable to retire by rotation”.

7. Appointment of Mr.S. Ramesh (DIN: 00052842) as Director

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

“RESOLVED THAT pursuant to provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr.S.Ramesh (DIN- 00052842) who qualifies for being appointed as a Director in respect of whom the company has received a notice in writing under Sections 160 of the Act, from a member proposing his Candidature for the office of Director, is hereby appointed as a Director of the Company liable to retire by rotation”.

8. Appointment of Mr. S.Ramesh (DIN: 00052842) as Executive Chairman and Managing Director of the Company

Consider and if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Mr. S Ramesh (DIN: 00052842), as Executive Chairman and Managing Director (designated as “Executive Chairman”) of the Company with immediate effect for a period of 3 years, as well as the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. S Ramesh”.

“RESOLVED FURTHER THAT the remuneration payable to Mr. S Ramesh, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as maybe prescribed from time to time”.

“RESOLVED FURTHER THAT within overall limits as specified above, the Board has the power to determine individual component(s) of remuneration”.

“RESOLVED FURTHER THAT pursuant to Section II of Part III of Schedule V and other applicable provisions, if any, of the Companies Act 2013 (Including any amendments/modifications thereof), the consent of the members of the company be and is hereby accorded to pay minimum remuneration to Mr S.Ramesh, Executive Chairman and Managing Director for the financial year in which there is no profits or profits are inadequate , during the period commencing from 16th September 2016 to 15th September 2019”.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution”.

/By Order of the Board of Directors/

For Operational Energy Group India Limited

Date: 17th August, 2016
Place: Chennai

SD-
GEORGE JAMEIDAS
DIRECTOR
DIN: 06777068

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED, SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED WITH THIS NOTICE.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The documents relating to any of the items mentioned in the notice and explanatory statement are available for inspection at the Registered Office of the Company during normal working hours from Monday to Friday up to the date of meeting.
3. The registered members and share transfer books of the company will remain closed from 9th September 2016 to 16th September 2016 (both days inclusive)
4. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under **Item 4 to 8** set out above is annexed here to.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO.4

APPOINTMENT OF INDEPENDENT DIRECTOR – MR.P.SWAMINATHAN

In terms of the provisions of Section 149 and 152 of the Companies Act, 2013, a Non-Executive Independent Director of the Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to appoint Mr. Swaminathan as Non-Executive Independent Director of the Company for a period of five (5) years i.e. up to 15th September 2021 and who shall not be liable to retire by rotation.

Mr.P.Swaminathan has given to the Company : (i) his consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified to act as a Director under sub-section (2) of Section 164 of the Companies Act, 2013; (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

Mr.P.Swaminathan aged 61 years is a Management Graduate from IIM, Ahmedabad and B. Tech from IIT, Chennai. He has over more than 37 years of experience in the field of Telecom, Consumer Goods & Towerco Operations.

He has sound understanding of administration with a global mindset and also possesses strong quantitative/conceptual abilities. He was CEO/Executive Director in Bharti Infratel, Indus Towers (Bharti Joint Venture), Mobility Board etc. during the period of July 1999 to January 2009.

Mr.P. Swaminathan was responsible for integrating, synergizing the various functional activities for delivering the Organizational goals and was also directly responsible as a Profit Center Head and doubled the national distribution network in BPL, US West Cellular Limited, Pune.

He has an excellent track record of marketing; establishing national products distribution, brand building and production strategies. Presently as the Principal consultant in CSCVI Consulting Practice he is playing the role of a Consultant Strategist, advising prospective investors with regard to what to expect from towercos and telecos.

The Company has received a notice in writing along with a deposit of requisite amount under Section 160 of the Act, from a member proposing the candidature of Mr. P.Swaminathan for the office of Non-Executive Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

In the opinion of the Board, Mr. P.Swaminathan fulfills the conditions specified in the Act for his appointment as Non-executive Independent Director of the Company and he is independent of the management. A copy of the draft letter of appointment for the appointment of Mr. P.Swaminathan as Non-Executive Independent Director, setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays, Sundays and intervening holidays, upto the date of the AGM.

The Board considers that his association would be of immense benefit to Company and it is desirable to avail services of Mr. P.Swaminathan as Non-Executive Independent Director.

Accordingly, the Board recommends the resolution as set out at Item No. 4 of the accompanying Notice for the approval of the members.

Except Mr. P.Swaminathan, being an appointee and his relatives, to the extent of their shareholding interest, if any, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said resolution.

ITEM NO 5.

APPOINTMENT OF INDEPENDENT DIRECTOR – MR.B.VISWANATHAN

In terms of the provisions of Section 149 and 152 of the Companies Act, 2013, a Non-Executive Independent Director of the Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to appoint Mr.B.Viswanathan as Non-Executive Independent Director of the Company for a period of five (5) years i.e. up to 15th September 2021 and who shall not be liable to retire by rotation.

Mr. B.Viswanathan has given to the Company : (i) his consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified to act as a Director under sub-section (2) of Section 164 of the Companies Act, 2013; (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

Mr.B.Viswanathan aged 61 years is a management graduate from IIM, Calcutta and B. Tech from IIT, Chennai. He has worked with Asian paints (India) Ltd the market leader in paints in India during *the period 1979 – 1991*. He was in the finance department *till 1989* with the last posting as finance manager. During this period he was in charge

of raising resources including handling of public issues, corporate planning, budgeting and cost control. Later he was a *factory manager* of a chemical plant between 1989 – 1991.

He co-managed a confectionery unit during 1991 – 1993. He was member of the Coimbatore stock exchange limited between 1993 and early 1998. Actively participated in various committees including the committee responsible for moving from the outcry system to online trading system.

He has worked as Director – finance of Best & Crompton Engg. Ltd between April 1998 and May 2000.

He was engaged in management consultancy assignments focusing on business processes and development of integrated software solutions for businesses, from June 2000 till early 2003.

He worked with HCL Technologies BPO services limited as Senior Vice-President responsible for strategy and support functions between March 2003 and November 2009. He is currently working in the area of risk management.

The Company has received a notice in writing along with a deposit of requisite amount under Section 160 of the Act, from a member proposing the candidature of Mr. B.Viswanathan for the office of Non-Executive Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

In the opinion of the Board, Mr. B.Viswanathan fulfills the conditions specified in the Act for his appointment as Non-executive Independent Director of the Company and he is independent of the management. A copy of the draft letter of appointment for the appointment of Mr.B.Viswanathan as Non-Executive Independent Director, setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays, Sundays and intervening holidays, up to the date of the AGM.

The Board considers that his association would be of immense benefit to Company and it is desirable to avail services of Mr. B.Viswanathan as Non-Executive Independent Director.

Accordingly, the Board recommends the resolution as set out at Item No. 5 of the accompanying Notice for the approval of the members.

Except Mr. B.Viswanathan, being an appointee and his relatives, to the extent of their shareholding interest, if any, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said resolution.

ITEM NO.6

APPOINTMENT OF MRS USHA RAMESH AS DIRECTOR

The Company has received notice in writing under the provisions of Section 160 of the Companies Act,2013, from a member, along with a deposit of Rs 1,00,000/- proposing the candidature of Mrs. Usha Ramesh for the office of Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Mrs Usha Ramesh is 52 years old.She is a commerce Graduate. She is one of the promoters of Operational Energy Group India Private Limited. She has more than two decades of running this business as a co promoter.

None of the Directors, except the proposed appointee and her relatives in the resolution concerning her individual appointment or any of Key Managerial Personnel of the Company or relatives of any of them are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board recommends the resolution as set out at Item no.6 of the accompanying notice for approval of members.

ITEM NO.7

APPOINTMENT OF MR.RAMESH AS DIRECTOR

The Company has received a notice from a member proposing Mr.S.Ramesh aged 62 years graduated from the most prestigious management institute in India, Indian Institute of Management, Ahmedabad in 1979. After a brief stint at a major automobile company in India he went to Southeast Asia where he spent 14 years. He directed one of the biggest offshore construction companies in Indonesia. His responsibilities included Project Management, Funds Management and Corporate Planning.

Mr. S.Ramesh was instrumental in formulating an innovative and pioneering Build, Operate and Transfer package for production facilities and pipelines for supply of gas to Indonesian Power Company in 1988. He is also a member of Energy and Power Committee of Confederation of India Industry, Southern Region. The Board recommends the resolution as set out at Item no.7 of the accompanying notice for approval of members.

ITEM NO.8

APPOINTMENT OF MR.RAMESH AS EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

Broad particulars of the terms of appointment and remuneration payable to Mr.S.Ramesh are as under:

TERMS OF APPOINTMENT:

I) SALARY, ALLOWANCES AND COMMISSION (HEREINAFTER REFERRED TO AS “REMUNERATION”):

a) Salary comprising

(i) Basic salary: At the rate not exceeding 2,60,000 per month; and Increments as may be decided by the Board of Directors of the Company from time to time, (following April to March year) over the existing Basic salary and Allowances, as on 1st April every year, commencing from 1st April 2017

b) Commission and Performance linked incentive:

On net profits of the Company determined in accordance with the relevant provisions of the Companies Act, 2013 at a rate to be determined by the Board of Directors from time to time, for the relevant period. The payment may be made on a pro-rata basis every month or on an annual basis or partly monthly and partly on an annual basis at the discretion of the Board.

II) PERQUISITES:

1. In addition to the Remuneration as stated above, Mr. S.Ramesh shall be entitled, as per Rules of the Company, to perquisites like:
 - a. Rent-free furnished residential accommodation with free use of all the facilities and amenities, such as air conditioners, geysers etc. In case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance as per policy of the Company.
 - b. Reimbursement of all medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization.
 - c. Personal Accident Insurance Premium.
 - d. Air passage and/or leave travel allowance for self and members of his family residing in India and for visit to India of the members of his family not residing in India.
 - e. Subscription to Clubs.
 - f. Use of Company maintained cars with drivers for business and personal use.
 - g. Use of communication devices such as telephones, audio and video conference facilities etc., at the residence. Personal long distance telephone calls shall be borne by Mr. S.Ramesh.

- h. Education Allowance for children, whether abroad or in India.
- i. Encashment of leave at the end of his tenure as per policy of the Company.
- j. Contributions to provident fund, superannuation fund or annuity fund and any other retirement benefits.
- k. Terminal benefits: Air/Sea passage together with cost of transportation of household belongings to such places as may be approved by the Board of Directors at the time of leaving the service of the Company.
- l. Expenses on shifting of residence.
- m. Joining allowances and other benefits.
- n. Participation in any/ all employee stock option schemes/ plans of the Company
- o. Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. S.Ramesh.

The value of the perquisites evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, shall be subject to an overall annual ceiling of an amount not exceeding the Salary in I(a) above for the relevant period. The perquisites mentioned above from (h) to (n) shall be based on actual amounts and excluded from the aforesaid perquisite limit.

- 2. The Board of Directors or Committee thereof may, in their discretion, revise/modify any of the terms from time to time, within the limits stipulated.

III) MINIMUM REMUNERATION:

Notwithstanding anything herein contained, where in any financial year during the period of his office as Managing Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, pay Mr. S.Ramesh remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 (corresponding to Para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. S.Ramesh

IV) OTHER TERMS:

Subject to the superintendence, control and direction of the Board of Directors, Mr.S.Ramesh shall manage and conduct the business and affairs of the Company. He shall not be paid any sitting fee for attending the meetings of the Board or Committee thereof.

The appointment can be terminated by Mr.S.Ramesh or the Company, by one party giving to the other six calendar months' notice in writing or by payment of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board recommends the Ordinary Resolution set out at item no. 8 of the accompanying Notice for the approval of the Members.

Copy of the Draft Agreement referred to in the Resolution would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, up to and including the date of the Annual General Meeting.

Except Mr.S.Ramesh, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.8.

By Order of the Board/

For OPERATIONAL ENERGY GROUP INDIA LIMITED

Sd-

**GEORGE JAMEIDAS
DIRECTOR
DIN: 06777068**

DIRECTORS REPORT

To
The Members of
Operational Energy Group India Limited
A, 5th Floor, Gokul Arcade – East Wing,
No.2 & 2A, Sardar Patel Road,
Adyar, Chennai - 600020

Your Directors have pleasure in presenting the Twenty Second Board's Directors Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2016.

FINANCIAL HIGHLIGHTS

Your Company's performance during the year is summarized below:

Particulars	(Rs. In Lacs)		
	Consolidated	Standalone	
Particulars	2015-16	2015-2016	2014-15
Gross Income	13989.92	13962.54	12017.18
Profit Before Interest and Depreciation	823.25	820.76	738.81
Finance Charges	283.00	282.86	309.73
Profit before depreciation and taxes	540.25	537.90	429.08
Provision for Depreciation	173.36	154.19	101.00
Net Profit Before Tax	366.89	383.71	328.08
Provision for Tax	145.44	142.41	59.78
Net Profit After Tax	221.45	241.30	268.30
Balance of Profit brought forward	641.62	653.75	385.45
Balance available for appropriation	0.00	0.00	0.00
Proposed Dividend on Equity Shares	0.00	0.00	0.00
Tax on proposed Dividend	0.00	0.00	0.00
Transfer to General Reserve	0.00	0.00	0.00
Surplus carried to Balance Sheet	863.07	895.05	653.75

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Company has performed well during the year under review in spite of difficult industrial environment. The turnover and EBITDA has increased by 16% and 11% respectively.

The Company has added new clients in India, Sri Lanka and Bangladesh apart from expanding its business in Saudi Arabia.

Your Directors are confident that the Company's performance will enhance further in the future owing to the addition of new clients and new countries. Active marketing is being done in the Middle East to enhance the client base in that region. Your Directors are hopeful that the efforts will yield desirable results in the years to come.

POSTAL BALLOT:

The Company had proposed a Postal Ballot seeking the Shareholders approval by way of Special Resolutions to adopt new articles of association, increase in authorised share capital, alter the capital clause & the Objects Clause of the Memorandum of Association, increase the borrowing limits up to Rs.140 crores, create charges on movable & immovable property, shift registered office from one district to another, to give loans or guarantees or provide securities in connection with loan made to other body corporate. Postal Ballot Notice was issued to the shareholders separately.

The result of the Postal Ballot Polling was scrutinized by M/S VKS Associates, Mr.V.K.Shankaramann Practicing Company Secretary based on the Postal Ballot papers received from the Shareholders. All the resolutions were declared approved by the Scrutinizer.

CHANGE IN NATURE OF BUSINESS, IF ANY

Consequent to Court approved Scheme of Arrangement, our Company has acquired the business of Operational Energy Group India Private Limited in the field of Energy O&M Division as a going concern and accordingly the existing object clause has been modified through Postal Ballot to fall in line with the business parameters. Accordingly new object clause has been inserted in place of the existing objects along with the change of name as Operational Energy Group India Limited as confirmed by the Hon'ble High Court,

Madras .This has been approved by Ministry of Corporate Affairs, Office of the Registrar of Companies, Chennai on 11.05.2016.

DIVIDEND

Your Directors do not recommend any dividend for this financial year. The provisions of Section 125(2) of the Companies Act, 2013 do not apply as no dividend was declared and paid during last year.

AMOUNTS TRANSFERRED TO RESERVES

The Board has not proposed any amount to be carried to reserves.

CHANGES IN SHARE CAPITAL, IF ANY

At present the Authorized share capital of your company as on 31st March 2016 was Rs.4 Crores, the paid up equity share capital of your company was Rs. 3.30 Crores. Your company has not issued any equity shares during the year under review. However Scheme of Arrangement between M/S Operational Energy Group India Private Limited and M/s OEG Solar Energy Private Limited and M/s Sri Balaganapathy Mills Limited which was sanctioned by the Honorable High Court of Madras vide the court order dated 08.02.2016 in C.P.No.509 to 511/2015 from 01st day of April 2013 dated 08th February 2016 vide and accordingly both the Authorised and Paid up capital has been raised through Postal Ballot as mentioned in supra and allotment was made based on the ratio as confirmed and approved by Hon'ble High Court vide the court in order C.P.No 509 to 511/2015.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Details of the Companies which have become / ceased to be its Subsidiary/ JV/ Associate Company:

S.No	Name	Status Subsidiary / JV/ Associate Company	Date of becoming Subsidiary/ JV/ Associate Company	Date of ceasing as Subsidiary/ JV/ Associate Company
1	OEG Solar Energy Private Limited	Subsidiary	29.11.2012	Nil
2	Shapoorji Palonji and OEG India Private Limited	Joint Venture	31.03.2015	Nil
3	Pacific Technical Services India Private Limited	Subsidiary	31.12.2015	Nil

4	Thoothukudi Renew Waters Private Limited	Associate	16.08.2013	Nil
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TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

THE EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. **(Annexure: 1)**

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2015-16, the Company held 4 board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below.

S NO.	QUARTER	DATE OF MEETING	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
1	April-June	20/08/2015	4	2
2	July-September	11/09/2015	4	3
3	October-December	10/12/2015	4	4
4	January-March	23/02/2016	4	2

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the

Company confirms that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis; and
- (e) Company's shares being unlisted sub clause (e) of section 134(3) is not applicable.
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND REPORT THEREON

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s Sri & Co, Chartered Accountants, the Statutory Auditors of the Company have been appointed for a term of 5 years. However, their appointment as Statutory Auditors of the Company shall be required to be ratified by the Members at the ensuing Annual General Meeting. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting.

There are qualifications in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory.

The Board of Directors response to the qualification in the Audit report is given below:
Paragraph 3 (a) of the Annexure to the Auditors' Report comments about the loans and advances given to a company. The scheme of arrangement under Section 391 to 394 of

the Companies Act 1956, between Operational Energy Group India Private Limited, OEG Solar Energy Private Limited and Sri Balaganapathy Mills Limited (CP No 509,510 and 511 of 2015) was confirmed and approved by Hon'ble High Court of Madras on 8 th February 2016. The scheme became effective on 29th March 2016, on approval from Registrar of Companies, Chennai. The company has already initiated actions to get the loan converted to Preference Shares during the current Financial Year 2016-17.As mentioned in supra, consequent to the conversion, the terms and conditions are being crystallized and will not have impact on the financials as envisaged.

As regards the comments on paragraph 3(b) of the Annexure to Auditors' Report, the loan from Directors is interest free and hence not prejudicial to Company's interests.

Further the Auditor's Report for the financial year ended, 31st March, 2016 is annexed herewith for your kind perusal and information. **(Annexure: 2)**

LOANS, GUARANTEES AND INVESTMENTS

The Company has following Loans, Guarantee given and Investments made under section 186 of the Companies Act, 2013 for the financial year ended 31st March 2016:

S. No.	Name of Party	Particulars of Loans, Guarantee & Investments	Nature	Purpose for which it shall be used	Amount
1	Pacific Technical Services India Private Limited	Equity Shares	Manpower Supply	Nil	98,000
2	Shapoorji Pallonji & OEG Services Private Limited	Equity Shares	O&M Services in Power Sector	Nil	1,00,000

RELATED PARTY TRANSACTIONS

The Company has entered into various Related Parties Transactions as defined under Section 188 of the Companies Act, 2013 with related parties as defined under Section 2 (76) of the said Act. Further all the necessary details of transaction entered with the related parties are attached herewith in **Form No. AOC-2** for your kind perusal and information **(Annexure: 3)**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy and Technology absorption

The Company has been actively involved with the Clients for reducing the heat rate and auxiliary consumption of the power generating stations of the clients. Measures such as introduction of VFD, blending of fuel etc are being constantly pursued by the Company, thereby contributing towards energy conservation and reducing carbon footprint.

The Company is in active discussions with the technology providers for reducing the emission from the power generating stations.

(B) Foreign exchange earnings and Outgo

There were foreign exchange earnings and outgo during the year under review.

Earnings	Rs. 32,76,90,502/-
Outgo	Rs.10,47,27,965/-

RISK MANAGEMENT

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

DIRECTORS AND KMP

There has been No Change in the constitution of Board during the financial year.

DEPOSITS

The company has not accepted any deposits during the year under review.

CORPORATE SOCIAL RESPONSIBILITY

The company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee. However for the year 2016-17, the committee is being formed.

ANNUAL EVALUATION

The provisions of section 134(3) (p) relating to board evaluation is not applicable for the company.

INDEPENDENT DIRECTORS AND DECLARATION

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company during the Financial Year 2015-16. During the current year 2016-17, appointment of independent directors is under process.

NOMINATION AND REMUNERATION COMMITTEE

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013. During the current year 2016-17, the above provisions of Section 178(1) will be applicable for the Company. Action is being initiated for constituting the committee.

AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company, for the year 2015-16. During the current year 2016 -17, Audit Committee is being formed.

SECRETARIAL AUDIT REPORT

The provisions under Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to submission of Secretarial Audit Report is not applicable to the Company.

COST AUDIT

The requirement of Cost Audit under The Companies (Cost Record and Audit) Rules 2014 is not applicable to the Company

VIGIL MECHANISM

The Provisions under Section 177(9) of the Companies Act, 2013 is not applicable since the money borrowed from banks & financial institution did not cross 50 crores during the Financial Year 2015-16.

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

Your Company is elated to report that there were no incidences of Sexual Harassment during the year under review, although the aforesaid act is not applicable to the Company.

SHARES

The Company has not bought back any of its securities during the year under review.

a. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

b. BONUS SHARES

No Bonus Shares were issued during the year under review.

c. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

ORDER OF COURT

No significant and material orders have been passed by the regulators or courts or Tribunals impacting the going concern status

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation were observed.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation of the committed service of the Executives, staff and Workers of the Company.

For & on behalf of the Board of Directors

Date: 17.08.2016

Place: Chennai

**S.V.NATARAJAN
DIN: 00052854
(DIRECTOR)**

**GEORGE JAMEIDAS
DIN: 06777068
(DIRECTOR)**

Annexure -3 to Directors Report

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 arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: **NIL**
2. Details of contracts or arrangements or transactions at Arm's length basis:

S.No	Particulars	Details
1.	Name (s) of the related party & nature of relationship	M/S South Ganga Waters Technologies Private Limited – Enterprises which are owned, or controlled by Key Managerial Personnel
2.	Nature of contracts/arrangements/transaction	Advance Received
3.	Duration of the contracts/arrangements/transaction	NA
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	In the Normal Course of Business
5.	Date of approval by the Board	25.05.2015
6.	Amount paid as advances, if any	Nil

For and on Behalf of the Board

Sd-

Sd-

S.V.NATARAJAN

GEORGE JAMEIDAS

DIRECTOR

DIRECTOR

Place: Chennai

Date: 17.08.2016



OPERATIONAL ENERGY GROUP INDIA LIMITED

A, 5th Floor, Gokul Arcade - East Wing, No.2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020.

BALANCE SHEET AS ON 31ST MARCH 2016

Sl.no	Particulars	Note No.	As at 31st March 2016		As at 31st March 2015	
I	EQUITY AND LIABILITIES					
(1)	Shareholders' funds					
	(a) Share Capital	1	130,418,000		130,418,000	
	(b) Reserves and Surplus	2	89,504,965	219,922,965	65,375,243	195,793,243
(2)	Non-current liabilities					
	(a) Long-Term Borrowings	3	22,342,124		7,641,074	
				22,342,124		7,641,074
(3)	Unsecured Loan	4		56,469,165		60,250,502
(4)	Current Liabilities					
	(a) Short-term borrowings	5	197,464,111		178,750,975	
	(b) Trade Payables	6	53,747,754		68,483,018	
	(C) Other current liabilities	7	1,984,465		1,799,662	
	(d) Short-term provisions	8	178,439,099		133,678,319	
				431,635,429		382,711,973
	Total			730,369,684		646,396,793
II	ASSETS					
(1)	Non-Current Assets					
	Fixed Assets					
	(a) Tangible Assets					
	Gross Block	9	125,400,044		118,803,920	
	Less: Excess Depreciation written off		(2,947,683)		(2,947,683)	
	Less: Depreciation		(74,013,509)	48,438,852	(60,231,219)	55,625,018
	(b) Non-current Investments	10		1077034		879,034
	(C) Long-term loans and advances	10A	112,582,303	112582303		113,826,398
				162,098,189		170,330,450
(2)	Current Assets					
	(a) Trade Receivables	11	364,898,119		313,534,408	
	(b) Cash and Cash Equivalents	12	9,581,274		15,707,901	
	(C) Short-term loans and advances	13	45,495,468		28,257,765	
	(d) Other Current Assets	14	148,296,630		118,566,266	
				568,271,491		476,066,340
	Total			730,369,683		646,396,793

The notes are an integral part of these financial statements.

For Operational Energy Group India Limited

As per our Report of even date

For Sri & Co

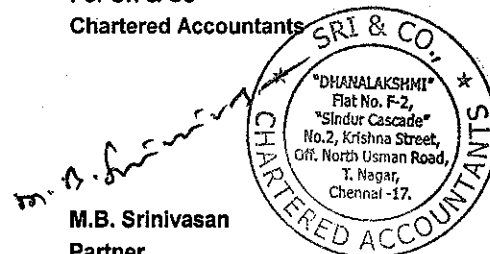
Chartered Accountants

S.V. Natarajan

S.V. NATARAJAN
DIRECTOR

George Jameidas

GEORGE JAMEIDAS
DIRECTOR



M.B. Srinivasan
M.B. Srinivasan
Partner

Membership no:027630

CHENNAI
17.08.2016

OPERATIONAL ENERGY GROUP INDIA LIMITED

A, 5th Floor, Gokul Arcade - East Wing, No.2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020.

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 31ST MARCH 2016

SI.No	Particulars	Note No.	Year ended 31st March'2016	Year ended 31st March'2015
I	Revenue from operations	15	1,389,643,768	1,201,118,430
II	Other Income	16	6,610,032	599,117
III	Total Revenue (I +II)		1,396,253,800	1,201,717,547
IV	Expenses:			
	Cost of Materials Consumed	17	159,143,179	74,024,288
	Employee benefits expenses	18	1,014,761,633	929,027,200
	Finance costs	19	28,286,243	30,973,452
	Other expenses	20	140,272,784	124,784,718
	Depreciation		15419287	10426627
	Total Expenses (ii)		1,357,883,126	1,169,236,285
V	Profit before exceptional and extraordinary items and tax (III - IV)		38,370,675	32,481,262
VI	Exceptional items		-	-
	Provisions Written back		-	-
VII	Profit before extraordinary items and tax (V- VI)		38,370,675	32,481,262
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		38,370,675	32,481,262
X	Tax Expense			
	(1) Current Expense		14,240,954	5977574
	(2) Deferred Tax			0
	Sub - Total		14,240,954	5,977,574
XI	Profit (loss) for the period from continuing operations (IX - X)		24,129,721	26,503,688
	Excess Depreciation to be written off			1,254,990
XII	Profit (loss) from discontinuing operations		-	-
XIII	Tax expense of Discontinuing operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (after tax) (XI-XIII)		-	-
XV	Profit/(Loss) For the period (XI-XIV)		24,129,721	25,248,698
XVI	Earnings per Equity Shares			
	(1) Basic		7.31	7.65
	(2) Diluted		-	-

The notes are an integral part of these financial statements.

For Operational Energy Group India Limited

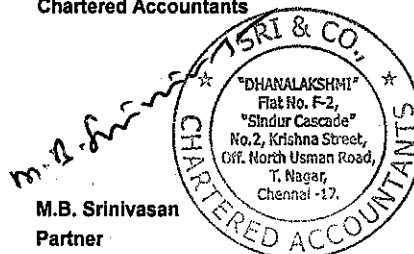
As per our Report of even date
For Sri & Co
Chartered Accountants



S.V.NATARAJAN
DIRECTOR



GEORGE JAMEIDAS
DIRECTOR



SRI & CO.
"DHANALAKSHMI"
Flat No. F-2,
"Sindur Cascade"
No.2, Krishna Street,
Off. North Usman Road,
T. Nagar,
Chennai -17.
CHARTERED ACCOUNTANTS

M.B. Srinivasan
Partner
Membership no:027630

CHENNAI
17.08.2016



OPERATIONAL ENERGY GROUP INDIA LIMITED

A, 5th Floor, Gokul Arcade - East Wing, No.2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020.

Notes Forming Part of Accounts		
Particulars	As at	As at
	March 31, 2016	March 31, 2015
1. Share Capital		
(a) Authorised:		
40,00,000 Equity Shares of RS.10/- each	400,00,000	400,00,000
	400,00,000	400,00,000
(b) Issued, Subscribed and paid up:		
3300000 Equity Shares of Rs 10/- each fully paid up	33,000,000	33,000,000
Total	33,000,000	33,000,000
Share Capital Pending Allotment	97,418,000	97,418,000
	130,418,000	130,418,000



OPERATIONAL ENERGY GROUP INDIA LIMITED
A, 5th Floor, Gokul Arcade - East Wing, No.2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020.

Notes Forming Part of Accounts		
Particulars	As at	As at
	31st March 2016	31st March 2015
2. Reserves and Surplus		
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year		
Profit for the year	65375244	38,545,223
Less: transferred - Provision for taxation	38370675	31,226,272
Net transfer- Depreciation - OEG Solar	(14,240,954)	(5,977,574)
Balance as at the end of the year	89,504,965	65,375,244
3. Long Term Borrowings		
Term Loans		
From Banks		
Axis Bank - Loan - Toyota		
Axis Working Capital Loan	-	972,341
	14,767,611	-
From Other Parties		
BMW Financial Services Private Ltd		
Sundaram Finance Ltd	-	426,416
Volkswagen Finance Private Limited	-	636,329
Kotak Mahindar Bank	6,817,794	5,605,988
	756,719	-
Total	22,342,124	7,641,074
4.A.Unsecured Loan		
Term Loan - Capital First Limited	42785575	45646006
Term Loan - Indusind bank Limited	13683590	14,604,496
Total	56469165	60250502
5. Short-term Borrowings		
Secured:		
From Banks		
Working Capital Demand Loan	159403517	161406373
Loans and Advances		
Loan from K.Subramanyam - SBML	23875689	1636282
Loan from S.Ramesh - SBML	0	861,019
Loan from R.Sudarshan - SBML	4234057	4,811,453
Loan from Usha Ramesh - SBML	0	35,000
Pacific Technical Services	7150848	7,200,848
	2800000	2,800,000
Total	197,464,111	178,750,975
6. Trade Payables		
Sundry Creditors	53747754	68,483,018
Total	53,747,754	68,483,018
7. Other Current Liabilities		
Other payables - SBML	327,229	327,262
Other payables	1657236	1,472,400
Total	1,984,465	1,799,662
8. Short-term provisions		
Provision for Taxation	14240954	5,977,574
Provision for Audit Fee	375,000	300,000
Provision for Expenses Payable	22,622,449	43,433,447
Bonus Payable	12,062,695	10,328,128
Duties & Taxes and Payable	53,892,164	26,042,252
Staff Salary Payable	75,245,837	47,596,918
Total	178,439,099	133,678,319

M/S. OPERATIONAL ENERGY GROUP INDIA PRIVATE LIMITED
DEPRECIATION AS PER COMPANIES ACT FOR THE YEAR 2015-16

PARTICULARS	GROSS BLOCK			DEP. [WDV] Rate Rs.	Opening Rs.	For the year Rs.	DEPRECIATION Deletion Rs.	Total Rs.	WDV AS ON	
	Opening as on 01.04.2015 Rs.	Addition Rs.	Deletion Rs.						31.03.2016 Rs.	31.03.2015 Rs.
LAND	286,517.00	-	-	-	-	-	-	286,517.00	286,517.00	286,517.00
Furniture & Fittings	3,301,187.00	299,581.00	-	9.50%	2,366,146	905,687.53	-	3,271,833.80	3,28,934.20	935,040.73
Furniture & Fittings less than Rs.5000	1,352,230.00	51,313.00	-	100.00%	1,352,230.00	51,313.00	-	1,403,543.00	-	-
Office equipment	4,663,179.00	676,485.00	-	19.00%	2,404,726.12	1,845,597.02	-	4,250,323.14	1,089,340.86	2,258,452.88
Office equipment less than Rs.5000/-	433,089.00	54,605.00	-	100.00%	433,089.00	54,605.00	-	487,694.00	-	-
Plant & Machinery	20,504,054.00	2,513,187.00	-	6.33%	8,673,724.27	2,195,508.10	-	10,869,232.37	12,148,008.63	11,830,329.73
PLANT & MACHINERY	1,540,000	-	-	4.75%	1,540,000.00	-	-	1,540,000	-	-
Plant and machinery less than Rs.5000	11,659.00	11,659.00	-	100.00%	11,659.00	-	-	23,318.00	-	-
Tools less than Rs.5000	10,338,314.00	1,946,121.00	-	100.00%	10,338,314.00	1,946,121.00	-	12,284,435.00	-	-
Computer & Peripherals	11,290,355.00	761,676.00	-	31.67%	8,979,137.32	1,392,490.41	-	10,371,627.73	1,680,403.27	2,311,217.68
Computer & Peripherals less than Rs.5000	202,823.00	18,996.00	-	100.00%	202,823.00	18,996.00	-	221,819.00	-	-
Vehicle	18,696,479.00	3,442,170.00	3,179,669	8.50%	7,909,137.03	5,276,148.87	1636998	11,548,288.24	7,410,691.76	10,787,341.97
VEHICLE	69,775	-	-	9.50%	67,735.23	-	-	67,735	22,040	22,040
Vehicle less than Rs. 5000/-	16,402.00	-	-	100.00%	16,402	-	-	16,402.00	-	-
Building :	-	-	-	-	-	-	-	-	-	-
Temporary Structure	1,070,000.00	-	-	5.00%	826,250.00	219,984.00	-	1,046,234.00	23,766.00	243,750.00
Building 6th floor	23,982,768.00	-	-	5.00%	6,841,087.41	944,809.00	-	7,785,896.41	16,196,871.59	17,141,680.59
BUILDING	-	-	-	-	-	-	-	-	-	-
FACTORY	18,393,902	-	-	3.34%	10,675,741	460,532	-	11,136,273	7,257,629	7,718,161.39
OFFICE	650,672	-	-	1.63%	227,056	9,594	-	236,650	414,022	423,616.34
LABOUR HOSTEL	1,496,328	-	-	1.63%	157,755	9,594	-	167,349	1,328,979	1,338,573.36
Gym Equipments	64,012.00	-	-	13.91%	52,323	11,689.19	-	64,012.00	-	11,689.19
Solar Power Hybrid with Batteries	98,018.00	-	-	13.91%	46,025.47	49,009.00	-	95,034.47	2,983.53	51,992.53
Gen set	322,157.00	-	-	13.91%	57,543.00	15,949.81	-	73,492.81	248,664.19	264,614.00
TOTAL	118,803,920.30	9,775,793.00	3,179,669.00		63,176,902.73	15,419,266.93	1,636,987.66	76,961,192.00	48,436,852.30	55,625,017.57

**OPERATIONAL ENERGY GROUP INDIA LIMITED**

A, 5th Floor, Gokul Arcade - East Wing, No.2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020.

Notes Forming Part of Accounts

Particulars	As at	As at
	31st March 2016	31st March 2015
10. Non - Current Investments		
Metro Global Power Ltd		
PT OEG Indonesia		-
OEG Singapore - 1 SGD = 44.00		-
Investment in OEG RR Renew Waters	44	44
Investment in Shapoorji Pallonji OEG Services Private Limited	48,000	48,000
Investment in Pacific Technical Services	831,000	731,000
Investment in OEG Solar Energy Private Limited	98,000	-
	99,990	99,990
	1,077,034	879,034
10A. Long Term Loans & Advances:		
South Ganga Waters Technologies Private Limited		
	112,582,303	113,826,397
	112,582,303	113,826,397
Note 10B : Inventories		
Finished Goods Trading stock		
(As Certified by the Managing Director of the Company)		
Raw materials at cost		
Stock in process	-	-
Finished Goods	-	-
Waste Cotton	-	-
Stores and spares at cost	-	-
	-	-
	-	-
11. Trade Receivables		
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	364898119	313534408
Others		-
Total	364,898,119	313,534,408
12. Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand		
Cheques on hand	157333	100499
Bank balances		-
In current accounts		
Demand deposits (less than 3 months maturity)	9423941	15607402
Other bank balances	-	-
Long term deposits with maturity more than 3 months but less than 12 months	-	-
Total	9,581,274	15,707,901
13. Short-term loans and advances		
Advances		
Advance to Sujay Waters	23,677,002	16,663,291
Share Application money in	339,675	339,675
RPA Engineering and Projects Private Limited		
Metro Global Power Limited	950,000	950,000
OEG - Middle East	4,452,000	4,452,000
PT Oeg Indonesia	11,154,345	1,859,762
OEG Solar Energy Private Limited	58,279	58,279
Total	4,864,166	3,934,758
	45,495,468	28,257,765
14. Other Current Assets		
TDS		
Income tax refund for the year 2008-09	23,807,721	23,021,363
Income tax refund for the year 2009-10	710,341	710,341
Income tax refund for the year 2010 -11	185,903	185,903
Income tax refund for the year 2011- 12	135,649	10,704,037
Income tax refund for the year 2012 -13	-	15,140,767
Income tax refund for the year 2013-14	6,117,726	6,117,726
Income tax Refund for the year 2014-15	24,691,441	24,691,441
MAT Receivable for the year 2013-14	18,710,607	-
Deposits		2,897,501
Others	64,374,235	30,738,402
	9,563,007	4,358,785
Total	148,296,630	118,566,266



OPERATIONAL ENERGY GROUP INDIA LIMITED

A, 5th Floor, Gokul Arcade - East Wing, No.2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020.

OEI INDIA

Notes Forming Part of Accounts

Particulars	Year ended 31st March '2016	Year ended 31st March' 2015
15. Revenue		
Income from Operations		
Operations Fees		
Maintenance Fees	18437388	3866898
Maintenance Fee - Exemption	1030000891	1018042861
Spares and Consumables	0	95000
Overseas	13514987	5498008
Total	327690502	173615663
	1,389,643,768	1,201,118,430
16. Other Income		
Interest Income		
Other Income	6089996	508,265
Profit on sale of assets	181607	0
Total	338429	90,852
	6,610,032	599,117
17. Cost of Materials Consumed		
Chemicals and Consumables		
Stores and spares	105,018,425	63,989,582
	54,124,754	10,034,706
Total	159,143,179	74,024,288
18. Employee Benefits Expenses		
Salaries & Bonus		
PF & ESI	748208172	660760514
Labour charges	56019974	48849408
Staff Transport expenses	96920071	111156387
Staff Food and Refreshment	43920744	39963024
Staff Accommodation Expenses	14485642	11503309
Staff Welfare Expenses	22839847	16911222
Staff Safety Expenses	15682684	14124920
Gratuity and Leave Encashment	8477980	8314391
Total	8206519	17444025
	1,014,761,633	929,027,200

**OPERATIONAL ENERGY GROUP INDIA LIMITED**

A, 5th Floor, Gokul Arcade - East Wing, No.2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020.

Notes Forming Part of Accounts

Particulars	Year ended 31st March '2016	Year ended 31st March'2015
19. Finance Costs		
Bank Charges		
Interest charges	1230039	3367155
Total	27056204	27606297
	28,286,243	30,973,452
20. Other Expenses		
Advertisement expenses	743532	114117
AMC Charges	2627286	2745972
Audit Fees	325000	381000
Boarding & Lodging Expenses	4500387	0
Books & periodicals	26023	22264
Brokerage & Commission Charges	4500	25125
Business Development Expenses	3814563	2406181
Calibration Charges	175141	122683
Clearing and Forwarding	159410	0
Conveyance Expenses	2364494	0
Diesel -OPM	2603451	2654256
Donation	5000	0
Electricity & Water charges	2836855	2852237
Environmental Testing- Samalpatti	131450	131450
Filing fees	48536	0
Freight & Transportation	4413800	1555046
Foreign Exchange Loss / Gain	-2180526	0
House Keeping Expenses	811060	1150975
Incentive - Opra	0	150000
Inspection Charges	3089	33242
Insurance	840226	982949
Labour Welfare Fund Cont -Employer	50602	27437
Licenses & Permits	201280	62271
Loss on Sale of Asset	37680	101706
Miscellaneous Expenses	8379968	17344095
Office expenses	2025043	2676909
Office Rent	12523141	6858436
Pooja expenses	929651	1021752
Postage & couriers	1054933	0
Printing & Stationery	2722008	2900516
Professional & Consultancy charges	4254173	4931671
Professional tax & Property tax	162316	192751
Recruitment Expenses	350000	288079
Repairs & Maintenance	45528967	51040772
Sales Tax , Entry tax, Water tax	47154	60480
Security Service Charges	2255273	1396397
Statutory fees & Documentation expenses	71567	44320
Subscription	132553	189690
Swachh Bharat Cess	324803	0
Telephone & Communication expenses	4771198	3396431
Tender Fees	2000	1000
Testing Expenses & Testing charges	719379	0
Travelling Expenses	10804799	14836641
Uniform Expenses	66623	0
Vehicle Repairs Expenses	1264547	1059038
Visa Expenses	16933700	0
Works Contract Tax	0	321904
Water Charges - Samalpatti	406150	704925
Total	140,272,784	124,784,718



INDEPENDENT AUDITOR'S REPORT

To The Members of
Operational Energy Group India Limited.,
Chennai

Report on the financial Statements

We have audited the accompanying financial statements of **Operational Energy Group India Limited** (Former **SRI BALAGANAPATHY MILLS LIMITED**), which comprise the Balance Sheet as at 31st March, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

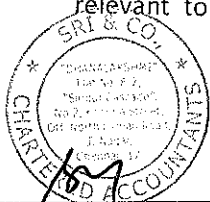
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on 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 there under.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view



In order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016, and its Profit and its Cash Flow for the year ended on that date.

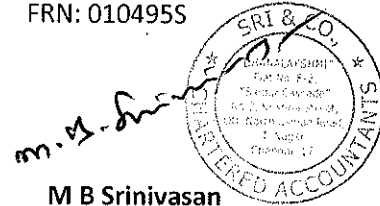
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 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, 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 purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a 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**".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



iii. There were no amounts which were required to be transferred to the Investor Education and protection fund by the company.

For and on behalf of
Sri & Co
Chartered Accountants
FRN: 010495S



M B Srinivasan

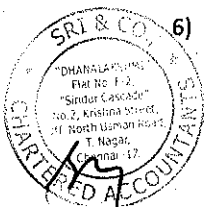
Partner
Membership No.: 027630

Place: Chennai
Date: 17.08.16

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

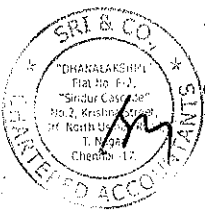
- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
(c) The title deeds of immovable properties are held in the name of the company.
(d) In our opinion and according to the information and explanations given to us, no major fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
- 2) The company does not have any inventory.
- 3) (a) *On account of merger of Operational energy group India private Limited (OEG IPL), with this company, the Interest free unsecured loan granted by them to a company under the same management, a party covered in the register maintained under section 189 of the Companies Act, 2013. The number of parties involved is Two. The maximum amount involved during the year was Rs.1372.75 Lakhs and the year-end balance of loan granted to such party was Rs. 1372.75 Lakhs In our opinion and according to the information and explanations given to us, the loan is Interest free and other terms and conditions for such loan are prima facie prejudicial to the interest of the company. The loans granted are re-payable on demand. As the loans are repayable on demand, we are not commenting on the regularity of the principal repayment. As mentioned above the loan is interest free.*
(b). According to the information and explanations given to us and on the basis of our examination of the books of account, *the Company has taken loans from Director and other parties listed in the register maintained under Section 189 of the Companies Act, 2013.* In our opinion and according to the information and explanations given to us, the loan is Interest free and other terms and conditions for such loans are prima facie not prejudicial to the interest of the company.
- 4) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, with regard to the purchase of consumables & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- 5) 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 Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 6) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant



provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

- 7) As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- 8) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanations given to us, **subject to point 3, Disclosure of Contingent Liability in respect of Service Tax, in Schedule, Notes to accounts**, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
- 9) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 12) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 13) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 14) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.



"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Operational Energy India Limited (Former Sri Balaganapathy Mills Limited)

Report on the Internal Financial Controls 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 Operational Energy Group India Limited (Former Sri Balaganapathy Mills Limited "the Company") as of March 31, 2016 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

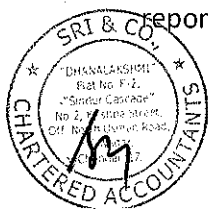
The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its 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.

Auditors' Responsibility

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

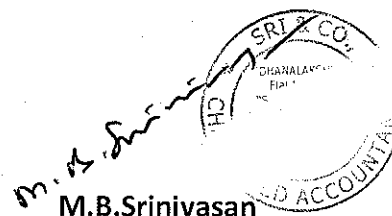
Inherent Limitations of Internal Financial Controls over Financial Reporting

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, 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 March 31, 2016.

For and on behalf of
Sri & Co
Chartered Accountants
FRN: 010495S


M.B.Srinivasan

Place: Chennai
Date: 17.08.16

Partner

M.No: 027630

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered Address:	
Email Id:	
Folio No/ Client Id:	
DP ID:	

I/We, being member(s) ofof shares of the above named company, hereby 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:.....,or failing him

4. Name:.....
Address:.....
E-Mail:.....
Signature:.....,or failing him

As my/our proxy to attend and vote (on a poll) for rise/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, 16th day of September, 2016 at 2.00 PM A, 5th floor, Gokul Arcade – East Wing, No.2& 2A, Sardar Patel Road, Chennai – 600020 in the state of Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

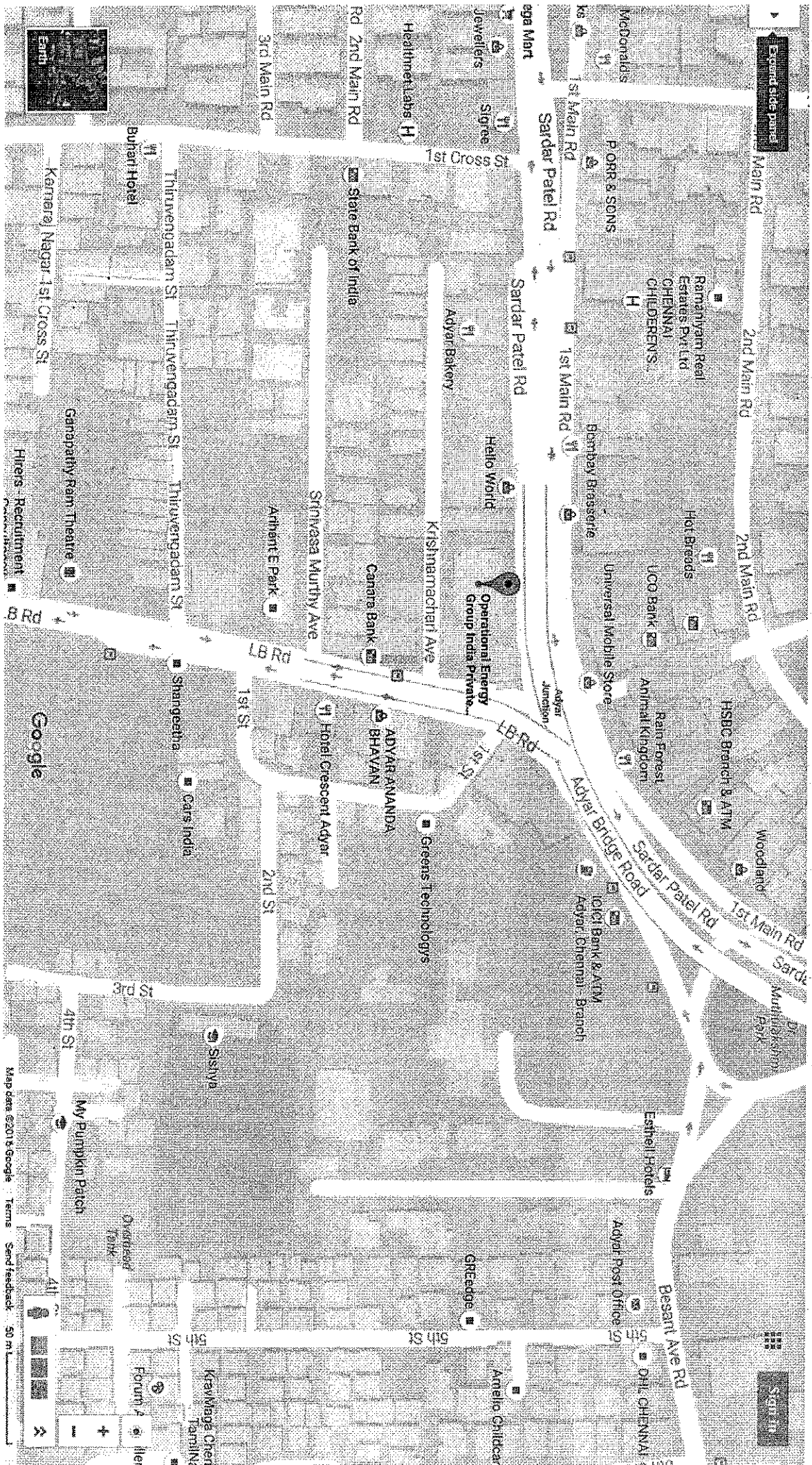
Res. No.	Resolution	Vote (optional, see the note)	
		For	Against
1.	Adoption Of Accounts & Approval Of Directors Report		
2.	To appoint a Director in place of Mr. George Jameidas who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To Ratify The Appointment Of Statutory Auditor		
4.	To appoint Mr. P. Swaminathan as an Independent Director		
5.	To appoint Mr. B. Viswanathan as an Independent Director		
6.	Appointment of Mrs. Usha as Director		
7.	Appointment of Mr. S. Ramesh as Director		
8.	Appointment of Mr. S. Ramesh as Executive Chairman and Managing Director of the Company		

Signed thisday of.....2016
Signature of Shareholder(s).....
Signature of Proxy holder(s).....

NOTE:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the For or Against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

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