OEG
OPERATIONAL EXCELLENCE

# OPERATIONAL ENERGY GROUP INDIA LIMITED

## ANNUAL REPORT

## 2020-21

A World Class Operations & Maintenance Company
in the field of Power and Process Industries

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## CORPORATE INFORMATION

**BOARD OF DIRECTORS**

| | | |
|---|---|---|
| S. Ramesh | - | Executive Chairman & Managing Director |
| Usha Ramesh | - | Non – Executive Woman Director |
| P. Swaminathan | - | Independent Director |
| B. Viswanathan | - | Independent Director |

**CHIEF FINANCIAL OFFICER**
S. V. Natarajan

**COMPANY SECRETARY**
Krithika D Thakkar

**STATUTORY AUDITORS**
M/s. Padmanabhan Ramani & Ramanujam
Flat No.1.C , G.K.N. Villa, No.1.94th Street,
Ashok Nagar, Chennai -600 083

**SECRETARIAL AUDITOR**
VKS & Associates

**BANKERS**
Axis Bank Limited

**REGISTERED OFFICE**
A, 5th Floor, Gokul Arcade - East Wing,
No. 2 & 2A, Sardar Patel Road,
Adyar, Chennai -600 020
Ph: 044- 4394 9300 Fax: 044- 2442 4156
Email: cs@oegindia.com

**CORPORATE IDENTITY NUMBER**
L40100TN1994PLC028309

**WEBSITE**
www. oegindia.com

**LISTING OF SHARES AT**
Metropolitan Stock Exchange of India limited, Mumbai

**REGISTRAR AND SHARE TRANSFER AGENTS**
Cameo Corporate service Limited,
"Subramanian building "
No. 1, Club House Road,
Chennai – 600002.
Tel.: 044-28460390 Email: investor@cameoindia.com

**OPERATIONAL ENERGY GROUP INDIA LIMITED**
**CIN: L40100TN1994PLC028309**
**A, 5$^{TH}$ FLOOR, GOKUL ARCADE – EAST WING,**
**NO.2&2A, SARDAR PATEL ROAD,**
**ADYAR, CHENNAI – 600020**

**NOTICE**

**NOTICE** is hereby given that the Twenty Seventh Annual General Meeting of Operational Energy Group India Limited through Video Conferencing (VC) / Other Audio Visual Means (OAVM) and the deemed venue for the meeting will be Registered Office of the Company A, 5$^{th}$ Floor, Gokul Arcade – East Wing, No.2&2A, Sardar Patel Road, Adyar, Chennai – 600 020 on Thursday, 16$^{th}$ September, 2021 at 11.00 A.M. to transact the following businesses:

**ORDINARY BUSINESS:**

1. **To receive, consider and adopt**:
   a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon; and
   b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 together with the Report of Auditors thereon.

2. **To appoint a Director in place of Mrs. Usha Ramesh who retires by rotation and being eligible, offers herself for re-appointment.**

**SPECIAL BUSINESS:**

3. **To re-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 Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 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) and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors Mr. P. Swaminathan (DIN:02603984), whose period of office is liable to expire on 15.09.2021 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and who is eligible for reappointment as an Independent Director as per Companies Act, 2013, and in respect of whom the Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years from 16.09.2021 to 15.09.2026."

4. **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 Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 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) and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors Mr. B. Viswanathan (DIN:00702802), whose period of office is liable to expire on 15.09.2021 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and who is eligible for reappointment as an Independent Director as per Companies Act, 2013, and in respect of whom the Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for one year from 16.09.2021 to 15.09.2022."

5. **To pay commission as a percentage of net profits to Mr. S. Ramesh, Executive Chairman & Managing Director and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 197, 198, Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), and the recommendation of the Nomination and Remuneration Committee and the Audit Committee, the approval of Members be and is hereby accorded for variation of terms of Remuneration for the payment of commission on 5% on net profits of the Company, from the financial year 2020-21 over and above monthly remuneration including perquisites as per the existing terms as stated in explanatory statement subject to the ceiling of 11% on net profits to Mr. S. Ramesh, Executive Chairman & Managing Director"

**"RESOLVED FURTHER THAT** the consent of the Members be and is hereby given for overall payment of remuneration, including monthly remuneration, perquisite and commission on net profits to Mr. S. Ramesh not exceeding the limit of 11% of net profits as per Section 198 of Companies Act, 2013 during each financial year."

**/By Order of the Board/**

**For Operational Energy Group India Limited**

**Place: Chennai**
**Date: 09.08.2021**

**S. Ramesh**
**Executive Chairman & Managing Director**
**DIN: 00052842**

**NOTES:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to Section 105 of the Act and Rule 19 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), a member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote, instead of himself / herself and the proxy need not be a Member of the Company. However, pursuant to MCA Circulars and SEBI Circular, since the AGM will be held through VC / OAVM, the physical attendance of Members in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form is not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
3. The Statement as required under Section 102 of the Act relating to Special Business to be transacted at the AGM is annexed hereto.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company by email through its registered email address to cs@oegindia.com
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.oegindia.com, website of the Stock Exchange i.e. Metropolitan Stock Exchange of India Limited at www.msei.in and on the website of CSDL: www.evotingindia.com
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to

atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.oegindia.com. The Notice can also be accessed from the websites of the Stock Exchange i.e., Metropolitan Stock Exchange at www.msei.in. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
11. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses with the RTA, Cameo Corporate Services Limited by using the following URL: https://investors.cameoindia.com/ and enter the details as required. Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants.
12. The Relevant documents referred to in the accompanying Notice, Registers and all other documents will be available for inspection in electronic mode. Members can inspect the same up to the date of AGM, by sending an e-mail to the Company at cs@oegindia.com
13. The register of members and share transfer books of the company will remain closed from Thursday, 9$^{th}$ September, 2021 to Thursday, 16$^{th}$ September, 2021 (both days inclusive)
14. Members desiring to have any clarification on Accounts are requested to write to the Company at an early date to enable the company to keep the information ready.
15. Members are requested to notify immediately any change in their address, bank account details and email id to their respective Depository Participants (DPs) in respect of shares held in electronic (demat) mode and in respect of physical mode, to the Registrar & Share Transfer Agent (RTA) of the Company, Cameo Corporate Services Limited.
16. Pursuant to SEBI mandates (circular dated 20 April 2018), shareholders mandatorily need to provide to the Company or the Registrar & Share Transfer Agent (RTA) their PAN and Bank Account details. If you have not furnished it so far, please provide self-attested copy of PAN card, cancelled cheque with bank details. To update your current address, provide self-signed copy of latest address proof (Aadhar Card, Passport, Driving License, Voter Card or Utility Bill in the name of sole or first holder.
17. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
18. SEBI vide its notification dated 8 June 2018 has amended regulation 40 of SEBI (LODR) Regulation 2015 and accordingly as per the amended regulation transfer of shares or securities shall be mandatory in demat form w.e.f. 1 April 2019. In this regard, Members are requested to dematerialize / demat their shares or securities held in physical form.
19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice

**VOTING THROUGH ELECTRONIC MEANS:**

i. Pursuant to the Listing Regulations, section 108 of the Companies Act 2013 and Companies (Management and Administration) Rules 2014, the Company is providing the facility to members to exercise their right to vote by electronic means by remote e-voting facility and accordingly business/resolutions as mentioned in the AGM Notice shall be transacted also considering e-voting. Necessary arrangements have been made by the Company with Central Securities Depository Limited (CSDL) to facilitate e-voting.

ii. The facility for e-voting, shall be made available at the AGM and members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM. The facility for voting through ballot/ polling paper will not be available.

iii. The Company has appointed Mr. S. SUDHARSAN, Practicing Chartered Accountant, Chennai as Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

iv. The Members whose names appear in the Register of Members/ list of Beneficial Owners as received from Depositories as on Wednesday, 8th September, 2021 ("cut-off date") are entitled to vote on the resolutions set forth in this Notice.

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

(i) The voting period begins on Monday, 13th September, 2021 at 9.00 A.M. (IST) and ends on 5.00 P.M. (IST) Wednesday, 15th September, 2021. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, 8th September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular**,** Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.<br>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.<br>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with **NSDL** | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at |

| | |
|---|---|
| | https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their **Depository Participants** | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

| **Login type** | **Helpdesk details** |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with **NSDL** | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

**(v)** Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

| | **For Physical shareholders and other than individual shareholders holding shares in Demat.** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br><br>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details **OR** Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@oegindia.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **3 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **3 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@oegindia.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the

votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to murali@cameoindia.com.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**VOTING RESULTS:**

1. The Scrutinizer shall, after the conclusion of the AGM, electronically submit the Consolidated Scrutinizer's Report (i.e. votes cast through Remote e-voting and E-voting during AGM) of the total votes cast in favour or against the resolution and invalid votes, to the Chairman of the AGM or to any other person authorised by the Chairman of the Company.
2. Based on the Scrutinizer's Report, the Company will submit within 48 hours of the conclusion of the AGM to the Stock Exchange, details of the voting results as required under Regulation 44(3) of the Listing Regulations.
3. The result declared along with Scrutinizer's Report will be placed on the website of the Company at www.oegindia.com and on the website of CDSL at www.evotingindia.com. The Company shall simultaneously forward the results to Metropolitan Stock Exchange of India Limited, where the shares of the Company are listed.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

**/By Order of the Board/**

**For Operational Energy Group India Limited**

**Place: Chennai**
**Date: 09.08.2021**

**S. Ramesh**
**Executive Chairman & Managing Director**
**DIN: 00052842**

OEG INDIA

## ANNEXURE TO THE NOTICE
**Statement under Section 102 of the Companies Act, 2013**

**Item No. 2:**
**Re-appointment of Mrs. Usha Ramesh, Director**

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings with respect to proposed re-appointment of Mrs. Usha Ramesh:

| | |
|---|---|
| Name | Mrs. Usha Ramesh |
| Date of Birth | 16-07-1963 |
| DIN | 00053451 |
| Nationality | Indian |
| Date of appointment on Board | 16-09-2016 |
| Qualification | B.com |
| Expertise in area | Business & marketing |
| Experience | 36 years |
| No. of shares held in the Company | 9,25,200 |
| No of meetings of the board attended during the year 2020-21 | No. of board meetings held - 04<br>Attended - 04 |
| Directorship held in other companies | 1. Pacific Technical Service India Private Limited<br>2. Pacific Supplies Private Limited<br>3. Sujay Foundations Private Limited<br>4. OEG Solar Energy Private Limited<br>5. Yashas English School Foundation<br>6. Thoothukudi Renew Waters Private Limited<br>7. South Ganga Waters Technologies Private Limited<br>8. Pacific Imperial Thermal Private Limited |
| Membership/ Chairmanship of committees of other companies | Nil |
| Relationship with other Directors | Wife of Mr. S. Ramesh, Managing Director |
| Terms and Conditions for reappointment | Non-Executive, Non-Independent Director, liable to retire by rotation |
| Remuneration | No Remuneration, only sitting fee for attending Board meetings |

Except Mrs. Usha Ramesh, being an appointee and her husband Mr. S. Ramesh, 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.2. The Board recommends the resolution as set out at Item no.2 of the accompanying notice for approval of members.

**Item No. 3 & 4:**
**Re-appointment of Mr. P. Swaminathan and Mr. B. Viswanathan as an Independent Director**

The following Explanatory Statement sets out all the material facts relating to the Item Nos. 3 & 4 of the accompanying Notice:
Mr. P. Swaminathan and Mr. B. Viswanathan were appointed as Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the Annual General Meeting held on 16th September, 2016 to hold office up to 15th September, 2021 ("first term" as per the explanation to Section 149(10) and 149(11) of the Act). The Nomination & Remuneration Committee at its Meeting held on 09.08.2021 after taking into account the performance evaluation of these Independent Directors, during their first term of five years and considering the knowledge, expertise and experience in their respective fields and the substantial contribution made by these Directors during their tenure as an Independent Director since their appointment, has recommended their reappointment as the Independent Directors.
Based on the above, the Board has recommended the re-appointment of Mr. P. Swaminathan as Independent Directors of the Company, to hold office for the second term of five consecutive years to hold office up to 15.09.2026 and Mr. B. Viswanathan as the Independent Director of the Company to hold office for one year up to 15.09.2022 and that they shall not be liable to retire by rotation.
The Company has received from the Directors, a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing their respective candidature as the Independent Director of the Company. As the appointment is for the second term as independent director – appointment requires approval of members by special resolution.

Brief profile of the above Independent Directors are as under:

**Mr. P. Swaminathan:**

- Aged 66 years, he 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 possesses strong quantitative/conceptual abilities. He was CEO/Executive Director in Bharti Infratel, Indus Towers (Bharti Joint Venture), Mobility Board etc. during July 1999 to January 2009.
- He 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.

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.

**Mr. B. Viswanathan:**

- Aged 66 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 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.

Except Mr. B. Viswanathan, being an appointee 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.

The above Directors have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. In terms of proviso to sub-section (5) of Section 152
The Company has also received from the above Directors:
(i) the consent in writing to act as Director and
(ii) intimation that they are not disqualified under section 164(2) of the Companies Act, 2013.
(iii) a declaration to the effect that they are not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

**Details of Directors seeking re-appointment at the Annual General Meeting**

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

| Name | **Mr. P. Swaminathan** | **Mr. B. Viswanathan** |
|---|---|---|
| Date of Birth | 26-06-1955 | 25-11-1954 |
| DIN | 02603984 | 00702802 |
| Nationality | Indian | Indian |
| Date of appointment on Board | 16-09-2016 | 16-09-2016 |
| Qualification | IIM, Ahmedabad<br>B. Tech from IIT, Chennai | IIM, Calcutta<br>B. Tech from IIT, Chennai |
| Expertise in area | General Management | Finance & risk management |
| Experience | 42 years | 42 years |
| No. of shares held in the Company | Nil | Nil |
| No of meetings of the board attended during the year 2020-21 | No. of board meetings:<br>Held - 04<br>Attended - 04 | No. of board meetings:<br>Held - 04<br>Attended - 04 |
| Directorship held in other companies | Meru Consultants and Technologies Private Limited | Nil |
| Membership/ Chairmanship of committees of other companies | Nil | Nil |
| Relationship with other Directors | None | None |
| Terms and Conditions for reappointment | Independent Director, not liable to retire by rotation | Independent Director, not liable to retire by rotation |
| Remuneration to be given | No Remuneration, only sitting fees for attending Board and Committee Meetings | No Remuneration, only sitting fees for attending Board and Committee Meetings |
| Summary of performance evaluation report of such Director | The Board has expressed their satisfaction on the individual performance of both the Independent Directors. Mr. P. Swaminathan & Mr. B. Viswanathan have exercised independent judgement over their tenure in the best interest of the Company. The suggestion and recommendations given by both the Directors have been effective and beneficial to the operations of the Company. Their participation in the Board Meeting has been regular and they have promoted constructive debates at the Meetings. The Directors have confirmed their adherence to code of conduct for Independent Directors. | |

The Board of Directors are of the opinion that Mr. P. Swaminathan & Mr. B. Viswanathan fulfil the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management for their appointment as Independent Directors. The Board recommends the resolutions set out in the Item No. 3 & 4 of the accompanying Notice for the approval of the members.

A copy of the draft letter of appointment of Mr. P. Swaminathan & Mr. B. Viswanathan as Independent Directors, 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.

**Item No. 5:**
**To pay commission as a percentage of net profits to Mr. S. Ramesh, Executive Chairman & Managing Director**

The Members at the 25$^{th}$ Annual General Meeting of the Company held on 26.09.2019 approved the re-appointment of Mr. S. Ramesh as the Executive Chairman & Managing Director along with the terms and conditions for his appointment vide a special resolution. The terms of appointment included payment of three components, i.e., (i) Monthly salary at Rs.5,00,000/- (Rupees Five Lakhs Only) (ii) perquisites and (iii)commission based on percentage of net profits. 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.

Our Company has achieved remarkable turnover of over Rs.284 Crores during the year, the sales of the Company grew by about 45% in comparison to the previous year. The Company has earned net profit of more than Rs.10.89 Crores, which is 3.4 times more when compared to the previous year. The increase in sales turnover is largely attributable to the constant efforts and leadership of Mr. S. Ramesh. In view of the valuable contributions made by Mr. S. Ramesh, it is proposed to pay a performance-based incentive in the form of commission at 5% of the net profits from the year 2020-21 to him.

Based on the recommendation of the Nomination and Remuneration Committee and the Board, it is proposed to revise the terms of remuneration of Mr. S. Ramesh with the commission as a percentage of net profits being at 5% subject to the overall remuneration payable to him (including monthly salary, perquisites as already approved by the members in the AGM held on 26.09.2019 and commission at 5% of net profits stated above) not exceeding 11% of the total net profits as per Section 198 in each financial year. This requires approval of the company in general meeting, by a special resolution pursuant to second proviso to section 197(1) of the Act.

Additionally, as per the special resolution passed on 26.09.2019, in case the Company has no profits or its profits are inadequate the Company may 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 of the Companies Act, 2013.

All the other terms and conditions of appointment of Mr. S. Ramesh as passed by the Company at the AGM held on 26.09.2019 remain unchanged.

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings

| | |
|---|---|
| Name | S. Ramesh |
| Date of Birth | 16-03-1954 |
| DIN | 00052842 |
| Nationality | Indian |
| Date of appointment on Board | 16-09-2016 |
| Qualification | IIM, Ahmedabad |
| Expertise in area | Business & Finance |
| Experience | 42 years |
| Terms and Conditions for reappointment | Executive Director, not liable to retire by rotation |
| Remuneration to be paid | As detailed above in the explanatory statement |
| Remuneration last drawn | Rs.67,07,386/- |
| No. of shares held in the Company | 50,81,800 |
| Relationship with other Directors | Husband of Mrs. Usha Ramesh |
| No of meetings of the board attended during the year 2020-21 | No. of board meetings held - 04<br>Attended - 04 |
| Directorship held in other companies | 1. Pacific Technical Service India Private Limited<br>2. Pacific Supplies Private Limited<br>3. Sujay Foundations Private Limited<br>4. OEG Solar Energy Private Limited<br>5. Yashas English School Foundation<br>6. Malagasy Exim House Private Limited<br>7. OEG Pharma Private Limited<br>8. Pacific Imperial Thermal Private Limited<br>9. OEG Medical Private Limited<br>10. Meru Consultants and Technologies Private Limited |
| Membership/ Chairmanship of committees of other companies | Nil |

The Board recommends the resolution set out in the Item No. 5 of the accompanying Notice for the approval of the members.

Except Mr. S. Ramesh, being an appointee and his wife, Mrs. Usha Ramesh, 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.

**/By Order of the Board/**

**For Operational Energy Group India Limited**

**Place: Chennai**
**Date: 09.08.2021**

**S. Ramesh**
**Executive Chairman & Managing Director**
**DIN: 00052842**

# 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 – 600 020

Your Directors have pleasure in presenting the Twenty Seventh Board of Directors Report of your Company together with the audited financial statements for the financial year ended, 31st March 2021 and auditors report thereon.

## FINANCIAL HIGHLIGHTS

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

**(Rs. In Lakhs)**

| **Particulars** | **2020-21** | | **2019-20** | |
|---|---|---|---|---|
| | **Standalone** | **Consolidated** | **Standalone** | **Consolidated** |
| Revenue from Operations | 28440.18 | 31500.93 | 19646.84 | 22440.10 |
| Profit Before Interest and Depreciation | 1232.98 | 1660.86 | 540.84 | 455.32 |
| Less: Finance Charges | 82.16 | 83.18 | 168.42 | 171.03 |
| Profit before depreciation and taxes | 1150.82 | 1577.68 | 372.42 | 284.29 |
| Less: Depreciation | 61.58 | 74.75 | 67.55 | 82.48 |
| Net Profit Before Tax | 1089.23 | 1502.94 | 304.88 | 201.81 |
| Less: Tax Expenses | 122.81 | 122.81 | 82.01 | 82.01 |
| Net Profit After Tax | 966.43 | 1380.13 | 222.87 | 119.80 |
| Other Comprehensive Income | -124.38 | -125.77 | 48.64 | 12.13 |
| **Total Comprehensive Income** | **842.05** | **1254.36** | **271.51** | **131.93** |
| Balance of Profit brought forward | 1607.51 | 2723.91 | 1336.01 | 2591.98 |
| Proposed Dividend on Equity Shares | - | - | - | - |
| Surplus carried to Balance Sheet | 2449.56 | 3952.33 | 1607.51 | 2723.91 |

## DIVIDEND

For the year under review, the Board of Directors have not recommended any dividend to conserve resources for future expansion and working capital requirements.

## TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

## PERFORMANCE REVIEW

**Standalone:**

The net revenue from the operations of the Company increased from Rs.19646.84 lakhs to Rs.28440.18 lakhs, registering an increase of 44.57% over the previous year. EBITDA was higher at Rs.1660.86 lakhs compared to Rs.540.84 lakhs earned in the previous year. Profit before tax was Rs.1089.23 lakhs against Rs.304.88 lakhs in the previous year, up by 257.27%. Profit after tax was at Rs.966.43 lakhs against Rs.222.87 lakhs in the previous year.

**Consolidated:**

The consolidated net revenue from operations increased from Rs.22440.10 lakhs to Rs.31500.93 lakhs an increase of 40.37% over the previous year. Earnings before interest, depreciation, tax and amortization (EBITDA) was lower at Rs.540.84 lakhs as compared to Rs.455.32 lakhs in the previous year. Profit before tax at Rs.1502.94 lakhs against Rs.201.81 lakhs in the previous year. Profit after tax was at Rs.1380.13 lakhs against Rs.119.80 lakhs in the previous year.

## PERFORMANCE REVIEW OF BUSINESS OPERATIONS IS AS UNDER

During the year under review, due to outbreak of COVID-19 some of our clients' power plants were shut for the first quarter of the year. Few clients issued Force Majeure of the contract during this nonoperation period and others started renegotiated the O&M contract payments. Due to which our turnover and profitability got affected during the first quarter. However the business recovered during the subsequent quarters the company.

The company secured few O&M contracts from gas and coal based power plants which started yielding results from the first quarter of the current year.

## STATE OF COMPANY'S AFFAIRS AND OUTLOOK

**Power plant capacities under O & M Scope of Operational Energy Group India Limited O & M:**

| GROWTH IN TERMS OF MW (Mega Watts) | | | | |
|---|---|---|---|---|
| Period | MWs In Domestic | Growth % | MWs In Overseas | Growth % |
| As on 31st March 2021 | 5077 | 0.77% | 498 | 0.00% |
| As on 31st March 2020 | 5038 | | 498 | |

The revenue generation of Operational Energy Group India Ltd. is not necessarily linear to the capacity of power generation.

**FINANCE**

During the year under review, the company has arranged with Axis bank for renewal of overall banking credit facilities amounting to Rs.32 crores, though the cash credit utilization by the Company is far less from the sanctioned amount.

**RELATED PARTY TRANSACTION**

All related party transactions entered into during the year were on an arm's length basis and in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. During the year under review, there were no material contracts, arrangements or transactions entered into by the Company with related parties pursuant to Section 188 of Act and accordingly Form AOC-2 is not applicable. The Company has formulated the Related Party Transaction Policy which is also available on the Company's website at www.oegindia.com

The Directors draw attention of the Members to the Notes to the Standalone Financial Statement which sets out related party disclosures as per Regulation 23 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015.

**RISK MANAGEMENT**

Pursuant to Section 134(3) n of the Companies Act, 2013 and Regulation 17(9) of SEBI (LODR) Regulation, 2015, the Company has developed and implemented a Risk Management Policy. A systematic approach has been adopted that originates with the identification of risk, categorization and assessment of identified risk, evaluating effectiveness of existing controls and building additional controls to mitigate risk and monitoring the residual risk through effective Key Risk Indicators ("KRI"). The implementation is being carried out in phased manner with the objective to encompass the entire line of businesses.

Risk assessment update is provided to the Risk Management Committee on a periodical basis. The Committee assists the Audit Committee and the Board of Directors in overseeing the Company's risk management processes and controls.

In the opinion of Board, there are no elements of risks threatening the existence of the Company.

**DEPOSITS**

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

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Although CSR is non-mandatory for the financial year 2020-21 as per provisions of Section 135 of the Companies Act, 2013, your Company recognizes the responsibilities towards society and strongly intends to contribute towards development of knowledge based economy. It has therefore constituted a Corporate Social Responsibility Committee and supports educational cause in rural areas by giving donations to Yashas English School Foundation in Malli village, Srivilliputhur, Virudhunagar district, Tamil Nadu. The school has earned a good reputation in the local area. The School has applied for obtaining approval from the Educational Authorities. Operational Energy Group India limited has contributed Rs.33,44,810/- during the year under review. Additionally, it has contributed Rs.2,00,000/- to Relief Fund for Covid-19 and Rs.1,00,000/- to Gayathri Goseva Samithi towards feeding the cows.

Since the Company has crossed the limit of net profit of more than Rs.5 crores during the year 2020-21, CSR provisions are applicable to the Company from the financial year 2021-22 and the Board of

Directors have decided to continue their yearly donations to M/s. Yashas English School to further the cause of education.
The Annual Report on CSR activities is attached as **Annexure 1** to this Report.

**SHARE CAPITAL**

The Paid-up Equity Share Capital of the Company is Rs.13,04,18,000/- (Rupees Thirteen Crores Four Lakhs Eighteen Thousand only).
The Authorised Share Capital of the Company is Rs.14,00,00,000/- (Rupees Fourteen Crores Only) divided into 1,40,00,000 Equity Shares of Rs. 10/- each.
During the year under review there was no allotment of shares and there was no buy back of shares.

**WHISTLEBLOWER POLICY AND VIGIL MECHANISM**

Your Company has established whistle blower policy as per to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations. The Board of Directors of the Company have formulated and adopted Whistle Blower Policy which aims to provide a channel to the Directors and employees to report genuine concerns or grievances, significant deviations from key management policies and report unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The mechanism provides adequate safeguards against victimization of Directors and employees to avail the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases. The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to time.
Your company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

**POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

Your Company has zero tolerance for sexual harassment at workplace and has adopted an anti-sexual harassment policy and implemented an effective mechanism for the prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.
No complaint of sexual harassment was received during the year.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The details of loans, guarantees and investments are given in the Notes to the Financial Statement forming part of Annual Report of the Company.

**CONSOLIDATED FINANCIAL STATEMENTS**

A separate statement containing the salient features of the Audited financial statement of all the Subsidiary and Associate Companies is also enclosed in **Form AOC-1** in **Annexure 2** as prescribed under the Companies Act, 2013 and the Rules made thereunder.

**SUBSIDIARY COMPANIES, ASSOCIATE AND JOINT VENTURES**

**SUBSIDIARY:**

The company's policy on material subsidiaries, as approved by the Board, is uploaded on the Company's website at the www.oegindia.com. The brief summary of the performance of the subsidiaries is given below:

1. **M/s. Pacific Technical Services India Private Limited**
   The Company has been exploring the possibilities of various business opportunities overseas. Pacific Technical Services India Private Limited has a subsidiary company incorporated in Dubai named as Operational Energy Generation FZCO, which had obtained O&M contracts in Lebanon and Bangladesh. Bangladesh operations have been handed over after completion of the contract. Based on the consolidated financial results for the year ended 31.03.2021, Pacific Technical Services India Private Limited is not a material Subsidiary as per regulation 16(1) (c) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

**Financial Overview:**

There was no standalone revenue from operations for the year ended 31$^{st}$ March, 2021 as against Rs.7.75 lakhs for the previous year. The loss for the period was Rs.4.48 lakhs as against loss of Rs.3.67 lakhs of the previous year. The consolidated Revenue for the year ended 31$^{st}$ March, 2021 was Rs.2840.02 lakhs as against Rs.2765.88 lakhs for the previous year with a consolidated Net Profit after Tax of Rs.414.16 lakhs as against Rs.32.49 lakhs of the previous year.

2. **M/s. Maxitech Engineering Private Limited**
   Due to COVID-19, the TVS Lighthouse project is getting extended and will be completed during the year 2020-21. The L&T project is completed and expecting the final settlement soon.

**Financial Overview**

The Company has recorded a revenue of Rs.220.72 lakhs from operations for the year ended 31.03.2021 as against Rs.281.32 lakhs in the previous year. The Company has recorded a profit of Rs.2.74 lakhs for the year as against a loss of Rs.134.86 lakhs for the previous financial year.

Due to the continued losses in MEP works, the Company has decided to focus only in its core area of expertise i.e., fire fighting works during the years to come.

3. **M/s. OEG Bangladesh Private Limited**

During the year 2019-20 OEG Bangladesh Private Limited became the subsidiary of your company. Your Company wishes to expand its presence into the Bangladesh market. The Company is looking for prospects and is trying to secure orders in the country. The Company's gas turbine O&M project is commissioned in June 2021 and the revenues are expected from the current financial year.

**ASSOCIATES**

**M/s. Thoothukudi Renew Waters Private Limited:**

M/s. Thoothukudi Renew Waters Private Limited could not secure the firm water supply agreements from the prospective customer. Hence, the construction activities did not commence even during the Financial Year 2020-21.

**Financial Overview**

The Company has not taken off and has not commenced operations. The company has not recorded any income for the year under consideration as well as in the previous financial year.

## INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate and are commensurate with its size and the nature of its operations. The Internal Financial Control procedure adopted by the Company are adequate for safeguarding 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. It also ensures compliance with prevalent statues, regulations, management authorisation, policies and procedures of the Company.

During the year under review, the Internal Financial Controls were operating effectively and no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

The Audit committee of the Board periodically reviews audit plans, observations and recommendations of the internal and external auditors, with reference to the significant risk areas and adequacy of internal controls and keeps the Board of Directors informed of their observations, if any, from time to time.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Board's Composition

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations, with an appropriate combination of Executive, Non-Executive and Independent Directors. The Company has 4 (Four) Directors comprising of 1 (One) Executive Chairman & Managing Director, 1 (One) Non-Executive Woman Director and 2 (Two) Independent Directors. The complete list of Directors of the Company has been provided in the Report on Corporate Governance forming part of this Report.

### Director Appointment/Re-appointment

During the year the Mrs. Usha Ramesh who retired by rotation was re-appointed as a Non-Executive Women Director. No other director was appointed.

The re-appointment of Mr. P. Swaminathan for the second term for a period of five years and Mr. B. Viswanathan for the second term for a period of one year, as the Independent Directors of the Company, is proposed at the ensuring Annual General Meeting. The Board recommends their reappointment keeping in view the substantial contributions made by them respectively.

### Changes in Key Managerial Personnel

There were no changes in the Key Managerial Personnel during the year under review.

## MEETINGS AND COMPOSITION OF BOARD OF DIRECTORS AND COMMITTEE(S)

The details of the Meetings of the Board and Committee(s) of the Company held during financial year are disclosed in the Report on Corporate Governance forming part of Annual Report of the Company.

The Composition of Board and Committee(s) as on March 31, 2021 are disclosed in the Report on Corporate Governance.

## DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have submitted the declaration of independence, as required pursuant to provisions of the Section 149(7) of the Act, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and are not disqualified from continuing as Independent Directors of the Company. Further, all the Independent Directors have confirmed their registration on Independent Directors Databank. These declarations / confirmations have been placed before the Board.

## FAMILIARIZATION PROCESS

Senior management personnel of the Company, on a structured basis, interact with directors from time to time to enable them to understand the Company's strategy, business model, operations, service product offerings markets, organization structure, finance, human resources, technology and risk management and such other areas. The details of familiarization programme for independent directors can be had from the Company's website www.oegindia.com

## CODE OF CONDUCT

Pursuant to Regulation 26(3) of the Listing Regulations, all the Directors of the Company have affirmed compliance with the Code of Conduct of the Company.

## GOVERNANCE GUIDELINES

The Company has adopted Governance Guidelines on Board Effectiveness. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director Remuneration, and subsidiary oversight, code of conduct, Board effectiveness review and mandates of Board committees.

## NOMINATION AND REMUNERATION POLICY

Your Company has a Nomination and Remuneration Policy as required under Section 178(3) of the Act and the Listing Regulations. The Remuneration policy of the Company covers the criteria for selection, appointments and remuneration of the Directors, Key Managerial Personnel and Senior Managerial Personnel of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters. The Nomination and Remuneration Policy adopted by the Board is available on the website of the company at www.oegindia.com.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 and SEBI (Listing Obligations Disclosure Requirement) Regulations 2015, the Board of Directors during the year carried out an annual performance evaluation of its own performance, the Directors including Independent Directors (without the participation of the Executive Director) and the Chairman was held on 29/03/2021.

The evaluation was done on various parameters covering effectiveness and to access the quality, quantity and timeliness of flow of information between the Company Management and the Board, Corporate Governance, etc., and the Independent Directors have expressed their satisfaction on the performance and effectiveness of the Board.

The Board has also expressed satisfaction at the performance and contributions of the Independent Directors and confirmed the continuance of their terms of appointment for effective board deliberations as required by Schedule IV of the Companies Act, 2013.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and belief and according to information and explanations obtained from the management confirm:

(a) in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) for the financial year ended March 31, 2021, such accounting policies as mentioned in the Notes to the financial statements have applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the Company at the end of the financial year and of the profit of the Company for the financial year ended March 31, 2021.

(c) that proper and sufficient care for the 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 fraud and other irregularities;

(d) the annual financial statements have been prepared on a going concern basis;

(e) that proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORTS**

Pursuant to Regulation 34 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on the Management Discussion and Analysis and corporate Governance is enclosed as a part of this Annual Report.

**INFORMATION TECHNOLOGY (IT)**

The Company's IT infrastructure is continuously reviewed and renewed in line with the business requirements and technology enhancements. The Company has completed the implementation of ERP programmer (SAP) and is constantly reviewing and modifying the same.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

**Conservation of Energy, Technology Absorption**

As per Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 and Company's policy to conserve energy 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 your Company, thereby contributing towards energy conservation and reducing carbon footprint. The Company also encourages the client energy audit to identify potential areas and scans the environment for innovative and reliable solutions. Efforts are continuously being taken to reduce energy consumption in the plants. The Company is in active discussion with the technology providers for reducing the emission from the power generating stations.

**Foreign Exchange Earnings and Outgo**

Foreign exchange earnings and outgo during the year under review were as follows:

| | |
|---|---|
| **Foreign exchange earnings** | USD 40,696/- |
| **Foreign exchange outgo** | Nil |

**PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as **Annexure 3** to this Report.

**ANNUAL RETURN**

Pursuant to Section 93 of the Companies Act, 2013, the Annual Return of the Company for the year ended March 31, 2020 is available on the Company's website and can be accessed at https://www.oegindia.com/pdf/si/MGT-7-for-the-year-2019-20.pdf. The Annual Return of the Company as on March 31, 2021 will be uploaded on the website of the Company after is it filed with the Registrar of Companies.

**STATUTORY AUDITORS**

Pursuant to the provisions of Section 139(2) of the Act and the rules made there, Members at the Twenty Fourth Annual General Meeting held on 21st September, 2018 appointed M/s Padmanabhan Ramani & Ramanujam, Chartered Accountants, Chennai, as the Statutory Auditors for a period of 5 years at the to hold office form the conclusion of the said Annual General Meeting till the conclusion of the Twenty Nineth Annual General Meeting.

**STATUTORY AUDITORS' REPORT**

The Statutory Auditors' Report issued by M/s/ Padmanbhan Ramani & Ramanujam for the year under review does not contain any qualification, reservations or adverse remarks. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act. Further, pursuant to Section 143(12) of the Act, the Statutory Auditors of the Company have not reported any instances of frauds committed in the Company by its officers or employees.

**COST AUDIT**

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

**SECRETARIAL AUDIT**

Pursuant to provisions of Section 204 of the Act and Rules made there under, Mr. V. K. Shankararamann of VKS & Associates, Practicing Company Secretaries has been appointed as Secretarial Auditor of the Company for the financial year ended 31.03.2021. The report of the Secretarial Auditor is enclosed as **Annexure 4** to this Report. The report is self-explanatory and does not call for any further comments.

**OTHER DISCLOSURES**

**NUMBER OF BOARD MEETINGS**

During the year, 4 (Four) Board meetings were held, the details of which are provided in the Corporate Governance Report.

**COMPOSITION OF COMMITTEE OF DIRECTORS**

The Board has constituted the following Committees of Directors:
(a) Audit Committee,
(b) Nomination & Remuneration Committee,
(c) Stakeholder Relationship Committee
(d) Vigil Mechanism Committee
(e) Corporate Social Responsibility Committee
(f) Risk Management Committee
(g) Share Transfer Committee

The detailed composition of the above Committees along with number of meetings and attendance at the meetings are given in Corporate Governance Report.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year (31st March 2021) and the date of the report.

**DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

No significant and material orders were passed by the regulators or the Courts or Tribunals impacting the going concern status and Company's operations in future.

**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 services of the Executives, staff and employees of the Company.

**For & on behalf of the Board of Directors**

**S. Ramesh**
**DIN: 00052842**
**Executive Chairman & Managing Director**
**Place: Chennai**
**Date: 09.08.2021**

**Annexure 1 to the Board's Report**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**
(Pursuant to Section 135 of the Act & Rules made thereunder)

| Sl. No. | Particular | Details |
|---|---|---|
| 1 | A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs | Even though non-mandatory, the Company has constituted a Corporate Social Responsibility Committee and has evolved a principle to promote English based Education at Malli Village where the Company started its corporate activities. |
| 2 | The Composition of the CSR Committee. | i. Mr. S. Ramesh (Chairman)<br>ii. Mrs. Usha Ramesh |
| 3 | Average net profit of the Company for last three financial years | Rs. 1,32,79,842.52/- |
| 4 | Prescribed CSR Expenditure (two percent of the amount as in item 3 above) | N.A. (As not mandatory) |
| 5 | Details of CSR spent for the financial year: | |
| | a. Total amount spent for the financial year | Rs. 36,45,010/- |
| | b. Amount unspent, if any: | N.A. |
| | c. Manner in which the amount spent during the financial year is detailed below: | Donation |
| 6 | In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report. | The Company is not obliged to carry out CSR activities. However, we have undertaken CSR activity voluntarily and reported thereon. |
| 7 | A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company. | The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company. |

**For and on Behalf of the Board**

Place: Chennai
Date: 09.08.2021

**S. Ramesh**
**Executive Chairman & Managing Director**
**DIN: 00052842**

**Annexure 2 to the Board's Report**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

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

**<u>Part "A": Subsidiaries</u>**

(Amounts in Rs.)

| Sl. No | Particulars | Details | | | |
|---|---|---|---|---|---|
| 1 | Name of the subsidiary | Pacific Technical Service India Private Limited (PTSIPL) | Maxitech Engineering Private Limited | OEG Bangladesh Private Limited | Operational Energy Generation, FZCO (Subsidiary of PTSIPL) |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 2020-21 | 2020-21 | 2020-21 | 2020-21 |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Rupees | Rupees | Bangladeshi Taka | U.S. Dollars |
| 4 | Share capital | 1,00,000 | 8,000,000 | 4,160,300 | 22,870 |
| 5 | Reserves & Surplus | 48,63,601 | (3,15,01,630.74) | (429,294) | 2,315,740 |
| 6 | Total Assets (excluding investments) | 57,91,014 | 1,90,77,639.93 | 29,161,701 | 4,073,325 |
| 7 | Total Liabilities | 25,07,749 | 4,25,79,274.67 | 25,407,200 | 1,612,632 |
| 8 | Investments | 15,80,336 | - | - | - |
| 9 | Turnover | - | 2,20,72,888.95 | - | 1,734,715 |
| 10 | Profit/ (Loss) Before Taxation | (4,48,120) | 2,74,037.85 | (429,294) | 562,350 |
| 11 | Tax Expenses | - | - | - | - |
| 12. | Profit/ (Loss) After Taxation | (4,48,120) | 2,74,037.85 | (429,294) | 562,350 |
| 13. | Proposed Dividend | - | - | - | - |
| 14. | % of Shareholding | 98% | 70% | 88% | - |

**Notes:** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - NA
2. Names of subsidiaries which have been liquidated or sold during the year – NA

**For and on behalf of the board of Directors**

Place: Chennai
Date: 09.08.2021

**S. Ramesh**
**Executive Chairman & Managing Director**
**DIN: 00052842**

## Part "B": Associates and Joint Ventures

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

| Sl. No | Particulars | Associate Company |
|---|---|---|
| 1 | Name | Thoothukudi Renew Waters Private Limited |
| 2 | Latest Audited Balance Sheet Date | 31.03.2021 |
| 3 | Shares of Associate/Joint Ventures held by the Company on the year end: | |
| | No. of shares | 4,800 |
| | Amount of Investment in Associates / Joint Venture (Rs.) | 48,000/- |
| | Extending of Holding | 48% |
| 4 | Description of how there is significant influence | Represented on Board |
| 5 | Reason why the associate/joint venture is not consolidated | N.A. |
| 6 | Net Worth attributable to shareholding as per latest audited Balance Sheet (Rs.) | -77,728/- |
| 7 | Profit/Loss for the year<br>i. Considered in Consolidation (Rs.)<br>ii. Not Considered in Consolidation | -9596/- |

**For and on behalf of the board of Directors**

Place: Chennai
Date: 09.08.2021

**S. Ramesh**
**Executive Chairman & Managing Director**
**DIN: 00052842**

**Annexure 3 to the Board's Report**

**Particulars of employees**

Pursuant to Section 197(12) of the Companies Act, 2013 read with
Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014

| Sl. No | Directors | Designation | Nature of earning | 2020-21 (Rs.) | Ratio to Median Salary | 2019-20 (Rs.) | Ratio to Median Salary | % Increase |
|---|---|---|---|---|---|---|---|---|
| **Remuneration to Directors** | | | | | | | | |
| 1 | Mr. S. Ramesh | Executive Chairman and Managing Director | Salary | 67,07,386 | 30.16 | 42,59,713 | 19.72 | 57.46 |
| **Remuneration to Key Managerial Personnel** | | | | | | | | |
| 1 | Mr. S. V. Natarajan | Chief Financial Officer | Salary | 23,80,728 | 10.71 | 23,80,728 | 11.02 | - |
| 2 | Ms. Krithika. D. Thakkar | Company Secretary | Salary | 5,40,000 | 2.43 | 5,40,000 | 2.50 | - |

**For and on behalf of the board of Directors**

Place: Chennai
Date: 09.08.2021

**S. Ramesh**
**Executive Chairman & Managing Director**
**DIN: 00052842**

**Annexure 4**

**FORM NO. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31st MARCH 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Operational Energy Group India Limited
(L40100TN1994PLC028309)
A, 5th Floor,
Gokul Arcade –East Wing,
No.2 & 2A, Sardar Patel Road, Adyar,
Chennai- 600020.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Operational Energy Group India Limited** (L40100TN1994PLC028309) (hereinafter called the company) **during the financial year from April 1, 2020 to March 31, 2021** ("the year" / "audit period" / "period under review").Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Operational Energy Group India Limited ("the Company") for the financial year ended on 31st March 2021, according to the provisions of:

i. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
ii. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

iii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- Secretarial Standards issued by the Institute of Company Secretaries of India

(i) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;
(ii) SEBI (Listing Obligation and Disclosure Requirement) Regulations,2015

During the Period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned in 24A SEBI Report. (Pursuant to Regulation 24A of SEBI (Listing Obligation And Disclosure Requirements) Regulation 2015 and SEBI Circular No.CIR/CFD/CMD/27/2019 Dated 8th February, 2019.

Annual Secretarial Compliance report (ASC) submitted by the listed entity to the Stock exchanges within 60 days from the end of the financial year.

Annual secretarial audit report: In order to avoid duplication, the listed entity and its unlisted material subsidiaries shall continue to use the same Form No. MR-3 as required under Companies Act,2013 and the rules made there under for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well.

During the Period under review, Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular SEBI/HO/CFD/CMD 1 /CIR/P/2020/84 dated May 20, 2020 enclosing disclosure of impact of Covid-19 Pandemic on the Company.

In terms of Regulation 30 of the SEBI (Listing Obligations Disclosure Requirement)
Regulations, 2015, we would like to inform you that the Govemment of India had issued the notifications for complete lockdown from 23rd March, 2020 onwards to contain the spread of COVID- l9 disease. We as a responsible corporate entity were utmost concerned about the health & safety of all

our employees, stakeholder and their families. Accordingly, our company implemented work from home model, to the extent possible from 21st March 2020 itself with appropriate policy measures. With the Government announcement of lockdown our work from home measures were extended to cover maximum number of employees so that the work does not suffer, at the same time, health and safety of the employees also addressed fully. We extended our full support and cooperation to the said lockdown and the Registered Office was shut from 23rd March. 2020 and has partially reopened from 4th May 2020 after due announcements from the State Government.

**I hereby report that:**

1 In my opinion, during the audit period covering the financial year ended on March 31, 2021, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter of even date annexed to this report as Annexure – A.

During the period under review, and also considering the compliance related action taken by the Company after March 31, 2021, but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information and explanations furnished to us:

2 Complied with the applicable provisions/clauses of the Acts, Rules, Regulations, and Agreements mentioned under paragraph (i) to (v) above; except the following forms have been filed late with additional filing fees.

| Sl. No | Form No | SRN No. | Date of filing | Paid with delay with additional fees |
|---|---|---|---|---|
| 1 | CHG-1 | R41607839 | 12/06/2020 | NA |
| 2 | DPT-3 | R59777763 | 25/09/2020 | NA |
| 3 | MGT-15 | R62026448 | 28/09/2020 | NA |
| 4 | MGT-14 | R70203344 | 06/11/2020 | NA |
| 5 | MGT-14 | R70204623 | 06/11/2020 | NA |
| 6 | AOC-4(XBRL) | R79311155 | 29/12/2020 | NA |
| 7 | MGT-7 | R79313920 | 29/12/2020 | NA |

**I have been informed that, during/in respect of the year:**

The Company was not required to comply with the following laws / guidelines / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms / returns under:

(i) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment;
(ii) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(iii) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(iv) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
(v) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

3. The other laws as are applicable specifically to the Company are as under:

i. Income Tax Act, 1961
ii. Goods and Services Tax Rules, 2017
iii. Employees State Insurance *Act*, 1948
iv. Workmen's Compensation Act, 1923
v. Employees' Provident Funds and Miscellaneous Provident Act, 1952
vi. Minimum Wages Act, 1948
vii. Payment of Gratuity Act, 1972
viii. Tamil Nadu Shops and Establishments Act, 1947
ix. Labour Relations Act, 1995

**I further report that:**
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

**I further report that:**
There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines;

**I further report that during the Audit period:**
Pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2O13 and Articles of Association of the Company, Mrs. Usha Ramesh (Din: 00053451), who retired by rotation and Re-appointed as a Non-executive Women director. No Other Director was appointed.

There was No Changes in the Key Managerial personnel under review.

The appointment of Mr. S Ramesh (DIN: 00052842), as Executive Chairman and Managing Director {designated as "Executive Chairman") of the Company for a period of 3 years with effect from 16.09.2019 to 15.09.2022 whose office will not be liab1e to retire by rotation.

The appointment of Mr. N. Srinivasan, (Membership No.021789) a Practicing Chartered Accountant, as Internal Auditor of the Company for the financial year 2020-21."

Other than the aforesaid there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc referred to above.

**I further report that:**
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of

Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The Board Met 4 times in the financial year 2020-21 Viz., on

| |
|---|
| 29/06/2020 |
| 18/08/2020 |
| 03/11/2020 |
| 11/02/2021 |

- Circular Resolutions(1-4) for the Year 2020-21 has been passed on 07/09/2020.
- Corporate Social Responsibility Committee Meeting for the Year 2020-21 was held on 11/02/2021.
- Stakeholders Relation-ship Committee Meeting for the year 2020-21 was held on 11/02/2021.
- Vigil Mechanism Committee Meeting and Whistle Blower Committee Meeting was held on 11/02/2021.

The Audit Committee Meetings Met 4 times in the Financial year 2020-21 Viz., on

| |
|---|
| 29/06/2020 |
| 18/08/2020 |
| 03/11/2020 |
| 11/02/2021 |

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through the meeting and form part of the minutes.

**FRAUD REPORTING**

**I further report** that during the financial year ended 31/03/2021 there is no fraud, pursuant to provisions of Section 143(12) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

The company has the following subsidiaries & associates:

- Maxitech Engineering Private Limited
- Pacific Technical Services India Private Limited

For which secretarial audit is required to be complied as per the SEBI

**I further report** that during the audit period the company has 4 directors, Comprising of 1 Executive Chairman & Managing director,1 Non-Executive Director and 2 Independent Director,1 Company Secretary and 1 Chief Financial Officer/Key Managerial Personnel:

| DIN/PAN | NAME | DESIGNATION | DATE OF APPOINTMENT |
|---|---|---|---|
| 00052842 | SUBRAMANYAM RAMESH | Executive Chairman & Managing director | 16/09/2016 |
| ACRPN2136K | SANKARANKOVIL VENKATESHWARAN NATARAJAN | Chief Financial Officer | 04/10/2018 |
| 00053451 | RAMESH USHA | Non- Executive Director | 16/09/2016 |
| 00702802 | VISWANATHAN BALAKRISHNAN | Independent Director | 16/09/2016 |
| 02603984 | PANCHAPAGESAN SWAMINATHAN | Independent Director | 16/09/2016 |
| BAGPT270K | KRITHIKA DHARMESH THAKKAR | Company Secretary | 01/10/2018 |

FOR VKS&ASSOCIATES
Company Secretaries

Place: Chennai
Date: 10/08/2021

V K Shankararamann
F.C.S No. 5592
C.P. No.5255
**UDIN: F005592C000763492**

**Annexure – A to Secretarial Audit Report of even date**

To
The Members
Operational Energy Group India Limited
(L40100TN1994PLC028309)
A, 5th Floor,
Gokul Arcade –East Wing,
No.2 & 2A, Sardar Patel Road, Adyar,
Chennai - 600020

My Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2021 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed such audit practices and processes as I considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, I have also considered compliance related action taken by the Company after March 31, 2021 but before the issue of this report.
4. I have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law.
5. I have verified that secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. I also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices we followed provide a reasonable basis for my opinion.
6. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. I have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: 10/08/2021

FOR VKS&ASSOCIATES
Company Secretaries

V K Shankararamann
F.C.S No. 5592
C.P. No.5255
**UDIN: F005592C000763492**

## MANAGEMENT DISCUSSION AND ANALYSIS

**GLOBAL ECONOMY**

The global economy is recovering steadily from the COVID-19 pandemic, marked by the rollout of vaccination programs across nations, announcement of additional fiscal support in various economies and an improving capability to contain the re-emergence of further virus outbreaks. In 2020, global economic activity was affected by the pandemic, resulting in a contraction of (-) 3.4% after a slow growth 2.4% in 2019. G20 countries experienced an aggregate slowdown of (-) 3.2%, with the Euro area contracting by (-) 6.8%, UK by (-) 9.9%, Japan by (-) 4.8% and the US by (-) 3.5%. Among other countries, China was the only major economy to record a growth of 2.3% in 2020.

**GLOBAL OUTLOOK**

Global GDP growth is forecast to touch 6% in 2021, supported primarily by improving prospects in the US, China, and India. Drivers of resilience and growth have been different across economies, with the US being led by household spending, while emerging markets and East Asia are catalysed by industrial production, exports and a commodity boom. Europe is benefiting from a resumption in world trade, while its consumer spending remains constrained. There could be a spurt in inflation as a result of combination of pent-up demand and accumulated household savings with the easing of restrictions as vaccination progresses. Cost pressures and temporary supply disruptions may emerge due to surging demand and strict containment measures. However, the idle and spare global manufacturing capacity could keep inflation in check.

**INDIAN ECONOMY**

The Indian economy, which had been beset by a gradual growth slowdown in the last few years, experienced a challenge in FY 2020-21 in the form of the COVID-19 pandemic, which led to a strict lockdown enforced by the Government. However, the economy demonstrated resilience and depth by recovering much of the lost ground in the subsequent quarters. However, the challenge posed by the virus only subsided to come back stronger in a devastating second wave in the first quarter of FY 2021-22. For India, emerging victorious against this invisible enemy and returning to the path of prosperity will call for concerted efforts by Central and State Governments, the healthcare sector, and the people. Various measures announced by the Government to support livelihoods and incentivize investments are expected to emerge as drivers for sustained long-term growth.

**INDIAN YEAR IN REVIEW**

India was able to contain the impact of COVID-19 on its economy in FY 2020-21 with combined efforts of the people and businesses as well as the Government. Decline in GDP in FY 2020-21 is expected to be in the region of (-) 7.3% to (-) 7.5%, largely due to the lockdown imposed in the first quarter of the year. However, the economy rebounded rapidly after the restrictions eased and posted growth in the fourth quarter simultaneously with the rollout of a nationwide vaccination program. The Indian Government announced a bold economic stimulus to combat the sharp slowdown caused by the lockdown, its various measures aimed at easing liquidity and credit unavailability faced by the MSME sector to reinvigorate economic activity. Similarly, various measures targeted at incentivizing investments in economic segments and bringing about long-awaited labour reforms helped improve sentiment and attract global investments, strengthening India’s self-reliance for critical needs.

During FY 2020-21, while the Agricultural sector is expected to have a growth of 3%, the Industrial sector may have contracted by (-) 7.4% and the Services sector may have been hit the hardest with a decline of (-) 8.4%. As a result, consumption expenditure is expected to decline by (-) 7.1% while Gross Fixed Capital Formation may have contracted by (-) 12.4%. On the other hand, while power generation declined (-) 15.7% in the first quarter, it rebounded during the second half of the year to a cumulative decline of only (-) 0.95% for FY 2020-21. A decline in global commodity prices helped contain inflation, with Consumer Price Index inflation rising 6.18% and Wholesale Price Index inflation rising 1.2% during the year.

**INDIAN OUTLOOK**

Emergence of the second COVID-19 wave has dampened the outlook for a strong projected rebound in real GDP growth of 10.5% in FY 2021-22, which had been supported by a strong revival achieved in Q4 FY 2020-21 and impact of fiscal stimulus packages under AtmaNirbhar Bharat 2.0 and 3.0 schemes, increased capital outlays and the promotion of investments in the Union Budget 2021-22. As a result of the setback caused by the second wave, real GDP growth for FY 2021-22 may finish lower than expected before India returns to robust growth in FY 2022-23 with a projected 6.8% growth over FY 2021-22.

**INDIAN POWER SECTOR REVIEW**

Access to cost-effective and reliable power supply are the biggest catalysts for inclusive growth. They are critical for industrial growth, ensuring social growth of citizens and a high human development index. Demand for electricity in India is expected to grow at a sustained pace given the government's massive push towards Make-In-India, increasing industrialization, improving incomes and living standards. As per the Central Electricity Authority (CEA), peak demand is likely to increase to around 340 GW from the current peak demand of around 190 GW by 2030. The base demand is expected to increase to 2325 BU by 2030. CEA predicts that India's likely installed capacity by FY 2030 could be around 817 GW, more than double the present installed capacity. In terms of coal-based capacity, CEA estimates capacity addition of over 60 GW till 2030. Further, coal-based power will still be the dominant fuel type in 2030. In terms of the PLF of coal-based plants, CEA studies indicated that high-capacity pit head plants (600 –800 MW unit size) could enjoy PLFs of over 70% whilst similar load centre plants could have PLFs of around 50%. It is evident that coal-based power could continue to play a significant role in meeting India's electricity demand into the long-term.

**ENERGY REQUIREMENT AND PEAK AVAILABILITY**

India's energy deficit decreased from an interim high of 8.7% in FY 2012-13 to 0.4% in FY 2020-21. Peak deficit decreased from an interim high of 10.6% in FY 2011-12 to 0.4% in FY 2020-21. Reduction in power deficits demonstrates the success of various policy initiatives and investments made in infrastructure augmentation, generation capacity growth, and fuel supply enhancement by the public and private sectors. Demand for electricity is on the rise as India's economy continues to grow. Various factors contributing to the rising per capita consumption include improvement of electrification across all villages, GDP growth and general economic activity, and growth in consumer electricals and electronic device penetration. Increasing consumption of online services and streaming video is an emerging growth driver for the power sector, as it will require large-scale establishment and expansion of data centers, content delivery networks, and cellular as well as terrestrial network infrastructure.

**POWER CONSUMPTION**

The total electricity generation including generation from renewable sources in the country during the year 2020-21 was 1381.855 BU as against the generation of 1389.121 BU during the same period last year, showing a reduction of 0.52%, mainly due to COVID pandemic. The target of electricity generation from conventional sources for the year 2020-21 was fixed as 1330 Billion Unit (BU). The actual generation during the year 2020-21 (Upto December 2020) was 905.9 BU as compared to pro-rata generation target of 1005.642 BU for the period and actual generation of 950.733 BU during the same period last year, representing an achievement of 90.1% and showing a reduction of 4.71% in growth, mainly due to COVID pandemic.

The electricity generation target of conventional sources for the year 2021-22 has been fixed as 1356 Billion Unit (BU). i.e. growth of around 9.83% over actual conventional generation of 1234.608 BU for

the previous year (2020-21). The conventional generation during 2020-21 was 1234.608 BU as compared to 1250.784 BU generated during 2019-20, representing a negative growth of about 1.29%.
The Plant Load Factor (PLF) of Thermal Power Stations (TPSs) is an index of utilization of the installed capacity, The average PLF of TPSs of Power Utilities during the year 2020-21 (upto December 2020) was 51.5%

**CORONAVIRUS IMPACT**
In the wake of the coronavirus outbreak, the Government of India imposed a country-wide lockdown, during which the following steps were undertaken for seamless functioning of the power sector: The Ministry of Power advised power generators and transmission utilities, along with various administrative bodies to ensure that the generation and transmission of power, which are essential services, continue uninterrupted. Steps to ensure uninterrupted movement of fuel, raw materials and spares, machinery, and manpower were also covered. Various steps were taken to ease liquidity constraints felt by DISCOMs due to the COVID-19 lockdown, such as the Rs. 90,000 Crore package for loans against DISCOM receivables from PFC and REC, and temporary reduction in payment security mechanism and late payment surcharges for eligible PPAs. The RBI also issued guidelines to Banks, FIs, and NBFCs to provide moratorium on term loan instalments and interest, as well as interest on cash credit, for a period of three months, and easing of working capital financing norms, to maintain liquidity in the financial system and prevent defaults by borrowers In order to provide relief to thermal power generators and increase liquidity in the system. Coal India Ltd. has also allowed the facility of Usance Letter of Credit to power plants for payment of coal instead of the existing requirement of cash advance for supply of coal under Fuel Supply Agreements (FSA).

**COMPANY OVERVIEW:**
Operational Energy Group India Limited (OEGIL) operates and maintains more than 5000MW of power plants in India. Its power plant operations are spread across India. Through its subsidiary in Dubai the Company executes power plant operations in Lebanon. The company's operations in Bangladesh has commenced through its subsidiary OEG Bangladesh Private Limited which has signed up an O&M contract in Bangladesh for a 225Mw gas based combined cycle power plant which has commenced its operations from the second quarter of this year.
Apart from the power plant operations, the Company is diversifying into execution of turnkey projects and has been successful in getting awarded few contracts and the execution of these contracts underway in the current financial year.

**SWOT ANALYSIS:**
**Strengths**
- Proven capabilities in undertaking operation and maintenance of any type of power plants using coal, gas, liquid fuel etc and any technology such as PF, FBC etc
- Core technical capabilities in resolving any complex O&M issues
- Committed and agile teams with deep sector experience and domain experience
- Thorough knowledge in various operational requirements of captive power plants of various industries such as steel, cement, paper, smelter etc.

**Weaknesses**

- Dependence on thermal power plant industry exposes the company to all the concerns/issues faced by the power plant owners
- O&M contracts could not be renewed with price escalations due to intense competition, however the labour cost is increasing due the constant revision of minimum wages by the Government.

**Opportunities**

- Stressed power plants managed by Asset Reconstruction Companies present an opportunity to work them as ARCs are mostly financial investors
- Anticipated demand growth spurred by economic growth as well as Government reforms such as UDAY, SAUBHAGYA and DDUGJY.

**Threats**

- Increasing preference globally and in India for renewable power, especially Solar power could constrain growth prospects for thermal power generation in the long run
- Competition from start-ups whose quotes are much lower
- Increasing labour costs

**SEGMENT -WISE OR PRODUCT -WISE PERFORMANCE:**

| OEG PROJECTS LIST for 2020-21 | | | | | |
|---|---|---|---|---|---|
| OEG - DOMESTIC PROJECTS | | 31st March 2021 | | 31st March 2020 | |
| Si. No. | Type of Plants | No of Plants | No of Plants | No of Plants | in MW |
| 1 | Thermal Projects (TPP) | 23 | 4716.2 | 21 | 4619.7 |
| 2 | Diesel Generators (DGPP) | 3 | 122.56 | 3 | 122.56 |
| 3 | Combined Cycle Power Plants (CCPP) | 3 | 97.8 | 4 | 155.75 |
| 4 | Solar PV Power Plants (SPVPP) | 4 | 140 | 3 | 140 |

| OEG - OVERSEAS PROJECTS | | 31st March 2021 | | 31st March 2020 | |
|---|---|---|---|---|---|
| Sl. No. | Type of Plants | No of Plants | in MW | No of Plants | in MW |
| 1 | Thermal Projects (TPP) | 0 | 0.00 | 0 | 0 |
| 2 | Diesel Generators (DGPP) | 0 | 0 | 0 | 0 |
| 3 | Combined Cycle Power Plants (CCPP) | 3 | 498 | 3 | 498 |
| 4 | Solar PV Power Plants (SPVPP) | 0 | 0 | 0 | 0 |

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has a sound system of Internal Audit, risk assessment and mitigation and has an independent Internal Audit Department headed by an independent chartered accountant with well-established internal control and risk management processes both at the site and corporate levels. The Internal Auditor reports directly to the Chairman of the Audit Committee of the Board of Directors, which ensures independence of audit function. Internal Audit function plays a key role in providing to both the operating management and to the Audit Committee of the Board, an objective view and reassurance of the overall control systems and effectiveness of the Risk Management processes across the Company and its subsidiaries. Internal Audit also assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to the operations.

The internal audit department operates on a continuous basis in monitoring the adequacy and effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirements.

The Audit Committee meets on a quarterly basis to review and discuss the reports submitted by the Internal Auditor and review closure of all agreed actions. The Audit Committee also meets the Statutory Auditors separately to ascertain their views on the adequacy, efficacy and efficiency of the internal control systems

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The net revenue from the operations of the Company increased from Rs.19646.84 lakhs to Rs.28440.18 lakhs, registering an increase of 44.57% over the previous year. EBITDA was higher at Rs.1660.86 lakhs compared to Rs.540.84 lakhs earned in the previous year. Profit before tax was Rs.1089.23 lakhs against Rs.304.88 lakhs in the previous year, up by 257.27%. Profit after tax was at Rs.966.43 lakhs against Rs.222.87 lakhs in the previous year. The Company continued to face challenges in getting new O&M contracts and in renewing the existing contracts due to the subdued demand in the power industry. Also, competition from localized players also pose a stiff challenge. However, the Company has taken active steps to reduce its cost of operations and thereby could increase the profit before tax during the previous year.

**KEY FINANCIAL RATIOS ANALYSIS:**

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| Current Ratio | 1.25 | 1.28 |
| Liquid Ratio | 1.23 | 1.27 |
| Debt Equity Ratio | 2.41 | 2.36 |
| Net Profit Ratio | 3.40% | 1.13% |
| Return on Shareholders' funds | 25.75% | 7.65% |

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

Operational Energy Group India Limited recognized that key assets to its growth is human resources. Human Resources department focuses on development of performance related cultures thus paving way for long term business growth to live up to the aspirations of stakeholders.

Your company has invested in a state of art training Centre "OPTRA" for skills development in O & M operations as a part of strategy to enhance the employee's productivity and skills.

The company has taken steps to develop a very strong HR Process and strategy to improve the overall organizational effectiveness and has performance appraisal system in place. A continuous review of monitoring process is undertaken.

Focus on right manpower in overseas operations to spread organizations global foot-print is the prime aim of the company. The company had a total of 2057 workforce in March 2021.

**CAUTIONARY STATEMENT:**

Statement in the Management Discussion and Analysis Report describing the company objectives, projections, estimates and expectations may be "forward looking" within the ambit of applicable laws and regulations.

Actual results, performance and achievements might differ substantially or materially from those expressed or implied. The company's performance could be affected by global and domestic supply and demand conditions, change in government regulations tax laws economic development within the country and other factors such as litigation and industrial relations.

Place: Chennai
Date: 09.08.2021

**For and on behalf of the Board**

**S. Ramesh**
**Executive Chairman & Managing Director**
**DIN: 00052842**

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE:

It is the basic philosophy of Operational Energy Group India Limited (OEGIL) to promote a responsive and responsible business culture by adopting best practices in corporate governance. The Company's governance philosophy is based on trusteeship, transparency and accountability.

OEGIL emphasizes fairness, transparency accountability and integrity at all levels of management and is guided by these principles in fostering a healthy relationship amongst all stakeholders. The Company constantly strives to upgrade management practices for ideal corporate governance. The Company has set itself the objective of achieving excellence in its business The Company's governance framework is appropriate with composition and size of the Board.

### 2. BOARD OF DIRECTORS:

The Company has a judicious combination of Executive and Non- Executive Directors as on March 31, 2021 which is in compliance with the Listing Regulations and Companies Act, 2013. The Board comprises of 4 Directors out of which one is an Executive Director and two are Independent Directors and one is Non-Executive Woman Director. Board of Directors meet at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board members possess requisite skills, experience and expertise that are required to take decisions, which are in the best interest of the Company. Board meetings are generally Chaired by Mr. S. Ramesh, who is an Executive Director.

### MEETINGS OF THE BOARD:

All statutory and other significant material information are placed before the Board of Directors to enable it to discharge its responsibility of superintendence, control and direction of management of strategic and day to day affairs of the Company. The Meetings of the Board are regularly held at the Registered Office. There is constant endeavor to improve the practices with regard to the Board Meetings. The agenda and the relevant papers are circulated in advance to facilitate the members of the Board to take informed decisions and discharge their responsibility effectively. The Board Meetings (including Committee Meetings) of the Company are scheduled well in advance to facilitate Directors to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by circulation, as permitted by law, which is noted in the subsequent Board Meeting. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the approval of the Chair Independent Directors present at the Meeting.

During the financial year 2020-21, 4 (Four) Board meetings were held on 29$^{th}$ June 2020, 18$^{th}$ August 2020, 03$^{rd}$ November 2020, and 11$^{th}$ February 2021.

**COMPOSITION, DIRECTORS' ATTENDANCE AND OTHER DIRECTORSHIPS HELD:**

| Name of the Director | Category of the Director | Number of Board Meeting attended during the year | Whether Attended AGM Held on 17th September 2020 | Number of directorships in other public limited Companies | | Number of Committee positions held in other public limited Companies | |
|---|---|---|---|---|---|---|---|
| | | | | Chair of the Board | Board Member | Chairman of the Committee | Committee Member |
| Mr. S. Ramesh DIN: 00052842 | Executive Chairman & Managing Director | 04 | Yes | - | - | - | - |
| Mrs. Usha Ramesh DIN: 00053451 | Non-Executive Director | 04 | Yes | - | - | - | - |
| Mr. P. Swaminathan DIN: 02603984 | Independent Director | 04 | No | - | - | - | - |
| Mr. B. Viswanathan DIN: 00702802 | Independent Director | 04 | Yes | - | - | - | - |

# Directorships held in private companies, foreign companies and companies registered under section 8 of the Companies Act, 2013 are excluded.

a. **SHAREHOLDING OF DIRECTORS AS ON 31ST MARCH 2021 IS AS UNDER**:

| Name of the Director | Category of the Director | No of Ordinary Shares Held | % of Paid-Up Capital |
|---|---|---|---|
| Mr. S. Ramesh | Executive Chairman & Managing Director | 5,081,800 | 38.97 |
| Mrs. Usha Ramesh | Non-Executive Director | 9,25,000 | 7.09 |

b. No other Director holds any shares in the Company. The Company has not issued any convertible instruments.
c. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all the public companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies.
d. None of the Directors hold directorships in any other listed companies.
e. None of the Directors of the Company is related to each other except the woman director who is related to the Executive Chairman and Managing director.
f. The Details of familiarization programs conducted for the independent directors are disclosed in website of the Company at www.oegindia.com

**BOARD PROCEDURES**

a. The agenda is circulated well in advance to the Board members taking into account the requirements of the Companies Act and the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.
b. The item in the Agenda is determined with full communication at responsible levels to enable the Board to take appropriate decisions and to discharge its responsibilities effectively.
c. The Managing Director and CFO apprise the Board on the overall performance of the Company.
d. The Company Secretary is responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises/ assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.
e. The Board provides strategic direction in improving the performance of the Company. Quarterly results, minutes of the sub-committees & subsidiary, general notices of interest received from directors, annual budgets, legal compliance report, authorizations for various business purposes are also placed and reviewed by the Board.

**CODE OF CONDUCT**

The Board of directors of the Company have laid down Code of Conduct for the Directors and senior Management Personnel of the Company. The Code is available on the website of the Company at www.oegindia.com. All the Directors and senior managerial Personnel have re-affirmed compliance with the Code of Conduct on March 31, 2021. A declaration to this effect signed by the Executive Chairman & Managing Director forms part of this report.

**3. COMMITTEES OF THE BOARD:**

With a view to have a more focused attention on the business and for better governance and accountability the Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. All decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference for the Committee is taken by the Board of Directors. The Committees make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval

The Board currently has the following Committees:

**i. AUDIT COMMITTEE:**

Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. All the members of the Audit Committee are financially literate and have adequate accounting and financial experience. The committee comprises of two independent directors and the Executive Chairman & Managing Director of the company. The Chairman of the Audit Committee is an Independent Director.

**Brief description of terms of reference:**

The terms of Reference of Audit Committee cover the matters specified for Audit Committee under Regulation 18 of the SEBI Listing Regulations as well as in Section 177 of the Companies Act, 2013. The role of Audit Committee is as prescribed under Part C of Schedule II of the SEBI (LODR) Regulations. The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion and recommendation of financial results, interaction with Statutory and Internal Auditors, appointment of Statutory Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, review of

Internal Audit Reports and significant related party transactions. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.
The Audit Committee also oversees and reviews the functioning of a vigil mechanism and reviews the findings of investigation into cases of material nature and the actions taken in respect thereof.

**Composition, Names of Members and Chairman**

| Name of the Member | Category |
|---|---|
| Mr. B. Viswanathan (Chairman) | Independent Director |
| Mr. P. Swaminathan | Independent Director |
| Mr. S. Ramesh | Executive Chairman & Managing Director |

**Meetings and the attendance during the year**

Four Meetings of the Audit Committee were held during the year. The attendance and other details of the Audit Committee are as follows:

| Sl. No. | Date | Attendance of Mr. B. Viswanathan | Attendance of Mr. P. Swaminathan | Attendance of Mr. S. Ramesh |
|---|---|---|---|---|
| 1 | 29/06/2020 | Yes | Yes | Yes |
| 2 | 18/08/2020 | Yes | Yes | Yes |
| 3 | 03/11/2020 | Yes | Yes | Yes |
| 4 | 11/02/2021 | Yes | Yes | Yes |
| **Total** | | **4** | **4** | **4** |

**ii. NOMINATION AND REMUNERATION COMMITTEE (NRC):**

**Brief description of terms of reference:**

The terms of reference of Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013. The role of the Nomination and Remuneration Committee is as prescribed under part D of the Schedule II of the Listing Regulations. The Committee was constituted to determine and recommend payment of remuneration to executive directors. The Committee shall also identify the persons, reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Senior Management (one level below the Board of Directors), who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment/ removal and to carry out evaluation of directors' performance and perform such other functions as may be necessary.

**Composition, Names of Members and Chairman**

| Name of the Member | Category |
|---|---|
| Mr. B. Viswanathan (Chairman) | Independent Director |
| Mr. P. Swaminathan | Independent Director |
| Mrs. Usha Ramesh | Non – Executive Director |

**Meetings and the attendance during the year**

No Meeting of the Nomination & Remuneration Committee was held during the year

**REMUNERATION POLICY**

**A. Remuneration to Non-Executive Directors**

The Non-Executive Directors are paid by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each Meeting of the Board or Committee of Directors attended by them. The Non-Executive Director/ Independent Directors do not have any material pecuniary relationship or transactions with the Company.

**B. Remuneration to Executive Director**

The appointment and remuneration of Executive Chairman & Managing Director is governed by the recommendation of the Remuneration & Nomination Committee, The remuneration package of Executive Chairman & Managing Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Remuneration and Nomination Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. Presently, the Company does not have a stock options scheme for its Directors.

The remuneration policy of the Company is available at the website of the Company at www.oegindia.com

**Performance evaluation for Independent Directors**

The Criteria for evaluation of the performance of Independent Directors includes their qualification, experience, competency, knowledge, understanding of respective roles (as Independent Director and as a member of the Committees of which they are Members/Chairpersons), adherence to Codes and ethics, conduct, attendance and participation in the meetings etc.

The Directors including Independent Directors (without the participation of the Executive Director) and the Chairman was held on 29/03/2021. The Independent Directors have expressed their satisfaction on the performance and effectiveness of the Board.

The Board has also expressed satisfaction at the performance and contributions of the Independent Directors and confirmed the continuance of their terms of appointment for effective board deliberations as required by Schedule IV of the Companies Act, 2013.

**iii. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

**Brief description of terms of reference:**

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Board has constituted Stakeholders' Relationship Committee.

a. To monitor the work relating to transfer, transmission, dematerialization, dematerialization, sub-division / consolidation of share
b. To issue duplicate share certificates and
c. To ensure that all the investors' grievances and complaints are redressed expeditiously to strengthen the investors' relations.

**Composition, Names of Members and Chairman**

| Name of the Member | Category |
|---|---|
| Mr. B. Viswanathan – Chairman | Independent Director |
| Mr. S. Ramesh | Executive Chairman & Managing Director |
| Mrs. Usha Ramesh | Non – Executive Director |

**Meetings and the attendance during the year**

One Meeting of the Stakeholder Relationship Committee were held during the year. The attendance and other details of the Committee are as follows:

| Sl. No. | Date | Attendance of Mr. B. Viswanathan | Attendance of Mr. S. Ramesh | Attendance of Mrs. Usha Ramesh |
|---|---|---|---|---|
| 1. | 11/02/2021 | Yes | Yes | Yes |
| **Total** | | **1** | **1** | **1** |

- **The status of Investor Complaints as on 31.03.2021 are as under:**
  No. of complaints pending at the beginning of the year - Nil
  No. of complaints received during the year - Nil
  No. of complaints redressed during the year - Nil
  No. of complaints pending at the end of the year - Nil

**iv. SHARE TRANSFER COMMITTEE:**

**Brief description of terms of reference:**

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board has constituted Share Transfer Committee to oversee the requests of share transfer, transmissions, transpositions etc., which are approved by the committee and then are processed by the RTA and returned within the stipulated time, if the documents are found to be in order.

**Composition, Names of Members and Chairman**

| Name of the Member | Category |
|---|---|
| Mr. S. Ramesh – Chairman | Executive Chairman & Managing Director |
| Mrs. Usha Ramesh | Non – Executive Director |

**Meetings and the attendance during the year**

No Meeting of the Share Transfer Committee was held during the year

**v. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

**Brief description of terms of reference:**

Although non-mandatory in terms of Section 135(1) of the companies Act, 2013, the Board has constituted a Corporate Social Responsibility Committee to review the existing CSR policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

**Composition, Names of Members and Chairman**

| Name of the Member | Category |
|---|---|
| Mr. S. Ramesh - Chairman | Executive Chairman & Managing Director |
| Mrs. Usha Ramesh | Non – Executive Director |

**Meetings and the attendance during the year**

One Meeting of the Corporate Social Responsibility Committee were held during the year. The attendance and other details of the Committee are as follows:

| Sl. No. | Date | Attendance of Mr. S. Ramesh | Attendance of Mrs. Usha Ramesh |
|---|---|---|---|
| 1. | 11/02/2021 | Yes | Yes |
| **Total** | | **1** | **1** |

**vi. RISK MANAGEMENT COMMITTEE (RMC):**

**Brief description of terms of reference:**

Although non-mandatory for the company to have a risk management committee, the Board as a good governance practice has set up this committee in Compliance with Regulation 21 of the Listing Regulations. Business Risk Evaluation, management and mitigation is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities which is periodically reviewed by the Committee.

**Composition, Names of Members and Chairman**

| Name of the Member | Category |
|---|---|
| Mr. S. Ramesh – Chairman | Executive Chairman & Managing Director |
| Mr. B. Viswanathan | Independent Director |
| Mr. P. Swaminathan | Independent Director |
| Mr. S.V. Natarajan | Chief Financial Officer |

**Meetings and the attendance during the year**

No Meeting of the Risk Management Committee was held during the year

**vii. VIGIL MECHANISM COMMITTEE:**

**Brief description of terms of reference:**

In compliance with Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Board has constituted the Vigil Mechanism Committee. The Board of Directors of the Company have formulated and adopted Whistle Blower Policy which aims to provide a channel to the Stake holders (including directors and employees) to report unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The mechanism provides adequate safeguards against victimization of Directors and employees to avail the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

Your company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

**Composition, Names of Members and Chairman**

| Name of the Member | Category |
|---|---|
| Mr. P. Swaminathan | Independent Director |
| Mr. S. Ramesh – Chairman | Executive Chairman & Managing Director |

**Meetings and the attendance during the year**

One Meeting of the Vigil Mechanism Committee was held during the year. The attendance and other details of the Committee are as follows:

| Sl. No. | Date | Attendance of Mr. S. Ramesh | Attendance of Mr. P. Swaminathan |
|---|---|---|---|
| 1. | 11/02/2021 | Yes | Yes |
| **Total** | | **1** | **1** |

**4. REMUNERATION OF DIRECTORS FOR THE YEAR:**

| Name of the Director | Salary & Perquisites (Rs) | Special Allowance Paid/ Payable (Rs) | Performance Pay (Rs) | Sitting Fee (Rs) | Total Remuneration (Rs) |
|---|---|---|---|---|---|
| Mr. S. Ramesh - Executive Chairman & Managing Director | 67,07,386 | - | - | - | 67,07,386 |
| Mrs. Usha Ramesh – Non-Executive Director | - | - | - | 50,000 | 50,000 |
| Mr. B. Viswanathan – Independent Director | - | - | - | 65,000 | 65,000 |
| Mr. P. Swaminathan – Independent Director | - | - | - | 65,000 | 65,000 |

The Non – Executive Directors are paid sitting fees for attending meeting of the Board.
Mr. S. Ramesh, Executive Chairman & Managing Director is under contract employment with the Company which stipulates a notice period of six Month from either side for early separation. No severance fee is payable to Executive Directors.
There was no pecuniary relationship or transactions of the Non-Executive Director vis-à-vis the Company. The criteria for making payment to the Non-executive Directors is disclosed in the website of the Company at www.oegindia.com
The Company does not have a scheme for grant of stock options either to the Directors or to its employees.

**5. SUBSIDIARY COMPANIES:**

Regulation 16 (1) (c) of the Listing Regulations defines a 'material subsidiary' as subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Accordingly, Operational Energy Generation, FZCO which is a subsidiary of Pacific Technical Services India Private Limited, is a material subsidiary of the Company.
The subsidiary of the Company functions independently, with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the Minutes of Board Meetings of subsidiaries of the Company are placed before the Board of the Company for its review on quarterly basis and a statement of all significant transactions and arrangements entered into by the subsidiary companies are also placed before the Board.
Pursuant to the explanation under Regulation 16 (1) (c) of the Listing Regulations, the Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website at www.oegindia.com

## 6. GENERAL BODY MEETINGS:

Location, day, date and time of Annual General Meetings held during the last 3 year are given as below:

| Year | Location | Day, Date and Time | Special Resolutions Passed |
|---|---|---|---|
| 2019-20 | Held through Video Conference | Thursday, 17th September 2020 at 11.00 A.M. | Nil |
| 2018-19 | A, 5th Floor, Gokul Arcade - East Wing, No. 2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020. | Thursday, 26th September 2019 at 11.00 A.M. | Re-appointment of Mr. S. Ramesh as the Managing Director |
| 2017-18 | A, 5th Floor, Gokul Arcade - East Wing, No. 2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020. | Friday, 21st September 2018 at 2.00 P.M. | Alteration of Object Clause of the Memorandum of Association |

## 7. RECONCILIATION OF SHARE CAPITAL AUDIT

Share Capital Audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the Company. The audit confirms that the total paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

## 8. MEANS OF COMMUNICATION:

**Quarterly Results:** As stipulated under Regulation 33 read with Regulation 47, the Quarterly Results are intimated to the Stock Exchanges within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year. However, as per the extension given by SEBI vide their Circular No. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated 29.04.2021, the financial results for the year ended 31st March, 2021 were declared within 90 days from the closure of the financial year.

The results are published in one English Newspaper in ‘Trinity Mirror’ and in vernacular language, i.e., Tamil Newspaper ‘Makkal Kural’. The results are also displayed in the website of the company at www.oegindia.com.

**Official News Releases:** Official News Releases are sent to stock exchanges.

**Presentation made to institutional investors/analysts:** During the year no presentations has been made to institutional investors/analysts.

**Website:** The Company’s website (www.oegindia.com) contains a separate dedicated section where shareholders information is available.

## 9. GENERAL SHAREHOLDER INFORMATION ON ANNUAL GENERAL MEETING

| | |
|---|---|
| Date and Time | 16th September, 2021 at 11.00 A.M. |
| Deemed Venue as per Companies Act | A, 5th Floor Gokul Arcade – East Wing, No. 2 & 2A Sardar Patel Road, Adyar, Chennai – 600 020 |
| Financial Year | 01.04.2020 – 31.03.2021 |
| Dividend payment date | Not Applicable |
| Listing Details | Metropolitan Stock Exchange India Limited<br>4th Floor, Vibgyor Tower, Plot No. C-62, OPP Trident Hotel, BKC, Bandra East Mumbai – 400 098 |
| Stock Code | OEGIL |

| | |
|---|---|
| ISIN | INE239V01012 (Listed Shares: 33,00,000<br>Unlisted Shares: 97,41,800) |
| Corporate Identification Number (CIN) | L40100TN1994PLC028309 |
| Address for Correspondence | A, 5th Floor Gokul Arcade – East Wing, No. 2 & 2A Sardar Patel Road, Adyar, Chennai – 600 020 |

**10. PAYMENT OF LISTING FEE**

The Company's Securities are listed with MSE Ltd. Annual Listing Fees for the year 2020-21 has been paid by the Company to Metropolitan Stock Exchange.

**11. MARKET PRICE DATA & SHARE PRICE PERFORMANCE:**

| Month | MSEI | | |
|---|---|---|---|
| | High (In. Rs) | Low (In Rs.) | Volume (No. of shares traded) |
| April 2020 – August, 2020 | 31 | 31 | - |
| September, 2020 | 31 | 29.45 | 10 |
| October 2020 – March 2021 | 29.45 | 29.45 | - |

**12. REGISTRAR AND SHARE TRANSFER AGENT:**

All share registry work in respect of both physical and demat segments are handled by a single common agency M/s Cameo Corporate Services Limited situated at Subramanian Building, No.1, Club House Road, Chennai – 600 002, who are the Registrar and Share Transfer Agent (RTA) of the Company for all aspects of investor servicing relating to the shares

**13. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2021**

| Range of Holdings | Number of Shares | | Number of Shareholders | |
|---|---|---|---|---|
| | Number | % to total | Number | % to total |
| 1 to 500 | 1,00,200 | 0.76 | 332 | 65.87 |
| 501 to 1000 | 82,300 | 0.63 | 90 | 17.86 |
| 1001 to 2000 | 46,700 | 0.36 | 30 | 5.95 |
| 2001 to 3000 | 66,100 | 0.51 | 27 | 5.35 |
| 3001 to 4000 | 17,400 | 0.13 | 5 | 0.99 |
| 4001 to 5000 | 4,300 | 0.03 | 1 | 0.20 |
| 5001 to 10000 | 8,600 | 0.07 | 1 | 0.20 |
| 10001 and Above | 1,27,16,200 | 97.51 | 18 | 3.58 |
| **Total** | **1,30,41,800** | **100.00** | **504** | **100.00** |

**13. CATEGORY WISE SHAREHOLDING PATTERN AS ON MARCH 31, 2021**

| Sl. No. | Category | No. of Shares | % of Holding |
|---|---|---|---|
| 1. | Resident | 31,22,900 | 23.96 |
| 2. | NRI – Repatriable | 14,91,800 | 11.44 |
| 3. | NRI – Non Repatriable | 57,900 | 0.44 |
| 4. | Corporate Body | 26,58,600 | 20.38 |
| 5. | Promoter – Indian | 56,98,100 | 43.69 |
| 6. | Promoter – NRI (Repatriable) | 12,500 | 0.09 |
| **Total** | | **13,041,800** | **100** |

14. **DEMATERIALIZATION OF SHARES:**

The Company's shares are available for trading in both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company is INE239V01012.

| Sl. No. | Particulars | No. of Shares | Percentage |
|---|---|---|---|
| 1. | CDSL | 11159660 | 85.57 |
| 2. | NSDL | 15200 | 0.12 |
| 3. | Physical | 1866940 | 14.31 |
| **Total** | | **13401800** | **100** |

**15. The Company had not issued any convertible instruments**

**16. DIVIDEND DECLARED FOR THE PAST TEN YEARS AND UNCLAIMED DIVIDENDS:**

No dividend has been declared by the Company in the last ten years. Therefore, there are no unclaimed or unpaid dividends.

**17. SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES):**

SEBI administers a centralised web based complaints redress system ("SCORES"). It enables investors to lodge and follow up complaints and track the status of redressal online on the website at www.scores.gov.in. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal of such complaints. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered itself on SCORES and endeavors to resolve all investor complaints received through SCORES.

No Shareholders' complaint has been received through SCORES during the year.

**18. CREDIT RATING DURING THE YEAR:**

The Company has obtained the credit rating from Care Ratings. The credit rating obtained by the Company was BBB for long term facilities and A3 for short term facilities for the year. There was no changes in the ratings from the end of financial year till the date of this report.

**19. CODE FOR PREVENTION OF INSIDER TRADING:**

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the company has instituted a Code of Conduct to regulate, monitor and report trading by its employees and other connected persons for prohibition of insider trading in the Company's shares. The code endeavors to preserve the confidentiality on unpublished price sensitive information and to prevent the misuse of such information. The policy is also posted on the website of the Company.

**20. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:**

The Company is primarily engaged in service industry and hence is not subject to commodity price risk. There were no foreign exchange risks/ hedging activities during the year 2020-21.

**21. COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE**

| | |
|---|---|
| Name | : Ms. Krithika D Thakkar |
| Designation | : Company Secretary |
| Address for correspondence: | : Operational Energy Group India Limited, A 5th Floor Gokul Arcade No. 2 & 2A Sardar Patel Road Adyar Chennai – 600 020. |

**22. OTHER DISCLOSURES:**

a. There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions in the ordinary course of business with the related parties are disclosed in the Notes to Financial Statements.
b. The Company has complied with all the requirements of regulatory authorities and no penalties / strictures were imposed on the Company by the Stock Exchanges or SEBI, or any Statutory Authority on any matter related to capital Markets, during the last three years.
c. The Company has adopted a Vigil Mechanism and Whistle Blower Policy and has not denied access to any personnel to approach the Management or the Audit Committee on any issue.
d. Details of compliance with Mandatory Requirements:

   **Code of Conduct:** The Company has laid down procedure to be followed by Member of the Board and Senior Management Personnel for ethical professional conduct. The members of the Board and Management Personnel affirmed that they have complied with the Code of Conduct for the financial year 2020-21.

   **CFO & MD Certification:** The CFO & MD Certification of the Financial Statements and the Cash Flow Statement for the year under review forms part of Annual Report.

   **Certificate from Practicing Company Secretary:** A Certificate from Practicing Company secretary confirming compliance with the conditions of Corporate Governance as stipulated in 34(3) of SEBI (LODR) Regulations, 2015 forms part of this Report.
e. The internal auditor of the Company directly submits his report to the Audit Committee every quarter.
f. The Company has duly complied with the requirements of Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulation, 2015.
g. In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

23. The details of adoption of discretionary requirements as stipulated in Part E of Schedule II are as follows:
   a) the Company does not have non-executive Chairman.
   b) There have been no modified opinions on the financial statements

## CONFIRMATION ON CODE OF CONDUCT

I, S. Ramesh, Executive Chairman & Managing Director of Operational Energy Group India Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors, in terms of Regulation 26(3) of the Listing Regulations for the year ended 31st March 2021.

Place: Chennai
Date: 09.08.2021

For **Operational Energy group India limited**

**S. Ramesh**
**DIN: 0052842**
**Executive Chairman & Managing Director**

## CERTIFICATION BY CHIEF FINANCIAL OFFICER AND EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

We, S.V. Natarajan, Chief Financial Officer and Mr. S. Ramesh, Executive Chairman & Managing Director of Operational Energy Group India Limited to the best of my knowledge and belief certify that:

a. We have reviewed financial statements, cash flow and equity statement, for the year and that to the best of our knowledge and belief:
   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity with Ind AS in all material respects and the applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness Internal Audit works with all levels of management and Statutory Auditors and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are apprised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.

d. We have indicated to the auditors and the Audit committee
   1. that there are no significant changes in internal control over financial reporting during the year;
   2. that there are no significant changes in accounting policies during the year;
   3. that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.

| | | |
|---|---|---|
| Place: Chennai | **S.V. Natarajan** | **S. Ramesh** |
| Date: 09.08.2021 | **Chief Financial Officer** | **Executive Chairman & Managing Director** |

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

TO THE MEMBER OF
OPERATIONAL ENERGY GROUP INDIA LIMITED

1. We have examined the compliance of conditions of Corporate Governance by OPERATIONAL ENERGY GROUP INDIA LIMITED ("the Company"), for the year ended on March 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2021.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Padmanabhan Ramani & Ramanujam
Chartered Accounts
FRN: 002510S
G. Vivekanathan
Partner
Membership No: 028339
UDIN: 21028339AAAABI3010

Place: Chennai
Date: 09.08.2021

## INDEPENDENT AUDITORS' REPORT

**To**
The Members of Operational Energy Group India Limited

### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Operational Energy Group India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, changes in equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| | | |
|---|---|---|
| | Recognition of revenue is complex due to several types of customer contracts including Operation and maintenance contracts of power plants and process plants. | We have tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognition, including controls over the degree of completion of service contracts. |

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the stand alone and consolidated financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this Auditors' Report.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONEFINANCIAL 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of sub section 11of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, 2013, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the statement of cash flow dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the Directors as on March, 2021 taken on record, by the Board of Directors, none of the Directors is disqualified as on March 31, 2021 from being appointed as a Director in terms of Clauses referred to section 164(2) of the Act.

f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, referred to our separate report in "Annexure B".

g) In our opinion and according to the information and explanations given to us, the Company has paid /provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Companies Act, 2013.

h) 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 has disclosed the impact of pending litigations on its financial position in its financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Padmanabhan Ramani & Ramanujam**
Chartered Accountants
FRN: 002510S

**G. Vivekananthan**
Partner
Membership No: 28339

**Place: Chennai**
**Date: 31st May 2021**
**UDIN: 21028339AAAABB3903**

## Annexure- A to Independent Auditors' Report

**The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement' of our report of even date to the members of Operational Energy Group India Limited on the standalone financial statements of the Company for the year ended March 31, 2021.**

(i) On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) These Fixed Assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were observed by the management on such verification.

(ii) According to the information and explanations given to us, physical verification of inventory except goods in transit and goods held by outsider on behalf of the company has been conducted at reasonable intervals by the management and no material discrepancies were noticed.

(iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, the provisions of clauses 3(a) and 3(b) are not applicable.

(iv) In our opinion and according to the information and explanations given to us the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and extending guarantees and securities.

(v) According to the information and explanations given to us, the Company has not accepted deposits from the public and hence the provisions of clause 5 are not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act.

(vii) According to the information and explanations given to us, and in our opinion, the Company has been regular in depositing with the appropriate authorities the undisputed statutory dues in the case of Provident Fund, Employees' State Insurance, Income-Tax, Goods Service Tax, Customs Duty, Sales Tax and Value Added Tax, Cess and any other material statutory dues applicable to it. To the best of our knowledge and according to the information and explanations given to us, there are no arrears of outstanding statutory dues as at March 31, 2021 for a period of more than six months from the date they became payable.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions, banks, governments or debenture holders.

(ix) In our opinion and according to the information and explanations given to us, term loans have been applied by the company during the year for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) nor availed any term loans.

(x) To the best of our knowledge and according to the information and explanations given to us by the Company, no material fraud by the company or any fraud on the company by its officers and employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid /provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V of the Companies Act, 2013.

(xii) The Company is not a Nidhi Company. Hence, provisions of clause3 (xii)of the Order, are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with section 177 and section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standard.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year under review. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.

(xv) The Company has not entered into any non-cash transactions with the Directors or any persons connected with him. Accordingly, provisions of clause 3(xv) of the Order are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Hence, provisions of clause 3(xvi) of the Order, are not applicable.

**For Padmanabhan Ramani & Ramanujam**
Chartered Accountants
FRN: 002510S

**G. Vivekananthan**
Partner
Membership No: 028339

**Place: Chennai**
**Date: 31st May 2021**
**UDIN: 21028339AAAABB3903**

**Annexure B to the Independent Auditors' Report**

**The Annexure referred to paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Operational Energy Group India Limited on the standalone financial statements of the Company for the year ended March 31, 2021.**

**Report on the Internal Financial Controls over financial reporting under Clause (i) of Section 143(3) of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Operational Energy Group India Limited ("the Company") as of March31, 2021 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the 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, both 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. 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 Standalone Financial Statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone 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 Standalone 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 March31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Padmanabhan Ramani & Ramanujam**
Chartered Accountants
FRN: 002510S

**G. Vivekananthan**
Partner
Membership No: 028339

**Place: Chennai**
**Date: 31st May 2021**
**UDIN: 21028339AAAABB3903**

## STANDALONE BALANCE SHEET AS AT 31-03-2021

| Particulars | Note No | As at 31-03-2021 | As at 31-03-2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property Plant and Equipment | 2 | 4,29,20,209.21 | 4,19,43,131.78 |
| Investment Property | 2(A) | 47,91,454.05 | 47,91,454.05 |
| Intangible Assets | 2(B) | 3,77,705.89 | 3,62,705.89 |
| Financial Assets | | | |
| Non-Current Investments | 3 | 12,09,56,917.7 | 12,07,58,492.57 |
| Loans and Advances | 4 | 97,91,237 | 1,03,62,587.00. |
| Other Long Term Loans and Advances | 4(A) | 87,20,438.87 | 1,17,51,644.02 |
| Deferred Tax Assets (Net) | 5 | 85,15,000.00 | 21,44,000.00 |
| Other Non-Current Assets | 6 | 42,80,710.00 | 42,80,710.00 |
| **Current Assets** | | | |
| Financial Assets | | | |
| Trade Receivables | 7 | 38,20,81,257.34 | 38,89,70,255.34 |
| Cash and Cash Equivalents | 8 | 33,25,05,700.18 | 15,49,34,526.37 |
| Loans and Advances | 9 | 14,25,20,424.85 | 41,59,732.52 |
| Other Loans and Advances | 9(A) | 18,26,84,675.82 | 16,71,20,497.63 |
| Current Tax Asset | 10 | 2,93,14,972.19 | 6,38,89,630.39 |
| Other Current Assets | 10(A) | - | - |
| Inventories | 10(B) | 1,01,50,606.25 | 34,60,411.49 |
| **TOTAL** | | **1,27,96,11,309.35** | **97,89,29,779.94** |
| **EQUITY AND LIABILITIES** | | | |
| **Shareholder's Fund** | | | |
| Share Capital | 11 | 13,04,18,000.00 | 13,04,18,000.00 |
| Reserves and Surplus | 12 | 24,49,56,463.40 | 16,07,51,594.26 |
| **Share Application Money pending Allotment** | 13 | - | - |
| **Non-Current Liabilities** | | | |
| Financial Liabilities | | | |
| Long Term Borrowings | 14 | 2,32,52,835.52 | 4,75,77,245.66 |
| Other Long Term Liabilities | 15 | - | - |
| Long Term Provisions | 16 | 1,52,70,190 | 2,68,36,760.00 |
| | | - | |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| Short Term Borrowings | 17 | 5,91,78,958.38 | 4,89,40,980.34 |
| Trade Payables | 18 | 29,76,96,461.83 | 2,73,30,794.39 |
| Current Liabilities | 19 | 49,43,940.90 | 1,04,01,297.98 |
| Other Current Liabilities | 19(A) | 46,97,77,744.89 | 50,20,66,421.31 |
| Short Term Provisions | 20 | 3,41,16,714.00 | 2,46,06,686.00 |
| **TOTAL** | | **1,27,96,11,309.35** | **97,89,29,779.94** |

Significant Accounting Policies
Notes on Financial Statements
The notes are an integral part of these financial statements.

**For Operational Energy Group India Limited**

**For Padmanabhan Ramani & Ramanujum**
Chartered Accountants
FRN : 002510S

**S.RAMESH**
EXECUTIVE CHAIRMAN & MANAGING DIRECTOR
DIN NO:00052842

**B.VISWANATHAN**
INDEPENDENT DIRECTOR
DIN NO: 00702802

**G.VIVEKANANTHAN**
PARTNER
MEMBERSHIP NO:028339
**UDIN: 21028339AAAABB3903**

**S.V.NATARAJAN**
CHIEF FINANCIAL OFFICER

**KRITHIKA D THAKKAR**
COMPANY SECRETARY

**CHENNAI**
**31.05.2021**

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2021 - STANDALONE

| Particulars | Note No. | Year ended 31-03-2021 | Year ended 31-03-2020 |
|---|---|---|---|
| **Income** | | | |
| Revenue from Operations | 21 | 2,84,40,18,012.23 | 1,96,46,84,024.85 |
| Other Income | 22 | 1,08,41,604.02 | 67,60,799.44 |
| **Total Revenue** | | **2,85,48,59,616.25** | **1,97,14,44,824.29** |
| **Expenses** | | | |
| Cost of Materials /Services | 23 | 1,77,80,60,719.99 | 1,12,41,68,494.95 |
| Changes in Stock in Trade | 24 | -66,90,194.76 | -28,26,319.81 |
| Employee Benefit Expenses | 25 | 80,79,84,732.55 | 72,29,95,918.21 |
| Finance Cost | 26 | 82,15,844.69 | 1,68,41,563.58 |
| Depreciation and Amotisation Expenses | 27 | 61,58,409.16 | 67,54,663.58 |
| Other Expenses | 28 | 15,22,06,825.93 | 7,30,22,927.82 |
| **Total Expenses** | | **2,74,59,36,337.56** | **1,94,09,57,248.33** |
| **Profit before Exceptional items and Tax** | | **10,89,23,278.69** | **3,04,87,575.96** |
| Exceptional Items | | | |
| **Profit after Exceptional items and Tax** | | **10,89,23,278.69** | **3,04,87,575.96** |
| Excess Provision revesed during the year | | - | - |
| **Profit Before Tax** | | **10,89,23,278.69** | **3,04,87,575.96** |
| **Tax Expenses** | | | |
| (1) Current Tax | | 1,86,51,723.68 | 44,22,000.00 |
| (2) Deferred Tax | | -63,71,000.00 | 37,79,000.00 |
| **Profit for the Year** | | **9,66,42,555.01** | **2,22,86,575.96** |
| **Other Comprehensive Income** | | | |
| A i) Items that will not be reclassified to Profit or Loss | | | |
| Actuarial valuation | | -1,26,31,572.00 | 12,13,117.00 |
| Fair Value measurement of Financial instrument (FVTOCI) | | 1,93,886.13 | 36,50,459.57 |
| ii) Income Tax relating to items that will not be reclassified to Profit or Loss | | | |
| B i) Items that will be reclassified to Profit or Loss | | | |
| ii) Income Tax relating to items that will reclassified to Profit or Loss | | | |
| **Total Other Comprehensive Income** | | **-1,24,37,685.87** | **48,63,576.57** |
| | | | |
| **Total Comprehensive Income for the Year** | | **8,42,04,869.14** | **2,71,50,152.53** |
| Earning Per equity Share of face value of Rs.10/- each Basic & Diluted | 29 | 6.46 | 2.08 |

Significant Accounting Policies
Notes on Financial Statements
The notes are an integral part of these financial statements.

**For Operational Energy Group India Limited**

**For Padmanabhan Ramani & Ramanujum**
Chartered Accountants
FRN : 002510S

**S.RAMESH**
EXECUTIVE CHAIRMAN & MANAGING DIRECTOR
DIN NO:00052842

**B.VISWANATHAN**
INDEPENDENT DIRECTOR
DIN NO: 00702802

**G.VIVEKANANTHAN**
PARTNER
MEMBERSHIP NO:028339
**UDIN: 21028339AAAABB3903**

**S.V.NATARAJAN**
CHIEF FINANCIAL OFFICER

**KRITHIKA D THAKKAR**
COMPANY SECRETARY

**CHENNAI**
**31.05.2021**

## CASH FLOW STATEMENT - STANDALONE

| | 2020-21 | 2019 -20 |
|---|---|---|
| Annexure to Clause 32 of the listing Agreement | | |
| **CASH FLOW STATEMENT** | | |
| **A.CASH FLOW FROM OPERATIONS** | | |
| Profit before Tax | 10,89,23,279 | 3,04,87,576 |
| Less:- Provision for Taxation | 1,86,51,724 | 82,01,000 |
| Net Profit after Tax | 9,02,71,555 | 2,22,86,576 |
| Adjustments for | | |
| Depreciation | 61,58,409 | 67,54,664 |
| Other Comprehensive Income | -1,24,37,686 | 48,63,577 |
| Profit on sale of fixed assets | 0 | 0 |
| Interest/Dividend | 0 | 0 |
| Operating profit before working capital | 8,39,92,278 | 3,39,04,817 |
| (Increase)/Decrease in Sundry Debtors | 68,88,998 | 23,05,27,482 |
| (Increase)/Decrease in Inventories and other current assets | 2,78,84,463 | 62,65,871 |
| (Increase)/Decrease in Loans and Advances | -15,39,24,871 | -55,76,536 |
| Decrease in preoperation expenses | 0 | 0 |
| Increase/(Decrease) in current liabilities | 25,23,67,642 | -14,70,89,923 |
| SUB TOTAL | 13,32,16,233 | 8,41,26,894 |
| Cash generated from Operating activities | 21,72,08,512 | 11,80,31,711 |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchase of Fixed Assets | -71,50,487 | -91,00,979 |
| Sale of Fixed Assets | 0 | 0 |
| Purchase/Sale of Investments | -1,98,425 | -66,93,096 |
| Long term Loans and Advances | 36,02,554 | 15,81,272 |
| Net cash generated/Used from/in Investing Activities | -37,46,358 | -1,42,12,803 |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Proceeds from issue of share capital | 0 | 0 |
| Proceeds from long term borrowings (net) | -3,58,90,980 | -58,49,055 |
| Proceeds from working capital Loan | 0 | 0 |
| Reapyment of finance lease liabilities | 0 | 0 |
| Dividend paid | 0 | 0 |
| Net cash generated/used in Financing activities | -3,58,90,980 | -58,49,055 |
| Net increase in cash and cash equivalents | 17,75,71,173 | 9,79,69,852 |
| Cash and cash Equivalents (Opening Balance) | 15,49,34,526 | 5,69,64,675 |
| Cash and cash Equivalents (Closing Balance) | 33,25,05,700 | 15,49,34,526 |

**For Operational Energy Group India Limited**

**For Padmanabhan Ramani & Ramanujum**
Chartered Accountants
FRN : 002510S

**S.RAMESH**
EXECUTIVE CHAIRMAN & MANAGING DIRECTOR
DIN NO:00052842

**B.VISWANATHAN**
INDEPENDENT DIRECTOR
DIN NO: 00702802

**G.VIVEKANANTHAN**
PARTNER
MEMBERSHIP NO:028339
**UDIN: 21028339AAAABB3903**

**S.V.NATARAJAN**
CHIEF FINANCIAL OFFICER

**KRITHIKA D THAKKAR**
COMPANY SECRETARY

**CHENNAI**
**31.05.2021**

PART- I

ABRIDGED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

**A. Equity Share Capital**

| Particulars | As at 01.04.2020 | | Movement during the year | | As at 31.03.2021 | |
|---|---|---|---|---|---|---|
| | No. of Shares | Equity Share Capital par Value (Rs. in crore) | No. of Shares | Equity Share Capital par Value (Rs. in crore) | No. of Shares | Equity Share Capital par Value (Rs. in crore) |
| **Equity Share Capital** | 13041800 | 13.0418 | - | - | 13041800 | 13.0418 |

**B. Other Equity**

| Particulars | Retained earnings and other Reserves | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | KfW interest differential Reserve | Contingency Reserve | General Reserve | Bond Redemption Reserve | Capital Redemption Reserve | PRMA Reserve Fund | Retained Earnings | |
| **Balance as at 01.04.2020** | - | - | - | - | - | - | 160751594.26 | **160751594.26** |
| Charges in accounting policy or prior period errors | | | | | | | - | **0.00** |
| **Total Comprehensive Income for the year** | | | | | | | | |
| Profit or Loss | | | | | | | 84204869.14 | **84204869.14** |
| Other Comprehensive income | | | | | | | - | **0.00** |
| **Total Comprehensive Income** | | | | | | | 244956463.40 | **244956463.40** |
| Dividend including dividend Tax | | | | | | | - | **0.00** |
| Appropriations | | | | | | | - | **0.00** |
| Any other changes (Remeasurement Loss) | | | | | | | - | **0.00** |
| Other changes | | | | | | | - | **0.00** |
| **Balance as at 31.03.2021** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **244956463.40** | **244956463.40** |

**For Operational Energy Group India Limited**

**For Padmanabhan Ramani & Ramanujam**
Chartered Accountants
FRN : 002510S

**S RAMESH**
EXECUTIVE CHAIRMAN & MANAGING DIRECTOR
DIN NO:00052842

**B VISWANATHAN**
INDEPENDENT DIRECTOR
DIN NO: 00702802

**G VIVEKANATHAN**
PARTNER
MEMBERSHIP NO:028339
**UDIN: 21028339AAAABB3903**

**S V NATARAJAN**
CHIEF FINANCIAL OFFICER

**KRITHIKA D THAKKAR**
COMPANY SECRETARY

**Place: Chennai**
**Date: 31-05-2021**

**1. A - General Information:**

Operational Energy Group India Limited (the Company), is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 of India. Its shares are listed in one recognized stock exchange in India. The registered office of the Company is located at A,5th Floor, Gokul Arcade – East Wing, 2 & 2A Sardar Patel Road, Adyar, Chennai – 600 020.

The Company is primarily engaged in the business of operation & maintenance of power plants.

**1. B - Statement of compliance:**

a). The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, notified under section 133 of Companies Act, 2013 (the Act), and other relevant provisions of the Act.

**1. C - Significant accounting policies:**

**a). Basis of preparation of financial statements**

i). In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act (the Act), 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from1st April, 2016 and other relevant provisions of the Act.

ii). Pursuant to the above said requirements, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2021, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

iii). The financial statements of the Company are prepared on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.

iv). The financial statements are presented in Indian Rupees ('INR') and all values are reported in full value without rounding off except otherwise indicated.

**b). Use of estimates and judgments**

i). The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

ii). The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on past experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. The critical accounting judgements and key estimates followed by the Company for preparation of financial statements is described in Note 1(C) (s) herein.

The Financial Statements have been prepared on the historical cost basis except for certain Financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of Ind AS-17, and measurements that have some
similarities to fair value but are not fair value, such as net realisable value in Ind AS-2 or value in use in Ind AS-36 .

In addition, for Financial reporting purposes, fair value measurements are categorised into Level 1,2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices unadjusted in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the schedule III to the Companies Act. Based on the nature of Supplies and the time involved in realization of the cash and cash equivalents for the same, the Company has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

The significant accounting policies are detailed below.

**c). Property, Plant and Equipment**

i) . Cost model is adopted for Property, Plant and Equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if (a) it is probable that future economic benefits associated with the item will flow to the entity and (b) the cost of the item can be measured reliably.

ii). The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any non-refundable import duties and other taxes, any directly attributable expenditure on making the asset ready for its intended use by the Management, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

iii). Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred.

iv). An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.
v). Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the financial statements at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Lease hold land is stated historical cost.

**d). Intangible Assets**
i). An intangible asset is recognised if, and only if (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and (b) the cost of the asset can be measured reliably as per the assessment of the management.
ii). Intangible assets with finite useful lives that are acquired separately are initially recognized at Cost which comprises of the purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of preparing the asset for its intended use, and subsequently carried at cost less accumulated amortization and accumulated impairment losses.
iii). Computer software costs are capitalized and recognised as intangible assets based on materiality, accounting prudence and significant benefits expected to flow there from for a period longer than one year.
iv). An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

**e). Depreciation/Amortisation**
i). Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The useful life of an asset is the period over which an asset is expected to be available for use by an entity.
ii). Amortisation is recognised on a straight- line basis over the estimated useful lives.
iii). Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.
iv). Depreciation and amortization methods, useful lives and residual values are reviewed periodically as appropriate in the views of the management and also at the end of each reporting period and adjusted if required.
v). Operating Software are amortised over a period of 3 years being their estimated useful life.
vi). There are no assets under Financial Lease during the Financial year
vii). Estimated useful lives of the assets, based on technical assessment by the Management, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

| Class of Property, Plant and Equipment | Useful Life Estimated by Management | Useful Life as per Schedule II |
|---|---|---|
| Buildings | 5-60 years | 60 Years |
| Plant and Equipment | 15 years | 15 Years |
| Furniture and Fixtures | 1-10 years | 10 Years |
| Motor Cars and Scooters | 4-10 years | 8 Years |

| | | |
|---|---|---|
| Office Equipment | 2 -10 years | 5 Years |
| Computers<br>Servers & Networks<br>End Users Devices | <br>6 Years<br>3 Years | <br>6 Years<br>3 Years |

**f). Impairment of tangible and intangible assets other than goodwill**

i). At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

ii). There are no Intangible Assets with indefinite useful lives.

iii). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised immediately in Statement of Profit and Loss.

iv). When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

**g). Borrowing Cost**

i). Borrowing costs comprises of interest and other costs that are incurred by the
Company in connection with the borrowing of funds and also includes exchange differences to the extent regarded as an adjustment to the finance costs.

ii). Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Qualifying Asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised as expenses in the Statement of Profit and Loss in the period in which they are incurred.

**h). Cash and Cash Equivalents and Cash Flow Statement**

Cash and cash equivalents in the balance sheet comprises of cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank Cash Credits repayable on demand, as they are considered an integral part of the Company's cash management.

Cash flow statements are reported using indirect method and the cash flows from operating, investing and financing activities of the Company are segregated.

**i). Inventories**

i). Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

ii). Inventories of stores, spare parts and loose tools are stated at the lower of cost under FIFO method and net realizable value.

iii). Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

**j). Loans & Advances, Trade Payables and Receivables**

Advances, balances with government departments, Trade Payables and receivables, other loans and advances and deposits classified under non current and current are subject to confirmation. There are certain old balances pending review / adjustment. The management does not expect any significant impact upon such reconciliation.

**k). Revenue Recognition**

i). Revenue is measured at the fair value of the consideration received or receivable.

ii). The Company is engaged in the business of providing Operations and Maintenance ('O&M') services to various power plants and the revenues are governed by the Operations and Maintenance agreements entered with the owners of these power plants. Revenue from Operation and maintenance (O&M) services rendered by the Company to Power Plants Operators are recognised over the period of the contract on straight line method (vide Ind AS 18.25) and unrecognized revenue (received in advance) is shown as unearned revenue.

iii). Revenue from sale of spares and consumables relevant for the O&M services are being incidental to the O&M Services and are recognised on delivery of the same to the customers and no significant uncertainty exists as to its realization.

iv). Other revenues from ancillary activities incidental to the main operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

v). Dividend and interest income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

**l). Foreign currency transactions**

i). The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR). The Financial Statements are presented in INR.

ii). In preparing the financial statements of the Company transactions in currencies other than the entity's functional currency (i.e, foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

iii). At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date (closing rate). Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

iv). Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.
v). Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

**m). Employee Benefits**

**i) Defined Contribution Plan**

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company as the employer makes monthly contributions at a specified percentage of the covered employees' salary. The contributions are made to the provident fund and pension fund set up by the Government. The Contributions to the Provident fund by the Company are recognized as expenses and included in "Contribution to Provident and Other Fund" under employee benefit expenses in the Statement of Profit and Loss.

**ii) Defined Benefit Plan**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service.

The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The defined benefit plan for gratuity is unfunded. The liabilities for the gratuity obligations are recognized as expenses in the Statement of Profit and Loss as per the actuarial valuation at the end of the reporting period.
The principal assumption used for Actuarial valuations of gratuity obligations is:

| | **31st March, 2021** | **31st March, 2020** |
|---|---|---|
| Discount Rate | 7.00% | 6.11% |
| Expected Salary Increment rate | 5.00% | 7.00% |
| Average longevity at retirement age-Past services | 2.75 | 2.41 |
| Average longevity at retirement age-Future services | 9.42 | 9.16 |

The expenses recognized towards the defined contribution and defined benefit plan, by the Company are:

| | **31st March, 2021** | **31st March, 2020** |
|---|---|---|
| Defined Contribution Plan | Rs. 3,71,99,152 | Rs. 3,76,33,973 |
| Defined Benefit Plan | Rs.3,51,42,748 | Rs. 51,53,184 |

**n). Taxation**

Income Tax expenses represents the aggregate amount included in the determination of Profit or Loss for the period in respect of Current Tax and Deferred Tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**i) Current Tax**

Current tax is determined on the Taxable Profits for the year chargeable to Income Tax, as per the provisions of Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted, at the applicable tax rates prescribed by said Income Tax laws.

**ii) Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and same taxation authority.

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**iii). Minimum Alternative Tax**

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period allowed by the prevailing tax laws for adjustments of the credit with normal tax liabilities. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the said specified period.

**o). Earning Per Share**

Basic earnings per share is calculated by dividing profit/(loss) for the year attributable to ordinary equity holders of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

Diluted earnings per share is computed by dividing the profit/ (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

**p). Provisions, contingent liabilities and commitments**

i). Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

ii). The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

iii). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

iv). A disclosure for contingent liabilities is made where there is-

a. a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity

or

b. a present obligation that arises from past events but is not recognized because 1). it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or 2). the amount of the obligation cannot be measured with sufficient reliability.

v). A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

vi). Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

vii). Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

vii). Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

**q). Financial Instruments**

**i. Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

The Company measures a financial asset or financial liability at its fair value. In the case of a financial asset or financial liability measured not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability are adjusted in the value of financial asset or financial liability

**ii. Classification and subsequent measurement**

***a. Financial assets:***

On initial recognition, a financial asset is classified as measured at: - amortised cost; or

- Fair value through other comprehensive income (FVOCI)
- Fair value through profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. A financial asset is subsequently measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

***c. Financial liabilities: Classification, subsequent measurement and gains and losses:***

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**iii. Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**v. Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

**r). Leases**

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
A lease is classified at the inception date as an operating lease. The Company does not have financial lease.

**The Company as lessor**:

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**The Company as lessee:**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (discounted at the interest rate implicit in the lease or at the entity’s incremental borrowing rate). The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments under an operating lease shall be recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

**s) Operating segments**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components and whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Executive and Managing Director of the Company is the 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators. The Company is primarily engaged in "Operation and Maintenance (O&M) of power plants" in domestic sector only during the current year.

**t) Critical estimates and judgements in applying accounting policies**

**Key sources of estimation uncertainties:**

Useful life and residual value of property, plant and equipment: Management reviews the useful life and residual values of property, plant and equipment at least once a year. Such life are dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

**Impairment of property plant and equipment:**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

**Contingent Liabilities:**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. The Claim against the company in respect of service tax is Rs.4,88,48,919/-. The Company has won the first case at CESTAT and hence there is no requirement of contingent liability for this in the future period. Then other cases are similar in nature and hence it is expected to be in favour of the company.

**Fair value measurements:**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

**Defined benefit plans:**

The cost of defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Lease:**

The Company has offered its immovable property at Srivilliputhur on long term lease to an educational Trust. The said lease is treated as Operating lease as the tenure of the Lease is significantly lesser than the economic life of the Assets leased out, as per the estimate made by the Management.

**Tax:**

The Company is subject to tax, principally in India. The amount of tax payable in respect of any period is dependent upon the interpretation of the relevant tax rules. Whilst an assessment must be made of deferred tax position of each entity within the Company, these matters are inherently uncertain until the position of each entity is agreed with the relevant tax authorities

The Company's pending litigations comprise mainly claims against the Company, property disputes, proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2021

**2& 2(A)Property, Plant and Equipment**

| Description of Property, Plant and Equipments | Gross Carrying Amount | | | | Depreciations | | | | Net Carrying Amount as at 31-03-2021 | Net Carrying Amount as at 31-03-2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| | 01-04-2020 | Additions | Disposals | 31-03-2021 | 01-04-2020 | Charged for the Year | Disposals | 31-03-2021 | | |
| Land | 1,78,413.00 | | | 1,78,413.00 | - | | | - | 1,78,413.00 | 1,78,413.00 |
| Buildings | 2,71,99,768.00 | | | 2,71,99,768.00 | 1,42,45,675.01 | 22,07,081.00 | | 1,64,52,756.01 | 1,07,47,011.99 | 1,29,54,092.99 |
| Investment Properties (Ref.Note 12.2) | | | | | | | | | | |
| Land | 94,954.00 | | | 94,954.00 | - | | | - | 94,954.00 | 94,954.00 |
| Buildings | 1,80,11,837.00 | | | 1,80,11,837.00 | 1,33,15,336.95 | | | 1,33,15,336.95 | 46,96,500.05 | 46,96,500.05 |
| Plant and Machinery | 4,23,47,060.24 | 3,71,834.50 | | 4,27,18,894.74 | 2,99,65,575.59 | 3,42,823.61 | | 3,03,08,399.20 | 1,24,10,495.54 | 1,23,81,484.65 |
| Tools & Equipment (Ref.Note 12.1) | 87,11,114.82 | 18,00,867.56 | | 1,05,11,982.38 | 36,75,275.38 | 13,32,390.35 | | 50,07,665.73 | 55,04,316.65 | 50,35,839.44 |
| Furniture and Fittings | 53,59,109.00 | - | | 53,59,109.00 | 49,68,570.55 | 50,105.71 | | 50,18,676.26 | 3,40,432.74 | 3,90,538.45 |
| Office Equipment | 69,42,138.28 | 1,18,700.45 | 2,23,346.76 | 68,37,491.97 | 62,34,149.11 | 1,76,454.18 | 2,09,666.87 | 62,00,936.42 | 6,36,555.55 | 7,07,989.17 |
| Computers and Peripherals | 1,46,56,800.71 | 10,19,203.74 | 1,13,000.00 | 1,55,63,004.45 | 1,38,58,859.98 | 7,88,009.51 | 1,13,000.00 | 1,45,33,869.49 | 10,29,134.96 | 7,97,940.73 |
| Motor Vehicles | 2,07,52,521.00 | 38,38,560.24 | | 2,45,91,081.24 | 1,17,40,920.21 | 12,61,544.81 | | 1,30,02,465.02 | 1,15,88,616.22 | 90,11,600.79 |
| Genset | 7,16,224.80 | | | 7,16,224.80 | 2,30,993.24 | | | 2,30,993.24 | 4,85,231.56 | 4,85,231.56 |
| Solar Power Hybrid with Batteries | 98,018.00 | | | 98,018.00 | 98,018.00 | | | 98,018.00 | - | - |
| Gym Equipment | 64,012.00 | | | 64,012.00 | 64,011.00 | - | | 64,011.00 | 1.00 | 1.00 |
| **Total** | **14,51,31,970.85** | **71,49,166.49** | **3,36,346.76** | **15,19,44,790.58** | **9,83,97,385.02** | **61,58,409.17** | **3,22,666.87** | **10,42,33,127.32** | **4,77,11,663.26** | **4,67,34,585.83** |

12.1 Fair Value of the Tools & Equipment are considered as Deemed Cost as per Ind AS 101

12.2 Investment Properties represents the Immovable property used for letting and earning rental income

**2(B) Intangible Assets**

| Description of Intangible Assets | Gross Carrying Amount | | | | Amortisation | | | | Net Carrying Amount as at 31-03-2021 | Net Carrying Amount as at 31-03-2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| | 01-04-2020 | Additions | Disposals | 31-03-2021 | 01-04-2020 | Charged for the Year | Disposals | 31-03-2021 | | |
| Application Softwares | 30,64,984.00 | 15,000.00 | - | 30,79,984.00 | 27,02,278.11 | - | - | 27,02,278.11 | 3,77,705.89 | 3,62,705.89 |
| ERP Software | | | | | | | | | | |
| **Total** | **30,64,984.00** | **15,000.00** | **-** | **30,79,984.00** | **27,02,278.11** | **-** | **-** | **27,02,278.11** | **3,77,705.89** | **3,62,705.89** |

| Notes to Financial Statements for the Year ended 31-03-2021 | | |
|---|---|---|
| | **As at 31-03-2021** | **As at 31-03-2020** |
| **3 Non-Current Investments** | | |
| **Investments in Equity Instruments -Unquoted** | | |
| **Subsidiary** | | |
| 9,800 Nos. (FY: 2019-20-9,800; 2020-21-9,800) Equity Shares of Pacific Technical Service India Limited of Rs.10/- each | 52,05,486.58 | 50,89,325.22 |
| Share Application Money with OEG International FZE, Dubai | | |
| 5,60,000 Nos. (2019-20: 5,60,000, 2020-21-5,60,000) Equity Shares of Investment in Maxitech Engineering Private Ltd of Rs.10/- each | - | - |
| 36,603 Nos. (FY -2019-20 - 36603; 2020-21 - 36603 ) Equity Share of OEG BangladeshLtd of TK 100 each | 30,38,490.00 | 3038490 |
| **Associates** | | |
| 4,800 Nos. (FY: 2019-20-4,800; 2020-21-4,800) Equity Shares of Thoothukudi Renew Waters Private Limited of Rs.10/- each | - | - |
| **Joint Venture** | | |
| 82,500 Nos. (FY: 2019-20-82,500; 2019-21-82,500) Equity Shares of Shapoorji Pallonji and OEG Services Private Limited of Rs.12.30/- each | - | - |
| **Others** | | |
| 1 No. (2019-20 and 2020-21) Equity Share of OEG Singapore... Ltd of SGD 44 each | 44.00 | 44.00 |
| 9,999 Nos. (FY: 2019-20-9,999; 2020-21-9,999) Equity Shares of OEG Solar Energy Private Limited of Rs.10/- each | 1,19,349.12 | 41,624.35 |
| **Investments in Preference Shares -Unquoted (FVTOCI)** | | |
| 1,12,50,000 Nos. Non-Cumulative Preference Shares of South Ganga Waters Technologies Private Limited of Rs.10/- each | 11,25,00,000.00 | 11,25,00,000.00 |
| **Investments in Government Securities (At Amortised Cost)** | | |
| National Savings Certificate (Ref.Note 3.1) | 93,548.00 | 89,009.00 |
| **Total** | **12,09,56,917.70** | **12,07,58,492.57** |
| 3.1 Investments in Government Securities are offered as Security Deposit for Labour License and Sales Tax Department | | |
| Aggregate Book Value of Un-Quoted Investments | 12,09,56,917.70 | 12,07,58,492.57 |
| Aggregate Impairment in value of Investments | | |
| 3.2 Investments are fully paid-up unless otherwise stated | | |
| **4 Long Term Loans and Advances -Financial Assets** | | |
| **Related Parties** | | |
| Refundable Rental Advance | 52,00,000.00 | 52,00,000.00 |
| Loans & Advance | 45,91,237.00 | 51,62,587.00 |
| | 0.00 | 0 |
| **Total** | **97,91,237.00** | **1,03,62,587.00** |
| **4(A) Long Term Loans and Advances** | | |
| Unsecured considered Good | | |
| **Others** | | |
| Security Deposits | 81,61,138.87 | 1,05,93,144.02 |
| Rental Advance | 5,59,300.00 | 11,58,500.00 |
| Other Advance | - | |
| **Total** | **87,20,438.87** | **1,17,51,644.02** |

| | | |
|---|---|---|
| **5 Deferred Tax Assets (Net)** | | |
| **Deferred Tax Assets** | | |
| On Provision for Gratuity & Other Employee Benefits | 21,44,000.00 | 36,61,000.00 |
| | 21,44,000.00 | 36,61,000.00 |
| **Deferred Tax Liabilities** | | |
| On Depreciation | 63,71,000.00 | 15,17,000.00 |
| | 63,71,000.00 | 15,17,000.00 |
| **Deferred Tax Assets (Net)** | **85,15,000.00** | **21,44,000.00** |
| 5.1. Deferred Taxes are computed to the nearest '000 | | |
| **6 Other Non-Current Assets** | | |
| Bank Deposits for a maturity period greater than 12 months (Ref.Note 6.1) | - | |
| Service Tax stay deposit (Ref.Note Contingent Liabilities) | 42,80,710.00 | 42,80,710.00 |
| **Total** | **42,80,710.00** | **42,80,710.00** |
| **7 Trade Receivables (Financial Asset)** | | |
| **Unsecured Considered Good** | | |
| Outstanding for more than 180 days from the date they are due | | |
| Related Parties | - | - |
| Others | 77,83,195.70 | 99,58,755.35 |
| Outstanding for less than 180 days from the date they are due | | |
| Related Parties | - | - |
| Others | 37,42,98,061.64 | 37,89,61,499.99 |
| **Unsecured Considered Doubtful** | | |
| Related Parties | | |
| Others | - | 50,000.00 |
| | 38,20,81,257.34 | 38,89,70,255.34 |
| Less: Allowance for Impairment | | |
| **Total** | **38,20,81,257.34** | **38,89,70,255.34** |
| **8 Cash and Cash Equivalents (Financial Asset)** | | |
| Balance with Banks | 18,19,91,637.18 | 7,95,15,352.62 |
| Cash on Hand | 8,22,323.00 | 8,22,858.00 |
| Cheques on Hand | - | - |
| Bank Fixed Deposit with maturity of period lessthan 12 months(Ref.Note 8.1) | 14,96,91,740.00 | 7,45,96,316.00 |
| **Total** | **33,25,05,700.18** | **15,49,34,526.62** |
| 8.1 Fixed Deposits with Banks are as margin money for the Bank Guarantee and Working Capital facilities availed from Banks. The balance includes accrued interest | | |
| **9. Loans and Advances - Financial Assets** | | |
| Unsecured considered Good | | |
| Security Deposits,Inter Corporate Deposits and EMD | 14,00,00,000.00 | - |
| Retention money and other Job Advances | 25,20,424.85 | 41,59,732.52 |
| **Total** | **14,25,20,424.85** | **41,59,732.52** |
| **9(A).Other Loans and Advances** | | |
| Unsecured considered Good | | |
| Advances to Related Parties | 4,64,82,464.40 | 3,03,45,886.21 |
| Advance to Suppliers | 13,62,02,211.42 | 13,67,74,611.42 |
| **Total** | **18,26,84,675.82** | **16,71,20,497.63** |

| | | |
|---|---|---|
| **10 Current Tax Assets** | | |
| Income Tax (Net of Provision) | 2,93,14,972.19 | 6,38,89,630.39 |
| **Total** | **2,93,14,972.19** | **6,38,89,630.39** |
| **10(A) Other Current Assets** | | |
| Prepaid Value Added Taxes | - | - |
| **Total** | **-** | **-** |
| **10(B) Inventories** | | |
| Prepaid Value Added Taxes | - | - |
| Inventories | 1,01,50,606.25 | 34,60,411.49 |
| Advance Payment to Credit Cards | | |
| **Total** | **1,01,50,606.25** | **34,60,411.49** |
| **11. Share Capital** | | |
| **Equity Share Capital** | | |
| **Authorised** | | |
| 1,40,00,000/- (2021 : 1,40,00,000 and 2020 : 1,40,00,000) Equity Shares of Rs.10/- each | 14,00,00,000.00 | 14,00,00,000.00 |
| **Issued** | | |
| 1,30,41,800 (2021 : 1,30,41,800 and 2020 :1.30,41,800) Equity Shares of Rs.10/- each | | |
| **Subscribed and fully paid up** | | |
| 1,30,41,800 (2021 : 1,30,41,800 and 2020 :1.30,41,800) Equity Shares of Rs.10/- each | 13,04,18,000.00 | 13,04,18,000.00 |
| **Total** | **13,04,18,000.00** | **13,04,18,000.00** |
| **11.1 Reconciliation of number of Equity Shares subscribed** | | |
| Balance at the begining of the year | 1,30,41,800 | 1,30,41,800 |
| Add: Shares issued during the year for cash | - | |
| **Balance at the end of the year** | **1,30,41,800** | **1,30,41,800** |

**11.2 Terms/Rights attached to Equity Shares**

The company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any for a year, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**11.3 Shareholders other than the Holding/Associate Company holding more than 5% of the equity share capital:**

Equity Shares of Rs.10/- each fully paid:
Ramesh.S : 50,81,800 (2021-50,81,800 shares and 2020-50,81,800 Shares) shares aggregating to 38.97% (2019- 38.97% and 2018-38.97%)
Sudarshan.R : 6,16,300 (2021 -6,16,300 shares and 2020- 616300 Shares) shares aggregating to 4.73% (2019- 4.73% and 2018-4.73%)
Usha Ramesh : 9,25,200 (2021 -9,25,200 shares and 2020- 9,25,200.Shares) shares aggregating to 7.09% (2019- 7.09% and 2018- 7.09)
Premier International Limited : 14,91,800 (2021-14,91,800 shares and 2020-14,91,800.Shares) shares aggregating to 11.44% (2021- 11.44% and 2020-11.44.%)
South Ganga Waters Technology Private Limited :26,05,200 (2021-26,05,200 shares and 2020 26,05,200.Shares) shares aggregating to 19.98% (2021- 19.98% and 20-19.98%)

| | | |
|---|---|---|
| **12 Reserves and Surplus** | | |
| **Retained Earnings** | | |
| Opening Balance | 16,07,51,594.26 | 13,36,01,441.73 |
| Ind AS Adjustments | - | - |
| Add : Net Profit for the Year | 8,42,04,869.14 | 2,71,50,152.53 |
| **Closing Balance** | **24,49,56,463.40** | **16,07,51,594.26** |
| **13. Share Application money pending allotment** | | |
| Share Application money Pending Allotment (Ref.Note 13.1) | - | - |
| **Total** | **-** | **-** |

13.1 Share Application money pending allotment represents shares to be alloted to the shareholders of Transferor company in the scheme of demerger

| | | |
|---|---|---|
| **14 Long Term Borrowings (Financial Liabilities)** | | |
| **Secured** | | |
| Term Loan from Banks (Ref.Note 14.1 & 14.5) | - | - |
| Vehicle Loan from Banks (Ref.Note 14.2 & 14.6) | - | - |
| Vehicle Loan from Financial Institutions (Ref.Note 14.2 & 14.6) | 38,95,838.82 | 34,74,792.30 |
| **Unsecured** | | |
| From Related Parties (Ref.Note 14.5) | - | - |
| Term Loans from Banks (Ref.Note 14.6) | 1,93,56,996.70 | 2,25,09,708.26 |
| Term Loans from Financial Institutions (Ref.Note 14.6) | - | 2,15,92,745.10 |
| **Total** | **2,32,52,835.52** | **4,75,77,245.66** |

**Nature of Security Offered**
14.1 Secured Vehicles loans from Banks and Financial institutions are secured by Hypothecation of the Vehicles bought with the loan proceeds.

**Repayment Terms**
14.2 Vehicle Loans from Financial Instituitions are repayable at 10.35% interest rate (Average) in Equated Monthly Installments (EMI).
14.3 Unsecured Loan from Related Parties are repayable Nil And the applicable interest rate is Nil
14.4 Unsecured Loan from Financial Institutions are repayable at 12.25% interest rate (Average) in Equated Monthly Installments (EMI)

| | | |
|---|---|---|
| **15 Other Long Term Liabilities** | **-** | **-** |
| **Total** | **-** | **-** |
| **16 Long Term Provisions** | | |
| Provision for Gratuity Liabilities (Ref.Note 16.1) | 1,23,14,782.00 | 2,25,75,311.00 |
| Provision for Leave Encashment | 29,55,408.00 | 42,61,449.00 |
| **Total** | **1,52,70,190.00** | **2,68,36,760.00** |

16.1 The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

| | | |
|---|---|---|
| **17 Short Term Borrowings - Financial Liabilities** | | |
| Over Draft facilities from Banks (Ref.Note 17.1) | 5,91,78,958.38 | 4,89,40,980.34 |
| **Total** | **5,91,78,958.38** | **4,89,40,980.34** |

17.1 Over Draft from Banks Represents Overdraft facilities availed from Axis Bank for a limit of Rs 12 Crores (Twelve Crores Rupees Only) and are secured by hypothecation charge on stocks and receivables of the company and secured by hypothecation of lien free movable assets of the Company and by Equitable Mortgage of the immovable property of Mr.S.Ramesh situated at Adyar, Chennai-20 offered by him as collateral security and also Personal Gurantee by Mr.S.Ramesh and Mrs.Usha Ramesh.

| | | |
|---|---|---|
| **18 Trade Payables** | | |
| Total outstanding dues of micro enterprises and small enterprises (Ref.Note 18.1) | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| Related Parties | - | - |
| Others | 29,76,96,461.83 | 2,73,30,794.39 |
| **Total** | **29,76,96,461.83** | **2,73,30,794.39** |
| 18.1 Based on the review of the Company, there are no Trade Payables to Micro and Small Enterprises | | |
| **19 Other Current Liabilities - Financial Liabilities** | | |
| Current Maturities of Long Term Borrowings (Ref.Note 14) | 49,43,940.90 | 1,04,01,297.98 |
| **Total** | **49,43,940.90** | **1,04,01,297.98** |
| **19(A) Other Current Liabilities** | | |
| Statutory Liabilities | 31,09,031.39 | 4,73,39,692.09 |
| Salary, Bonus & Expenses Payable | 28,96,66,320.50 | 26,71,00,846.22 |
| Retention Money, Deposits & Advances | 17,70,02,393.00 | 18,76,25,883.00 |
| **Total** | **46,97,77,744.89** | **50,20,66,421.31** |
| **20 Short Term Provisions** | | |
| Provision for Bonus | 3,41,16,714.00 | 2,46,06,686.00 |
| **Total** | **3,41,16,714.00** | **2,46,06,686.00** |

Notes to Financial Statements for the Year ended 31-03-2021

| | As at 31-03-2021 | As at 31-03-2020 |
|---|---|---|
| **21 Revenue from Operations** | | |
| **From Sales** | | |
| Sale of Maintenance Spares & Components | 13,37,72,963.63 | 28,72,31,217.52 |
| **From Services** | | |
| Operation and Maintenance Fees | 2,53,98,13,813.60 | 1,66,25,99,302.33 |
| Accrued Income | 17,04,31,235.00 | 1,48,53,505.00 |
| **Total** | **2,84,40,18,012.23** | **1,96,46,84,024.85** |
| **22 Other Income** | | |
| **Interest Income from** | | |
| Bank Deposits | 1,02,80,482.04 | 55,56,182.48 |
| Other Income | 5,61,121.98 | 6,21,954.00 |
| Others | | |
| **Other non-operating Income** | | |
| Profit on Sale of Fixed Assets | - | - |
| Foreign Exchange Fluctuation Gain | - | 5,82,662.96 |
| Miscellaneous Income | | |
| **Total** | **1,08,41,604.02** | **67,60,799.44** |
| **23 Cost of Materials/ Services** | | |
| Cost of materials /Service | 1,77,80,60,719.99 | 1,12,41,68,494.95 |
| **Total** | **1,77,80,60,719.99** | **1,12,41,68,494.95** |
| **24 Changes in Stock in Trade** | | |
| **Opening Stock** | | |
| Maintenance Spares & Components | 34,60,411.49 | 6,34,091.68 |
| | 34,60,411.49 | 6,34,091.68 |
| **Closing Stock** | | |
| Maintenance Spares & Components | 1,01,50,606.25 | 34,60,411.49 |
| | 1,01,50,606.25 | 34,60,411.49 |
| **Total** | **- 66,90,194.76** | **- 28,26,319.81** |
| **25 Employee Benefit Expenses** | | |
| Salaries and Wages | 70,68,56,051.62 | 62,82,52,701.08 |
| Contribution to Provident and Other Funds | 4,76,70,051.00 | 4,84,67,591.00 |
| Staff Welfare Expenses | 5,34,58,629.93 | 4,62,75,626.13 |
| **Total** | **80,79,84,732.55** | **72,29,95,918.21** |
| **26 Finance Charges** | | |
| Interest Expenses | 82,15,844.69 | 1,68,41,563.58 |
| Interest on Income Tax Demand | | |
| TOTAL | **82,15,844.69** | **1,68,41,563.58** |
| **27 Depreciation and Amortisation** | | |
| Depreciation | 61,58,409.16 | 67,54,663.58 |
| Amortisation | | |
| TOTAL | **61,58,409.16** | **67,54,663.58** |

| | | |
|---|---|---|
| **28 Other Expenses** | | |
| **Operating Expenses (A)** | | |
| Consumables & Tools | - | - |
| Diesel Expenses | - | - |
| Testing, Inspection and Calibration Charges | - | - |
| Other Operating Expenses | - | - |
| **Other Expenses (B)** | | |
| Power and Fuel Charges | 2,68,775.86 | 8,06,640.88 |
| Rent Paid | 46,38,600.00 | 41,38,600.00 |
| Rates and Taxes | 55,64,803.32 | 74,98,208.37 |
| Insurance Charges | 13,93,160.00 | 6,24,491.00 |
| Bad Debts | 2,16,02,737.26 | 2,97,38,233.00 |
| Repairs & Maintenance | | |
| -Buildings | - | 4,30,270.00 |
| -Equipments | 14,39,639.27 | 13,12,556.84 |
| Security Service Charges | 2,53,000.00 | 4,48,914.00 |
| Brokeage and Commission | 8,85,59,435.00 | - |
| Communication Expenses | 19,00,792.54 | 20,88,048.90 |
| Directors' Sitting Fee and Commission | 1,80,000.00 | 1,60,000.00 |
| Printing & Stationery | 15,15,599.13 | 16,76,973.69 |
| Professional Charges | 17,44,420.00 | 30,69,536.00 |
| Payments to Auditors (Ref. note 28.1) | 10,12,000.00 | 11,27,000.00 |
| Subscriptions | 2,05,696.00 | 2,02,255.00 |
| Books and Periodicals | 37,041.00 | 16,959.00 |
| Business Promtion Expenses | 33,83,243.84 | 33,21,846.14 |
| Advertisement Expenses | 1,91,125.00 | 3,95,767.00 |
| Bank Charges | 2,53,377.99 | 3,58,905.79 |
| CSR Expenses (Ref.Note 28.2) | 36,45,010.00 | 12,60,000.00 |
| Travelling and Conveyance Expenses | 48,78,098.26 | 60,20,335.59 |
| Vehicle Repairs and Maintenance Expenses | 25,45,079.48 | 27,97,280.44 |
| Pooja Expenses | 4,11,411.00 | 9,11,786.00 |
| Miscellaneous Expenses | 8,20,101.09 | 12,10,462.01 |
| Loss on Sale of Fixed Assets | 13,679.89 | 5,834.17 |
| Director remuneration | 57,50,000.00 | 34,02,024.00 |
| **TOTAL** | **15,22,06,825.93** | **7,30,22,927.82** |

28.1 Payment to Auditors represents fee for Statutory audits

28.2 Though the Company is not subject to mandatory compliance with the provisions of the Companies Act 2013 on CSR,the company has on its own interest constituted a Corporate Social Responsibility Committee and has a very passionate view of corporate social responsibility. The volunatry CSR spending of the Company during the year are as given under

| CSR Spending | As at 31-03-2020 | As at 31-03-2019 |
|---|---|---|
| Amount required to be spent during the year as per Section 135 | | |
| Amount Spent during the year on:<br>(i) Construction/acquisition of any asset | | |
| (ii) On purposes other than (i) above | 36,45,010.00 | 12,60,000.00 |

| | 31-03-2020 | 31-03-2019 |
|---|---|---|
| **29. Earning Per Share** | | |
| Profit After Tax (PAT) | 8,42,04,869.14 | 2,71,50,152.53 |
| Weighted average number of shares | 1,30,41,800 | 1,30,41,800 |
| Earning Per Share (Face value Rs.10/- each ) | | |
| Basic | 6.46 | 2.08 |
| Dilluted | 6.46 | 2.08 |

**30. Operating Lease**

Leasing of Immovable properties is treated as Operating lease as the tenure of the Lease is significantly lesser than the economic life of the Assets leased out

**Note No.31- Inventories as at the reporting date:**
Normally the Company procures inventories and other consumables for rendering its O&M services, EPC services and for sales, being incidental activity in connection with the O&M service and EPC contracts, as and when the requirements arise.

**Note No.32- Business Combinations:**
The company does not have any Business Combinations.

**Note No.33 – Scheme of Arrangements:**
There has been no Scheme of Arrangements entered into between the Company and its Subsidiaries.

**Note No. 34 - Capital management & Risk Management Strategies:**
**Risk management framework**
The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.
The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i) **Capital management**
The Company being in O&M service industry which requires huge working capital for its operation, its objective is to maintain a strong credit rating healthy capital ratio and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.
The Company's capital requirement is mainly to fund its working capital, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding through borrowings from Banks & Financial Institutions.
The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the asset and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

**Financial risk management**
The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company. These risks include (i) Credit risk, (ii) Liquidity risk and (iii) Market risk
The Company seeks to minimize the effects of these risks by using periodic monitoring and action plans to cover up risk exposures, wherever required. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**Credit risk management**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities.

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers based on which the Company agrees on the credit terms with customers in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

| Particulars | Age of receivables (Rs. in Lakhs) | |
|---|---|---|
| | **As at 31st March, 2021** | **As at 31st March, 2020** |
| Within credit period | | |
| 1-30 days past due | 3271.36 | 2485.85 |
| 31-60 days past due | 258.04 | 785.53 |
| 61-90 days past due | 54.27 | 464.58 |
| 91-120 days past due | 10.42 | 30.48 |
| 121-180 days past due | 148.89 | 68.43 |
| 181 days past due | 77.83 | 54.83 |
| **Total** | **3820.81** | **3889.70** |

**Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Market risk**
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.
As of now, the Company has not entered into any sort of derivative contracts, in order to manage market risks.

**Note No.35- Finance Lease Receivable**
The Company does not have any finance lease receivable.

**Note No.36 – Related Party Disclosure Transactions with related parties**

| Particulars | Subsidiary/ Associate | Entities in which KMP or their relatives have significant influence | Key Managerial Personnel | Relatives of KMP | 2020-21 | 2019-20 |
|---|---|---|---|---|---|---|
| Cost of Services received | | | | | NIL | 7,75,000 |
| Service charges paid | | | | | NIL | 3,50,000 USD |
| Loans given | | | | | 8,15,961 | 1,26,50,000 |
| Reimbursement of expenses paid | | | | | 16,24,808 | 10,29,248 |
| Remuneration paid | | | 85,49,031 | 34,14,810 | 1,19,63,841 | 99,57,752 |
| Loans repaid | | | 5,71,350 | | 6,71,350 | 5,10,825 |
| Security Deposit given | | | | | 0 | 40,00,000 |
| Rent paid | | | 41,586,00 | | 41,58,600 | 41,58,600 |
| Electricity charges received/AMC Charges - SGWT - PAID | | 20,97,000 | | | 20,97,000 | 10,49,924 |

**Outstanding Balances with related parties**

| Particulars | Subsidiary/ Associate | Entities in which KMP or their relatives have significant influence | Key Managerial Personnel | Relatives of KMP | 2020-21 | 2019-20 |
|---|---|---|---|---|---|---|
| Loans given | 3,91,38,277 | 0 | 45,91,237 | - | 4,37,29,514 | 52,432,766 |
| Investments | 82,43,977 | 11,26,19,349 | - | - | 12,08,63,326 | 120,669,439 |
| Electricity charges received/AMC Charges - SGWT - PAID | - | 33,09,168 | - | - | 33,09,168 | 33,09,168 |

Note
i). Related party relationships have been identified by the management and relied upon by the Auditors.
ii). Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.

**Note No. 37 - Approval of financial statements:**
The financial statements were approved for issue by the board of directors on 31-05-2021.

**For Operational Energy Group India Limited**

**For Padmanabhan Ramani & Ramanujam**
Chartered Accountants
FRN: 002510S

**S RAMESH**
EXECUTIVE CHAIRMAN &
MANAGING DIRECTOR
DIN: 00052842

**B. VISWANATHAN**
INDEPENDENT DIRECTOR
DIN NO: 00702802

**G. VIVEKANANTHAN**
PARTNER
MEMBERSHIP No. 028339
UDIN: 21028339AAAABB3903

**S. V. NATARAJAN**
CHIEF FINANCIAL OFFICER

**KRITHIKA D THAKKAR**
COMPANY SECRETARY

**PLACE: CHENNAI**
**DATE: 31.05.2021**

## INDEPENDENT AUDITORS' REPORT

To the Members of Operational Energy Group India Limited, Chennai

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the accompanying consolidated financial statements of Operational Energy Group India Limited(hereinafter referred to as the 'Holding Company") and its Joint Controlled Companies, which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss, (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements"), and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (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 their consolidated state of affairs of the Holding Company and Jointly Controlled Companies as at March 31, 2021, of consolidated Profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| | | |
|---|---|---|
| | Recognition of revenue is complex due to several types of customer contracts including Operation and maintenance contracts of power plants and process plants. | We have tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognition, including controls over the degree of completion of service contracts. |

**INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report, but does not include the stand alone and consolidated financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this Auditors' Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the annual report, If we conclude that that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows, and consolidated statement of changes in equity of the Holding Company and its Jointly controlled Companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The Board of Directors of the companies included in the consolidation, i.e., Holding Company and jointly controlled companies are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its Jointly Controlled Companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the companies included in the consolidation i.e., Holding Company and its Jointly Controlled Companies are responsible for assessing the ability of the Holding Company and its Jointly Controlled Companies continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Holding Company and its Jointly Controlled Companies are responsible for overseeing the financial reporting process of the Holding Company and its Jointly Controlled Companies

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its Jointly Controlled Companies to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its Jointly Controlled Companies to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Holding Company and its Jointly Controlled Companies to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the

consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**OTHER MATTERS**

We did not audit the financial statements / financial information of, the two Subsidiaries located outside India included in the Consolidated financial results whose financial statements / financial information reflect total assets of **Rs.32,41,62,150.40/-** as at 31st March, 2021, total revenues of **28,40,01,676.47/- a**nd net cash inflows amounting to **Rs.12,83,57,317.16/-** for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Holding Company's share of net profit of **Rs.4,15,64,507.14 Lakhs** for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of jointly controlled companies, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled companies, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled companies, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of written representation received from the Directors of the parent company and on the basis of the reports of the statutory auditors of the jointly controlled company incorporated in India, none of the directors of the jointly controlled company is disqualified as on 31$^{st}$March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its Jointly Controlled Companies and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.

(g) In our opinion and according the information and explanations given to us and on the basis of the reports of the statutory auditors of the jointly controlled company incorporated in India, the remuneration paid/provided by the Holding Company and Jointly controlled companies to its director during the current year is in accordance with the section 197 of the Act and the remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company - Refer Note 33 to the Consolidated Financial statements.

(ii) The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Jointly Controlled Companies.

**For Padmanabhan Ramani & Ramanujam**
Chartered Accountants
FRN: 002510S

**G. Vivekananthan**
Partner
Membership No: 028339
UDIN: 21028339AAAABC7520

**Place: Chennai**
**Date: 31$^{st}$ May 2021**

## Annexure A to the Auditors' Report

**Report on the Internal Financial Controls under Clause (i) of Section 143(3) of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Operational Energy Group India Limited ("the Holding Company") as of March 31, 2021 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its jointly controlled companies which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 March31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

**Other Matters**

Our aforesaid reports under section 143 (3) (i) of the act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Joint controlled companies, which is incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.

**For Padmanabhan Ramani & Ramanujam**
Chartered Accountants
FRN: 002510S

**G. Vivekananthan**
Partner
Membership No: 028339

**Place: Chennai**
**Date: 31st May 2021**
**UDIN: 21028339AAAABC7520**

## CONSOLIDATED BALANCE SHEET AS AT 31-03-2021

| Particulars | Note | As at 31-03-2021 | As at 31-03-2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property Plant and Equipment | 2 | 4,83,29,327.22 | 4,86,08,159.78 |
| Investment Property | 2(A) | 47,91,454.05 | 47,91,454.05 |
| Intangible Assets | 2(B) | 3,77,705.89 | 4,23,455.89 |
| Financial Assets | | | |
| Non-Current Investments | 3 | 11,27,20,333.12 | 11,27,50,247.00 |
| Loans and Advances | 4 | 97,91,237.00 | 1,03,62,587.00 |
| Other Long Term Loans and Advances | 4(A) | 87,20,438.87 | 1,17,51,644.02 |
| Deferred Tax Assets (Net) | 5 | 85,15,000.00 | 21,44,000.00 |
| Other Non-Current Assets | 6 | 42,80,710.00 | 42,80,710.00 |
| **Current Assets** | | | |
| Financial Assets | | | |
| Trade Receivables | 7 | 44,01,29,205.49 | 51,31,62,889.11 |
| Cash and Cash Equivalents | 8 | 57,97,78,346.12 | 28,33,82,932.29 |
| Loans and Advances | 9 | 15,45,54,576.07 | 1,63,98,893.93 |
| Other Loans and Advances | 9(A) | 14,38,51,054.84 | 14,45,54,657.84 |
| Current Tax Asset | 10 | 2,98,10,240.19 | 6,42,28,165.39 |
| Other Current Assets | 10(A) | 1,13,63,687.29 | 98,54,945.91 |
| Inventories | 10(B) | 11038852.25 | 4183406.49 |
| **TOTAL** | | **1,56,80,52,168.40** | **1,23,08,78,148.94** |
| **EQUITY AND LIABILITIES** | | | |
| **Shareholder's Fund** | | | |
| Share Capital | 11 | 13,04,18,000.00 | 13,04,18,000.00 |
| Reserves and Surplus | 12 | 39,52,33,303.60 | 27,23,91,085.25 |
| **Non-Controlling Interests** | 13 | -34,32,132.60 | -42,78,212.50 |
| **Non-Current Liabilities** | | | |
| Financial Liabilities | | | |
| Long Term Borrowings | 14 | 2,36,43,090.52 | 6,93,70,367.60 |
| Other Long Term Liabilities | 15 | - | - |
| Long Term Provisions | 16 | 1,52,70,190.00 | 2,68,36,760.00 |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| Short Term Borrowings | 17 | 5,91,78,958.38 | 4,89,40,980.34 |
| Trade Payables | 18 | 34,99,06,242.35 | 11,04,01,583.33 |
| Current Liabilities | 19 | 8,52,20,022.96 | 3,20,21,854.98 |
| Other Current Liabilities | 19(A) | 47,84,97,779.19 | 52,01,69,041.88 |
| Short Term Provisions | 20 | 3,41,16,714.00 | 2,46,06,686.00 |
| **TOTAL** | | **1,56,80,52,168.40** | **1,23,08,78,148.94** |

Significant Accounting Policies
Notes on Financial Statements
The notes are an integral part of these financial statements.

**For Operational Energy Group India Limited**

**For Padmanabhan Ramani & Ramanujum**
Chartered Accountants
FRN : 002510S

**S.RAMESH**
EXECUTIVE CHAIRMAN & MANAGING DIRECTOR
DIN NO:00052842

**B.VISWANATHAN**
INDEPENDENT DIRECTOR
DIN NO: 00702802

**G.VIVEKANANTHAN**
PARTNER
MEMBERSHIP NO:028339
**UDIN: 21028339AAAABB3903**

**S.V.NATARAJAN**
CHIEF FINANCIAL OFFICER

**KRITHIKA D THAKKAR**
COMPANY SECRETARY

**CHENNAI**
**31.05.2021**

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2021

| Particulars | Note | Year ended 31-03-2021 | Year ended 31-03-2020 |
|---|---|---|---|
| **Income** | | | |
| Revenue from Operations | 21 | 3,15,00,92,577.65 | 2,24,40,09,715.03 |
| Other Income | 22 | 1,11,99,092.02 | 87,00,138.52 |
| **Total Revenue** | | **3,16,12,91,669.67** | **2,25,27,09,853.55** |
| **Expenses** | | | |
| Cost of Materials /Services | 23 | 1,81,79,04,511.89 | 1,17,19,99,854.83 |
| Changes in Stock in Trade | 24 | -68,55,445.76 | 2,73,680.19 |
| Employee Benefit Expenses | 25 | 89,82,76,790.19 | 84,08,77,228.50 |
| Finance Cost | 26 | 83,17,853.01 | 1,71,02,584.40 |
| Depreciation and Amotisation Expenses | 27 | 74,74,504.95 | 82,47,807.93 |
| Other Expenses | 28 | 28,58,79,743.40 | 19,40,27,387.28 |
| **Total Expenses** | | **3,01,09,97,957.67** | **2,23,25,28,543.12** |
| **Profit before Exceptional items and Tax** | | **15,02,93,712.00** | **2,01,81,310.43** |
| Exceptional Items | | | |
| **Profit after Exceptional items and Tax** | | **15,02,93,712.00** | **2,01,81,310.43** |
| Excess Provision revesed during the year | | - | - |
| **Profit Before Tax** | | **15,02,93,712.00** | **2,01,81,310.43** |
| **Tax Expenses** | | | |
| (1) Current Tax | | 1,86,51,723.68 | 44,22,000.00 |
| (2) Deferred Tax | | -63,71,000.00 | 37,79,000.00 |
| **Profit for the Year** | | **13,80,12,988.32** | **1,19,80,310.43** |
| **Other Comprehensive Income** | | | |
| A i) Items that will not be reclassified to Profit or Loss | | | |
| Actuarial valuation | | -1,26,31,572.00 | 12,13,117.00 |
| Fair Value measurement of Financial instrument ( FVTOCI) | | 77,724.77 | 0.00 |
| Exchange Variations | | -22,681.47 | 0.00 |
| ii) Income Tax relating to items that will not be reclassified to Profit or Loss | | | |
| B i) Items that will be reclassified to Profit or Loss | | | |
| ii) Income Tax relating to items that will reclassified to Profit or Loss | | | |
| **Total Other Comprehensive Income** | | **-1,25,76,528.70** | **12,13,117.00** |
| | | | |
| **Total Comprehensive Income for the Year** | | **12,54,36,459.62** | **1,31,93,427.43** |
| Earning Per equity Share of face value of Rs.10/- each Basic & Diluted | 29 | 9.62 | 1.01 |

Significant Accounting Policies
Notes on Financial Statements
The notes are an integral part of these financial statements.

**For Operational Energy Group India Limited**

**For Padmanabhan Ramani & Ramanujum**
Chartered Accountants
FRN : 002510S

**S.RAMESH**
EXECUTIVE CHAIRMAN & MANAGING DIRECTOR
DIN NO:00052842

**B.VISWANATHAN**
INDEPENDENT DIRECTOR
DIN NO: 00702802

**G.VIVEKANANTHAN**
PARTNER
MEMBERSHIP NO:028339
**UDIN: 21028339AAAABC7520**

**S.V.NATARAJAN**
CHIEF FINANCIAL OFFICER

**KRITHIKA D THAKKAR**
COMPANY SECRETARY

**CHENNAI**
**31.05.2021**

OEG INDIA

## CASH FLOW STATEMENT - CONSOLIDATED

| | 2020-21 | 2019 -20 |
|---|---|---|
| Annexure to Clause 32 of the listing Agreement | | |
| **CASH FLOW STATEMENT** | | |
| | | |
| **A.CASH FLOW FROM OPERATIONS** | | |
| Profit before Tax | 15,02,93,712 | 2,01,81,310 |
| Less:- Provision for Taxation | 1,86,51,724 | 82,01,000 |
| Net Profit after Tax | 13,16,41,988 | 1,19,80,310 |
| | | |
| Adjustments for | | |
| Depreciation | 74,74,505 | 82,47,808 |
| Other Comprehensive Income | -15170771 | 2273302 |
| Profit on sale of fixed assets | 0 | 0 |
| Interest/Dividend | 0 | 0 |
| Operating profit before working capital | 12,39,45,723 | 2,25,01,420 |
| | | |
| (Increase)/Decrease in Sundry Debtors | 7,30,33,684 | 15,19,16,235 |
| (Increase)/Decrease in Inventories and other current assets | 2,60,53,738 | 1,65,46,477 |
| (Increase)/Decrease in Loans and Advances | -13,74,52,079 | 21,65,413 |
| Decrease in preoperation expenses | | 0 |
| Increase/(Decrease) in current liabilities | 27,07,79,572.35 | -8,31,26,032.00 |
| | | |
| SUB TOTAL | 23,24,14,915 | 8,75,02,093 |
| | | |
| Cash generated from Operating activities | 35,63,60,637 | 11,00,03,513 |
| | | |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchase of Fixed Assets | -71,49,922.39 | -27,90,959 |
| Sale of Fixed Assets | | 0 |
| Purchase/Sale of Investments | 29,914 | -9,271 |
| Long term Loans and Advances | 36,02,555 | 15,81,272 |
| Net cash generated/Used from/in Investing Activities | -35,17,454 | -12,18,958 |
| | | |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Proceeds from issue of share capital | 0 | 0 |
| Proceeds from long term borrowings (net) | -5,64,47,770 | -2,36,50,942 |
| Proceeds from working capital Loan | 0 | 0 |
| Reapyment of finance lease liabilities | 0 | 0 |
| Dividend paid | 0 | 0 |
| Net cash generated/used in Financing activities | -5,64,47,770 | -2,36,50,942 |
| | | |
| Net increase in cash and cash equivalents | 29,63,95,414 | 8,51,33,613 |
| | | |
| Cash and cash Equivalents (Opening Balance) | 28,33,82,932 | 19,82,49,319 |
| | | |
| Cash and cash Equivalents (Closing Balance) | 57,97,78,346 | 28,33,82,932 |

**For Operational Energy Group India Limited**

**For Padmanabhan Ramani & Ramanujum**
Chartered Accountants
FRN : 002510S

**S.RAMESH**
EXECUTIVE CHAIRMAN & MANAGING DIRECTOR
DIN NO:00052842

**B.VISWANATHAN**
INDEPENDENT DIRECTOR
DIN NO: 00702802

**G.VIVEKANANTHAN**
PARTNER
MEMBERSHIP NO:028339
**UDIN: 21028339AAAABC7520**

**S.V.NATARAJAN**
CHIEF FINANCIAL OFFICER

**KRITHIKA D THAKKAR**
COMPANY SECRETARY

**CHENNAI**
**31.05.2021**

**PART- I**

**ABRIDGED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**

**A. Equity Share Capital**

| Particulars | As at 01.04.2020 | | Movement during the year | | As at 31.03.2021 | |
|---|---|---|---|---|---|---|
| | No. of Shares | Equity Share Capital par Value (Rs. in crore) | No. of Shares | Equity Share Capital par Value (Rs. in crore) | No. of Shares | Equity Share Capital par Value (Rs. in crore) |
| **Equity Share Capital** | 13041800 | 13.0418 | - | - | 13041800 | 13.0418 |

**B. Other Equity**

| Particulars | Retained earnings and other Reserves | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | **KfW interest differential Reserve** | **Contingency Reserve** | **General Reserve** | **Bond Redemption Reserve** | **Capital Redemption Reserve** | **PRMA Reserve Fund** | **Retained Earnings** | |
| **Balance as at 01.04.2020** | - | - | - | - | - | - | 272391085.25 | **272391085.25** |
| Charges in accounting policy or prior period errors | | | | | | | - | **0.00** |
| **Total Comprehensive Income for the year** | | | | | | | | |
| Profit or Loss | | | | | | | 122842218.35 | **122842218.35** |
| Other Comprehensive income | | | | | | | - | **0.00** |
| **Total Comprehensive Income** | | | | | | | 395233303.60 | **395233303.60** |
| Dividend including dividend Tax | | | | | | | - | **0.00** |
| Appropriations | | | | | | | - | **0.00** |
| Any other changes (Remeasurement Loss) | | | | | | | - | **0.00** |
| Other changes | | | | | | | - | **0.00** |
| **Balance as at 31.03.2021** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **395233303.60** | **395233303.60** |

**For Operational Energy Group India Limited**

**For Padmanabhan Ramani & Ramanujam**
Chartered Accountants
FRN : 002510S

**S. RAMESH**
EXECUTIVE CHAIRMAN & MANAGING DIRECTOR
DIN NO:00052842

**B.VISWANATHAN**
INDEPENDENT DIRECTOR
DIN NO: 00702802

**G.VIVEKANATHAN**
PARTNER
MEMBERSHIP NO:028339
UDIN: 21028339AAAABC7520

**S.V.NATARAJAN**
CHIEF FINANCIAL OFFICER

**KRITHIKA D THAKKAR**
COMPANY SECRETARY

**PLACE: CHENNAI**
**DATE: 31.05.2021**

**1.A - General Information:**

Operational Energy Group India Limited (the Company), is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 of India. Its shares are listed in one recognised stock exchange in India. The registered office of the Company is located at A, 5th Floor, Gokul Arcade – East Wing, 2 & 2A Sardar Patel Road, Adyar, Chennai – 600 020.

The Company has two Indian subsidiaries and one overseas subsidiary and one associate.

**1.B - Statement of compliance:**

a). The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, notified under section 133 of Companies Act, 2013 (the Act), and other relevant provisions of the Act.

**1.C - Significant accounting policies:**

**a). Basis of preparation of financial statements**

i). In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act (the Act), 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from1st April, 2016 and other relevant provisions of the Act.

ii). Pursuant to the above said requirements, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2021, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

iii). The financial statements of the Company are prepared on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.

iv). The financial statements are presented in Indian Rupees ('INR') and all values are reported in full value without rounding off except otherwise indicated.

**b). Basis of consolidation**

The financial statements of the Group incorporate the financial statements of the Parent company and its subsidiaries. The parent company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries.

When the Parents Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The parent company considers all relevant facts and circumstance in assessing whether or not the parent company's voting rights in an investee are sufficient to give it power, including rights arising from other contractual arrangements.

Consolidation of a subsidiary begins when the parent company obtains control over the subsidiary and ceases when the parent company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the parent company gains control until the date when the parent company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent company and to the non-controlling interest. Total comprehensive income are attributed to the owners of the Parent company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having to deficit balance.

Adjustments are made to the financial statements of subsidiaries as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the parent company.

**c). Investments in associates and joint ventures**

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in theses consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated balance sheet at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds other Group's interest in that associate or joint venture, the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized directly in equity as capital reserve in the period in which the investment is acquired.

When there is any objective evidence of impairment, entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind As 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the investment becomes a subsidiary, the Group accounts for its investment in accordance with Ind AS 103 'Business Combination'. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures it at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of the any retained interest and any proceeds from disposing of a part interest is included in the determination of the gain or loss on disposal of the associate or joint venture.

**d). Use of estimates and judgements**

i). The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements are made relying on these estimates.

ii). The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on past experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. The critical accounting judgements and key estimates followed by the Company for preparation of financial statements is described in Note 1(C ) (w) herein

The Financial Statements have been prepared on the historical cost basis except for certain Financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of Ind AS-17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS-2 or value in use in Ind AS-36.

In addition, for Financial reporting purposes, fair value measurements are categorised into Level 1,2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices unadjusted in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act. Based on the nature of Supplies and the time involved in realization of the cash and cash equivalents for the same, the Company has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

The significant accounting policies are detailed below.

**e). Property, Plant and Equipment**

i) . Cost model is adopted for Property, Plant and Equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if (a) it is probable that future economic benefits associated with the item will flow to the entity and (b) the cost of the item can be measured reliably.

ii). The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any non-refundable import duties and other taxes, any directly attributable expenditure on making the asset ready for its intended use by the Management, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

iii). Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred.

iv). An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

iii). Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the financial statements at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Lease hold land is stated historical cost.

**f). Intangible Assets**

i). An intangible asset is recognised if, and only if (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and (b) the cost of the asset can be measured reliably as per the assessment of the management.

ii). Intangible assets with finite useful lives that are acquired separately are initially recognized at Cost which comprises of the purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of preparing the asset for its intended use, and subsequently carried at cost less accumulated amortization and accumulated impairment losses.

iii). Computer software costs are capitalized and recognised as intangible assets based on materiality, accounting prudence and significant benefits expected to flow there from for a period longer than one year.
iv). An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

**g). Depreciation/Amortisation**

i). Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The useful life of an asset is the period over which an asset is expected to be available for use by an entity.
ii). Amortisation is recognised on a straight- line basis over the estimated useful lives.
iii). Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.
iv). Depreciation and amortization methods, useful lives and residual values are reviewed periodically as appropriate in the views of the management and also at the end of each reporting period and adjusted if required.
v). Operating Software are amortised over a period of 3 years being their estimated useful life.
iii). There are no assets under Financial Lease during the Financial year
iv). Estimated useful lives of the assets, based on technical assessment by the Management, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

| **Class of Property, Plant and Equipment** | **Useful Life Estimated by Management** | **Useful Life as per Schedule II** |
|---|---|---|
| Buildings | 5-60 years | 60 Years |
| Plant and Equipment | 15 years | 15 Years |
| Furniture and Fixtures | 1-10 years | 10 Years |
| Motor Cars and Scooters | 4-10 years | 8 Years |
| Office Equipment | 2 -10 years | 5 Years |
| Computers<br>Servers & Networks<br>End Users Devices | <br>6 Years<br>3 Years | <br>6 Years<br>3 Years |

**h). Impairment of tangible and intangible assets other than goodwill**

i). At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent

allocation basis can be identified.
ii). There are no Intangible Assets with indefinite useful lives.
iii). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised immediately in Statement of Profit and Loss.
iv). When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

**i). Borrowing Cost**

i). Borrowing costs comprises of interest and other costs that are incurred by the Company in connection with the borrowing of funds and also includes exchange differences to the extent regarded as an adjustment to the finance costs.
ii). Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Qualifying Asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised as an expenses in the Statement of Profit and Loss in the period in which they are incurred.

**j). Cash and Cash Equivalents and Cash Flow Statement**

Cash and cash equivalents in the balance sheet comprises of cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank Cash Credits repayable on demand, as they are considered an integral part of the Company's cash management.
Cash flow statements are reported using indirect method and the cash flows from operating, investing and financing activities of the Company are segregated.

**k). Loans & Advances, Trade Payables and Receivables**

Advances, balances with government departments, Trade Payables and receivables, other loans and advances and deposits classified under non current and current are subject to confirmation. There are certain old balances pending review / adjustment. The management does not expect any significant impact upon such reconciliation.

**l). Inventories**

i). Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
ii). Inventories of stores, spare parts and loose tools are stated at the lower of cost under FIFO method and net realizable value.
iii). Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

**l). Revenue Recognition**

i). Revenue is measured at the fair value of the consideration received or receivable.

ii). The Company is engaged in the business of providing Operations and Maintenance ('O&M') services to various power plants and the revenues are governed by the Operations and Maintenance agreements entered with the owners of these power plants. Revenue from Operation and maintenance (O&M) services rendered by the Company to Power Plants Operators are recognised over the period of the contract on straight line method (vide Ind AS 18.25) and unrecognized revenue (received in advance) is shown as unearned revenue.

iv). Revenue from sale of spares and consumables relevant for the O&M services are being incidental to the O&M Services and are recognised on delivery of the same to the customers and no significant uncertainty exists as to its realization.

v). Other revenues from ancillary activities incidental to the main operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

iii). **Dividend and interest income**

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

**m). Foreign currency transactions**

i). The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR). The Financial Statements are presented in INR.

ii). In preparing the financial statements of the Company transactions in currencies other than the entity's functional currency (i.e, foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

iii). At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date (closing rate). Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

iv). Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

v). Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

**n). Employee Benefits**

**i) Defined Contribution Plan**

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company as the employer makes monthly contributions at a specified percentage of the covered employees' salary. The contributions are made to the provident fund and pension fund set up by the Government. The Contributions to the Provident fund by the Company are recognized as expenses and included in "Contribution to Provident and Other Fund" under employee benefit expenses in the Statement of Profit and Loss.

**ii) Defined Benefit Plan**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The defined benefit plan for gratuity is unfunded. The liabilities for the gratuity obligations are recognized as expenses in the Statement of Profit and Loss as per the actuarial valuation at the end of the reporting period.

The principal assumption used for Actuarial valuations of gratuity obligations are :

| | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Discount Rate | 7.00% | 6.11% |
| Expected Salary Increment rate | 5.00% | 7.00% |
| Average longevity at retirement age-Past services | 2.75 | 2.41 |
| Average longevity at retirement age-Future services | 9.42 | 9.16 |

The expenses recognized towards the defined contribution and defined benefit plan, by the Company are:

| | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Defined Contribution Plan | Rs. 3,71,99,152 | Rs. 3,76,33,973 |
| Defined Benefit Plan | Rs.3,51,42,748 | Rs. 51,53,184 |

**o). Taxation**

Income Tax expenses represents the aggregate amount included in the determination of Profit or Loss for the period in respect of Current Tax and Deferred Tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**i) Current Tax**

Current tax is determined on the Taxable Profits for the year chargeable to Income Tax, as per the provisions of Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted, at the applicable tax rates prescribed by said Income Tax laws.

**ii) Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a

business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.
Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and same taxation authority.

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**iii). Minimum Alternative Tax**
Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period allowed by the prevailing tax laws for adjustments of the credit with normal tax liabilities. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the said specified period.

**p). Earning Per Share**
Basic earnings per share is calculated by dividing profit/(loss) for the year attributable to ordinary equity holders of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.
Diluted earnings per share is computed by dividing the profit/ (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary

operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.
The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

**q). Provisions, contingent liabilities and commitments**

i). Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
ii). The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).
iii). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
iv). A disclosure for contingent liabilities is made where there is-

a. a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity

or

b. a present obligation that arises from past events but is not recognized because 1). it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or 2). the amount of the obligation cannot be measured with sufficient reliability.

v). A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
vi). Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
vii). Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.
viii). Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

**r). Financial Instruments**

**i. Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.
The Company measures a financial asset or financial liability at its fair value. In the case of a financial asset or financial liability measured not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability are adjusted in the value of financial asset or financial liability

**ii. Classification and subsequent measurement**

***a. Financial assets:***

On initial recognition, a financial asset is classified as measured at: - amortised cost; or
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. A financial asset is subsequently measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

***b. Financial liabilities: Classification, subsequent measurement and gains and losses:***

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**iii. Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**v. Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

**s). Leases**

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
A lease is classified at the inception date as an operating lease. The Company does not have financial lease.

The Company as lessor:
Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee:
Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (discounted at the interest rate implicit in the lease or at the entity's incremental borrowing rate). The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.
Lease payments under an operating lease shall be recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

**t) Critical estimates and judgements in applying accounting policies**
**Key sources of estimation uncertainties:**
Useful life and residual value of property, plant and equipment: Management reviews the useful life and residual values of property, plant and equipment at least once a year. Such life are dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

**Impairment of property plant and equipment:**
At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those
assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).
Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory

environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

**Contingent liabilities:**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. The Claim against the company in respect of service tax is Rs. 4,88,48,919/-. The Company has won the first case at CESTAT and hence there is no requirement of contingent liability for this in the future period. Then other cases are similar in nature and hence it is expected to be in favour of the company.

**Fair value measurements:**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

**Defined benefit plans:**

The cost of defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Lease:**

The Company has offered its immovable property at Srivilliputhur on long term lease to a educational Trust. The said lease is treated as Operating lease as the tenure of the Lease is significantly lesser than the economic life of the Assets leased out, as per the estimate made by the Management.

**Tax:**

The Company is subject to tax, principally in India. The amount of tax payable in respect of any period is dependent upon the interpretation of the relevant tax rules. Whilst an assessment must be made of deferred tax position of each entity within the Company, these matters are inherently uncertain until the position of each entity is agreed with the relevant tax authorities

The Company's pending litigations comprise mainly claims against the Company, property disputes, proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2021

**2& 2(A)Property, Plant and Equipment**

| Description of Property, Plant and Equipments | Gross Carrying Amount | | | | Depreciations | | | | Net Carrying Amount as at 31-03-2021 | Net Carrying Amount as at 31-03-2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| | 01-04-2020 | Additions | Disposals | 31-03-2021 | 01-04-2020 | Charged for the Year | Disposals | 31-03-2021 | | |
| Land | 1,78,413.00 | | | 1,78,413.00 | - | | | - | 1,78,413.00 | 1,78,413.00 |
| Buildings | 3,20,72,568.00 | | | 3,20,72,568.00 | 1,47,58,609.61 | 24,25,074.27 | | 1,71,83,683.88 | 1,48,88,884.12 | 1,73,13,958.99 |
| Investment Properties (Ref.Note 12.2) | | | | | | | | | | |
| Land | 94,954.00 | | | 94,954.00 | - | | | - | 94,954.00 | 94,954.00 |
| Buildings | 1,80,11,837.00 | | | 1,80,11,837.00 | 1,33,15,336.95 | | | 1,33,15,336.95 | 46,96,500.05 | 46,96,500.05 |
| Plant and Machinery | 4,23,79,870.24 | 3,71,834.50 | | 4,27,51,704.74 | 2,99,74,063.97 | 3,46,206.75 | | 3,03,20,270.72 | 1,24,31,434.02 | 1,24,05,806.27 |
| Tools & Equipment (Ref.Note 12.1) | 1,01,60,627.82 | 18,00,867.56 | | 1,19,61,495.38 | 39,47,022.38 | 16,99,405.35 | | 56,46,427.73 | 63,15,067.65 | 62,50,202.44 |
| Furniture and Fittings | 54,81,307.00 | - | | 54,81,307.00 | 50,55,409.17 | 56,505.76 | | 51,11,914.93 | 3,69,392.07 | 4,25,897.83 |
| Office Equipment | 75,15,830.28 | 1,18,700.45 | 2,23,346.76 | 74,11,183.97 | 67,26,989.14 | 2,38,453.16 | 2,09,666.87 | 67,55,775.43 | 6,55,408.54 | 15,87,728.70 |
| Computers and Peripherals | 15593290.71 | 10,71,984.61 | 1,13,000.00 | 1,65,52,275.32 | 1,44,37,808.99 | 9,04,536.55 | 1,13,000.00 | 1,52,29,345.54 | 13,22,929.78 | 3,05,968.03 |
| Motor Vehicles | 2,32,44,819.00 | 38,38,560.24 | | 2,70,83,379.24 | 1,35,96,490.65 | 18,04,323.11 | | 1,54,00,813.76 | 1,16,82,565.48 | 96,54,951.96 |
| Genset | 7,16,224.80 | | | 7,16,224.80 | 2,30,993.24 | | | 2,30,993.24 | 4,85,231.56 | 4,85,231.56 |
| Solar Power Hybrid with Batteries | 98,018.00 | | | 98,018.00 | 98,018.00 | | | 98,018.00 | - | - |
| Gym Equipment | 64,012.00 | | | 64,012.00 | 64,011.00 | - | | 64,011.00 | 1.00 | 1.00 |
| **Total** | **15,56,11,771.85** | **72,01,947.36** | **3,36,346.76** | **16,24,77,372.45** | **10,22,04,753.10** | **74,74,504.95** | **3,22,666.87** | **10,93,56,591.18** | **5,31,20,781.27** | **5,33,99,613.83** |

12.1 Fair Value of the Tools & Equipment are considered as Deemed Cost as per Ind AS 101

12.2 Investment Properties represents the Immovable property used for letting and earning rental income

**2(B) Intangible Assets**

| Description of Intangible Assets | Gross Carrying Amount | | | | Amortisation | | | | Net Carrying Amount as at 31-03-2021 | Net Carrying Amount as at 31-03-2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| | 01-04-2020 | Additions | Disposals | 31-03-2021 | 01-04-2020 | Charged for the Year | Disposals | 31-03-2021 | | |
| Application Softwares<br>ERP Software | 30,64,984.00 | 15,000.00 | - | 30,79,984.00 | 27,02,278.11 | - | - | 27,02,278.11 | 3,77,705.89 | 4,23,455.89 |
| | **30,64,984.00** | **15,000.00** | **-** | **30,79,984.00** | **27,02,278.11** | **-** | **-** | **27,02,278.11** | **3,77,705.89** | **4,23,455.89** |

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## Notes to Financial Statements for the Year ended 31-03-2021

| | As at 31-03-2021 | As at 31-03-2020 |
|---|---|---|
| **3 Non-Current Investments** | | |
| **Investments in Equity Instruments -Unquoted** | | |
| **Others** | | |
| 1 No. (2019-20 and 2020-21) Equity Share of OEG Singapore... Ltd of SGD 44 each | 44.00 | 44.00 |
| 9,999 Nos. (FY: 2019-20-9,999; 2020-21-9,999) Equity Shares of OEG Solar Energy Private Limited of Rs.10/- each | 1,19,349.12 | 99,990.00 |
| **Investments in Preference Shares -Unquoted (FVTOCI)** | | |
| 1,12,50,000 Nos. Non-Cumulative Preference Shares of South Ganga Waters Technologies Private Limited of Rs.10/- each | 11,25,00,000.00 | 11,25,00,000.00 |
| **Investments in Government Securities (At Amortised Cost)** | | |
| National Savings Certificate (Ref.Note 3.1) | 93,548.00 | 89,009.00 |
| **Investment in PowerSource OEG Services Inc.** | | |
| 8000 Nos. Equity Shares of Power Source OEG Services Inc. | 7392.00 | 61204.00 |
| **Total** | **11,27,20,333.12** | **11,27,50,247.00** |
| 3.1 Investments in Government Securities are offered as Security Deposit for Labour License and Sales Tax Department | | |
| Aggregate Book Value of Un-Quoted Investments | 11,27,20,333.12 | 11,27,50,247.00 |
| Aggregate Impairment in value of Investments | | |
| 3.2 Investments are fully paid-up unless otherwise stated | | |
| **4 Long Term Loans and Advances -Financial Assets** | | |
| **Related Parties** | | |
| Refundable Rental Advance | 52,00,000.00 | 52,00,000.00 |
| Loans & Advance | 45,91,237.00 | 51,62,587.00 |
| Inter Corporate Deposit | 0.00 | 0 |
| **Total** | **97,91,237.00** | **1,03,62,587.00** |
| **4(A) Long Term Loans and Advances** | | |
| Unsecured considered Good | | |
| **Others** | | |
| Security Deposits | 81,61,138.87 | 1,05,93,144.02 |
| Rental Advance | 5,59,300.00 | 11,58,500.00 |
| Other Advance | - | |
| **Total** | **87,20,438.87** | **1,17,51,644.02** |
| **5 Deferred Tax Assets (Net)** | | |
| **Deferred Tax Assets** | | |
| On Provision for Gratuity & Other Employee Benefits | 21,44,000.00 | 36,61,000.00 |
| | 21,44,000.00 | 36,61,000.00 |
| **Deferred Tax Liabilities** | | |
| On Depreciation | 63,71,000.00 | 15,17,000.00 |
| | 63,71,000.00 | 15,17,000.00 |
| **Deferred Tax Assets (Net)** | **85,15,000.00** | **21,44,000.00** |
| 5.1. Deferred Taxes are computed to the nearest '000 | | |

| | | |
|---|---|---|
| **6 Other Non-Current Assets** | | |
| Bank Deposits for a maturity period greater than 12 months (Ref.Note 6.1) | - | |
| Service Tax stay deposit (Ref.Note Contingent Liabilities) | 42,80,710.00 | 42,80,710.00 |
| **Total** | **42,80,710.00** | **42,80,710.00** |
| | | |
| **7 Trade Receivables (Financial Asset)** | | |
| **Unsecured Considered Good** | | |
| Outstanding for more than 180 days from the date they are due | | |
| Related Parties | - | - |
| Others | 83,71,546.85 | 54,82,735.35 |
| Outstanding for less than 180 days from the date they are due | | |
| Related Parties | - | - |
| Others | 43,17,57,658.64 | 50,76,30,153.76 |
| **Unsecured Considered Doubtful** | | |
| Related Parties | | |
| Others | 4,75,91,877.15 | 1,52,82,411.97 |
| | 48,77,21,082.64 | 52,83,95,301.08 |
| Less: Allowance for Impairment | 47591877.15<br>- | 15232411.97 |
| **Total** | **44,01,29,205.49** | **51,31,62,889.11** |
| **8 Cash and Cash Equivalents (Financial Asset)** | | |
| Balance with Banks | 42,41,08,167.37 | 20,31,12,508.54 |
| Cash on Hand | 8,48,309.00 | 8,50,144.00 |
| Cheques on Hand | - | - |
| Bank Fixed Deposit with maturity of period lessthan 12 months(Ref.Note 8.1) | 15,48,21,870.00 | 7,94,20,280.00 |
| **Total** | **57,97,78,346.37** | **28,33,82,932.54** |
| 8.1 Fixed Deposits with Banks are as margin money for the Bank Guarantee and Working Capital facilities availed from Banks. The balance includes accrued interest | | |
| **9. Loans and Advances - Financial Assets** | | |
| Unsecured considered Good | | |
| Security Deposits,Inter Corporate Deposits and EMD | 14,00,00,000.00 | - |
| Retention money and other Job Advances | 1,45,54,576.07 | 1,63,98,893.93 |
| **Total** | **15,45,54,576.07** | **1,63,98,893.93** |
| **9(A).Other Loans and Advances** | | |
| Unsecured considered Good | | |
| Advances to Related Parties | 76,48,843.42 | 77,80,046.42 |
| Advance to Suppliers | 13,62,02,211.42 | 13,67,74,611.42 |
| **Total** | **14,38,51,054.84** | **14,45,54,657.84** |
| **10 Current Tax Assets** | | |
| Income Tax (Net of Provision) | 2,98,10,240.19 | 6,42,28,165.39 |
| **Total** | **2,98,10,240.19** | **6,42,28,165.39** |
| **10(A) Other Current Assets** | | |
| Prepaid Value Added Taxes | 1,13,63,687.29 | 98,54,945.91 |
| **Total** | **1,13,63,687.29** | **98,54,945.91** |
| **10(B) Inventories** | | |
| Prepaid Value Added Taxes | - | - |
| Inventories | 1,10,38,852.25 | 41,83,406.49 |
| Advance Payment to Credit Cards | | |
| **Total** | **1,10,38,852.25** | **41,83,406.49** |

| | | |
|---|---|---|
| **11. Share Capital**<br>**Equity Share Capital** | | |
| **Authorised**<br>1,40,00,000/- (2021 : 1,40,00,000 and 2020 : 1,40,00,000) Equity Shares of Rs.10/- each | 14,00,00,000.00 | 14,00,00,000.00 |
| **Issued**<br>1,30,41,800 (2021 : 1,30,41,800 and 2020 :1.30,41,800) Equity Shares of Rs.10/- each | | |
| **Subscribed and fully paid up**<br>1,30,41,800 (2021 : 1,30,41,800 and 2020 :1.30,41,800) Equity Shares of Rs.10/- each | 13,04,18,000.00 | 13,04,18,000.00 |
| **Total** | **13,04,18,000.00** | **13,04,18,000.00** |

| | | |
|---|---|---|
| **11.1 Reconciliation of number of Equity Shares subscribed** | | |
| Balance at the begining of the year | 1,30,41,800 | 1,30,41,800 |
| Add: Shares issued during the year for cash | - | |
| **Balance at the end of the year** | **1,30,41,800** | **1,30,41,800** |

**11.2 Terms/Rights attached to Equity Shares**

The company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any for a year, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**11.3 Shareholders other than the Holding/Associate Company holding more than 5% of the equity share capital**

Equity Shares of Rs.10/- each fully paid:

Ramesh.S : 50,81,800 (2021-50,81,800 shares and 2020-50,81,800 Shares) shares aggregating to 38.97% (2019- 38.97% and 2018-38.97%)

Sudarshan.R : 6,16,300 (2021 -6,16,300 shares and 2020- 616300 Shares) shares aggregating to 4.73% (2019- 4.73% and 2018-4.73%)

Usha Ramesh : 9,25,200 (2021 -9,25,200 shares and 2020- 9,25,200.Shares) shares aggregating to 7.09% (2019- 7.09% and 2018- 7.09)

Premier International Limited : 14,91,800 (2021-14,91,800 shares and 2020-14,91,800.Shares) shares aggregating to 11.44% (2021- 11.44% and 2020-11.44.%)

South Ganga Waters Technology Private Limited :26,05,200 (2021-26,05,200 shares and 2020 26,05,200.Shares) shares aggregating to 19.98% (2021-19.98% and 20-19.98%)

| | | |
|---|---|---|
| **12 Reserves and Surplus** | | |
| **Retained Earnings** | | |
| Reserves & Surplus -Operational Energy Group India Limited | 24,49,56,463.40 | 15,38,57,125.67 |
| Reserves & Surplus -Maxitech Engineering Private Limited | - 1,64,51,141.52 | 1,66,42,968.01 |
| Reserves & Surplus -Pacific Technical Services India Private Limited | 17,19,43,483.63 | 13,59,31,129.00 |
| Reserves & Surplus -OEG Bangladesh Private Limited | 27,84,859.13 | 36,64,788.59 |
| Reserves & Surplus -Thoothukudi Renew Waters Private Limited | - 1,61,933.00 | - |
| **Total Reserves & Surplus** | 40,30,71,731.65 | 27,68,10,075.25 |
| Less -Maxitech Engineering Private Limited -Investment | - | 2,53,500.00 |
| Less -Pacific Technical Services India Private Limirted -Investment | 52,05,486.58 | 98,000.00 |
| Less -OEG Bangladesh Private Limited -Investment | 30,38,490.00 | 30,38,490.00 |
| **Total** | 39,48,27,755.07 | 27,34,20,085.25 |
| **Exchange Variations** | 4,05,548.53 | |
| Operational Energy Group India Limited share of Investment in Shapoorji Pallonji and Oeg Services Private Limited | - | 9,81,000.00 |
| Operational Energy Group India Limited share of Investment in Thoothukudi Renew Waters Private Limited | - | 48,000.00 |
| **Closing Balance** | 39,52,33,303.60 | 27,23,91,085.25 |

| | | |
|---|---|---|
| **13. Non-Controlling Interests** | | |
| Pacific Technical Services India Private Limirted | 32,38,603.11 | 24,20,843.00 |
| Maxitech Engineering Private Limited | - 70,50,489.22 | - 71,32,700.58 |
| OEG Bangladesh Private Limited | 3,79,753.52 | 4,33,645.08 |
| **Total** | **- 34,32,132.60** | **- 42,78,212.50** |

| | | |
|---|---|---|
| **14 Long Term Borrowings (Financial Liabilities)** | | |
| **Secured** | | |
| Term Loan from Banks (Ref.Note 14.1 & 14.5) | - | - |
| Vehicle Loan from Banks (Ref.Note 14.2 & 14.6) | - | - |
| Vehicle Loan from Financial Institutions (Ref.Note 14.2 & 14.6) | 38,95,838.82 | 34,74,792.30 |
| **Unsecured** | | |
| From Related Parties (Ref.Note 14.5) | 3,90,255.00 | 3,90,255.00 |
| Term Loans from Banks (Ref.Note 14.6) | 1,93,56,996.70 | 2,25,09,708.26 |
| Mobilisation Advance | - | 2,14,02,866.94 |
| Term Loans from Financial Institutions (Ref.Note 14.6) | - | 2,15,92,745.10 |
| **Total** | **2,36,43,090.52** | **6,93,70,367.60** |

**Nature of Security Offered**

14.1 Secured Vehicles loans from Banks and Financial institutions are secured by Hypothecation of the Vehicles bought with the loan proceeds.

**Repayment Terms**

14.2 Vehicle Loans from Financial Instituitions are repayable at 10.35% interest rate (Average) in Equated Monthly Installments (EMI).
14.3 Unsecured Loan from Related Parties are repayable Nil And the applicable interest rate is Nil
14.4 Unsecured Loan from Financial Institutions are repayable at 12.25% interest rate (Average) in Equated Monthly Installments (EMI)

| | | |
|---|---|---|
| **15 Other Long Term Liabilities** | **-** | **-** |
| **Total** | **-** | **-** |

| | | |
|---|---|---|
| **16 Long Term Provisions** | | |
| Provision for Gratuity Liabilities (Ref.Note 16.1) | 1,23,14,782.00 | 2,25,75,311.00 |
| Provision for Leave Encashment | 29,55,408.00 | 42,61,449.00 |
| **Total** | **1,52,70,190.00** | **2,68,36,760.00** |

16.1 The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

| | | |
|---|---|---|
| **17 Short Term Borrowings - Financial Liabilities** | | |
| Over Draft facilities from Banks (Ref.Note 17.1) | 5,91,78,958.38 | 4,89,40,980.34 |
| **Total** | **5,91,78,958.38** | **4,89,40,980.34** |

17.1 Over Draft from Banks Represents Overdraft facilities availed from Axis Bank for a limit of Rs 12 Crores (Twelve Crores Rupees Only) and are secured by hypothecation charge on stocks and receivables of the company and secured by hypothecation of lien free movable assets of the Company and by Equitable Mortgage of the immovable property of Mr.S.Ramesh situated at Adyar, Chennai-20 offered by him as collateral security and also Personal Gurantee by Mr.S.Ramesh and Mrs.Usha Ramesh.

| | | |
|---|---|---|
| **18 Trade Payables** | | |
| Total outstanding dues of micro enterprises and small enterprises (Ref.Note 18.1) | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| Related Parties | - | - |
| Others | 34,99,06,242.35 | 11,04,01,583.33 |
| **Total** | **34,99,06,242.35** | **11,04,01,583.33** |

18.1 Based on the review of the Company, there are no Trade Payables to Micro and Small Enterprises

| | | |
|---|---|---|
| **19 Other Current Liabilities - Financial Liabilities** | | |
| Current Maturities of Long Term Borrowings (Ref.Note 14) | 8,52,20,022.96 | 3,20,21,854.98 |
| **Total** | **8,52,20,022.96** | **3,20,21,854.98** |

| | | |
|---|---|---|
| **19(A) Other Current Liabilities** | | |
| Statutory Liabilities | 33,22,655.39 | 4,75,66,874.69 |
| Salary, Bonus & Expenses Payable | 29,29,41,075.50 | 27,77,94,106.22 |
| Retention Money, Deposits & Advances | 18,22,34,048.30 | 19,48,08,060.97 |
| **Total** | **47,84,97,779.19** | **52,01,69,041.88** |
| **20 Short Term Provisions** | | |
| Provision for Bonus | 3,41,16,714.00 | 2,46,06,686.00 |
| **Total** | **3,41,16,714.00** | **2,46,06,686.00** |

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## Notes to Financial Statements for the Year ended 31-03-2021

| | As at 31-03-2021 | As at 31-03-2020 |
|---|---|---|
| **21 Revenue from Operations** | | |
| **From Sales** | | |
| Sale of Maintenance Spares & Components | 13,37,72,963.63 | 28,72,31,217.52 |
| **From Services** | | |
| Operation and Maintenance Fees | 2,84,58,88,379.02 | 1,94,19,24,992.51 |
| Accrued Income | 17,04,31,235.00 | 1,48,53,505.00 |
| **Total** | **3,15,00,92,577.65** | **2,24,40,09,715.03** |
| **22 Other Income** | | |
| **Interest Income from** | | |
| Bank Deposits | 1,02,80,482.04 | 55,56,182.48 |
| Other Income | 9,18,609.98 | 23,67,688.08 |
| Others | | |
| **Other non-operating Income** | | |
| Profit on Sale of Fixed Assets | - | - |
| Foreign Exchange Fluctuation Gain | - | 5,82,662.96 |
| Miscellaneous Income | - | 193605 |
| **Total** | **1,11,99,092.02** | **87,00,138.52** |
| **23 Cost of Materials/ Services** | | |
| Cost of materials /Service | 1,81,79,04,511.89 | 1,17,19,99,854.83 |
| **Total** | **1,81,79,04,511.89** | **1,17,19,99,854.83** |
| **24 Changes in Stock in Trade** | | |
| **Opening Stock** | | |
| Maintenance Spares & Components | 41,83,406.49 | 44,57,086.68 |
| | 41,83,406.49 | 44,57,086.68 |
| **Closing Stock** | | |
| Maintenance Spares & Components | 1,10,38,852.25 | 4183406.49 |
| | 1,10,38,852.25 | 41,83,406.49 |
| **Total** | **- 68,55,445.76** | **2,73,680.19** |
| **25 Employee Benefit Expenses** | | |
| Salaries and Wages | 79,14,54,870.00 | 74,31,29,169.15 |
| Contribution to Provident and Other Funds | 4,76,70,051.00 | 4,84,67,591.00 |
| Staff Welfare Expenses | 5,91,51,869.19 | 4,92,80,468.35 |
| **Total** | **89,82,76,790.19** | **84,08,77,228.50** |
| **26 Finance Charges** | | |
| Interest Expenses | 83,17,853.01 | 1,71,02,584.40 |
| Interest on Income Tax Demand | | |
| **TOTAL** | **83,17,853.01** | **1,71,02,584.40** |
| **27 Depreciation and Amortisation** | | |
| Depreciation | 74,74,504.95 | 82,47,807.93 |
| Amortisation | | |
| **TOTAL** | **74,74,504.95** | **82,47,807.93** |
| **28 Other Expenses** | | |
| **Operating Expenses (A)** | | |
| Consumables & Tools | - | - |
| Diesel Expenses | 57,663.57 | - |
| Testing, Inspection and Calibration Charges | - | - |
| Other Operating Expenses | - | - |

| | | |
|---|---|---|
| **Other Expenses (B)** | | |
| Power and Fuel Charges | 14,38,273.29 | 16,21,893.15 |
| Rent Paid | 66,06,873.26 | 59,05,817.35 |
| Rates and Taxes | 55,64,803.32 | 74,98,208.37 |
| Insurance Charges | 18,85,712.05 | 12,80,288.63 |
| Bad Debts | 2,26,68,053.97 | 4,49,70,644.97 |
| Repairs & Maintenance | - | |
| -Buildings | - | 4,30,270.00 |
| -Equipments | 21,45,964.27 | 17,50,656.84 |
| -Others | - | - |
| Security Service Charges | 2,53,000.00 | 4,48,914.00 |
| Brokeage and Commission | 8,85,59,435.00 | - |
| Communication Expenses | 21,05,389.88 | 23,95,336.18 |
| Directors' Sitting Fee and Commission | 1,80,000.00 | 1,60,000.00 |
| Printing & Stationery | 15,31,384.39 | 16,91,624.22 |
| Professional Charges | 9,28,31,852.69 | 9,45,32,752.90 |
| Payments to Auditors (Ref. note 28.1) | 13,84,611.07 | 13,67,864.66 |
| Provision for Doubtful Debts - P&L | 4,24,33,821.00 | 0.00 |
| Packing and Fowarding Charges | - | 3,149.95 |
| Subscriptions | 2,05,696.00 | 2,02,255.00 |
| Books and Periodicals | 37,041.00 | 16,959.00 |
| Business Promtion Expenses | 33,83,243.84 | 33,21,846.14 |
| Advertisement Expenses | 1,91,125.00 | 3,95,767.00 |
| Bank Charges | 3,23,646.82 | 5,36,830.91 |
| CSR Expenses (Ref.Note 28.2) | 36,45,010.00 | 12,60,000.00 |
| Foreign Exchange Fluctuation Gain | - 98,48,009.91 | 4,10,457.85 |
| Travelling and Conveyance Expenses | 48,86,798.26 | 62,96,960.59 |
| Vehicle Repairs and Maintenance Expenses | 25,45,079.48 | 27,97,280.44 |
| Pooja Expenses | 4,11,907.55 | 9,11,786.00 |
| Legal Fees | 5,47,164.02 | 60,09,077.95 |
| Licenses and permits | 1,84,000.00 | - |
| ROC Fees | 9,720.00 | |
| Miscellaneous Expenses | 8,20,101.09 | 12,19,757.41 |
| Financial Services - Lebanon | 31,26,702.60 | |
| Loss on Sale of Fixed Assets | 13,679.89 | 31,88,963.77 |
| Director remuneration | 57,50,000.00 | 34,02,024.00 |
| **TOTAL** | **28,58,79,743.40** | **19,40,27,387.28** |

28.1 Payment to Auditors represents fee for Statutory audits

28.2 Though the Company is not subject to mandatory compliance with the provisions of the Companies Act 2013 on CSR,the company has on its own interest constituted a Corporate Social Responsibility Committee and has a very passionate view of corporate social responsibility. The volunatry CSR spending of the Company during the year are as given under

| CSR Spending | As at 31-03-2021 | As at 31-03-2020 |
|---|---|---|
| Amount required to be spent during the year as per Section 135 | | |
| Amount Spent during the year on:<br>(i) Construction/acquisition of any asset | | |
| (ii) On purposes other than (i) above | 36,45,010.00 | 12,60,000.00 |

| **29. Earning Per Share** | **As at 31-03-2021** | **As at 31-03-2020** |
|---|---|---|
| Profit After Tax (PAT) | 12,54,36,459.62 | 1,31,93,427.43 |
| Weighted average number of shares | 1,30,41,800 | 1,30,41,800 |
| Earning Per Share (Face value Rs.10/- each ) | | |
| Basic | 9.62 | 1.01 |
| Dilluted | 9.62 | 1.01 |

**30. Operating Lease**

Leasing of Immovable properties is treated as Operating lease as the tenure of the Lease is significantly lesser than the economic life of the Assets leased out

**Note No.31- Inventories as at the reporting date:**
Normally the Company procures inventories and other consumables for rendering its O&M services, EPC services and for sales, being incidental activity in connection with the O&M service and EPC contracts, as and when the requirements arise.

**Note No.32- Business Combinations:**
The company does not have any Business Combinations.

**Note No.33 – Scheme of Arrangements:**
There has been no Scheme of Arrangements entered into between the Company and its Subsidiaries.

**Note No. 34 - Capital management & Risk Management Strategies:**

**i) Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii) **Capital management**

The Company being in a O&M service industry which requires huge working capital for its operation, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its working capital, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding through borrowings from Banks & Financial Institutions.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the asset and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

**Financial risk management**

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company. These risks include (i) Credit risk, (ii) Liquidity risk and (iii) Market risk

The Company seeks to minimise the effects of these risks by using periodic monitoring and action plans to cover up risk exposures, wherever required. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities.

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers based on which the Company agrees on the credit terms with customers in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

| Particulars | Age of receivables (Rs. in Lakhs) | |
|---|---|---|
| | As at 31st March 2021 | As at 31st March 2020 |
| Within credit period | | |
| 1-30 days past due | 3271.39 | 2485.85 |
| 31-60 days past due | 258.04 | 785.53 |
| 61-90 days past due | 54.27 | 464.58 |
| 91-120 days past due | 10.42 | 30.48 |
| 121-180 days past due | 148.89 | 68.43 |
| 181 days past due | 77.83 | 54.83 |
| **Total** | **3820.81** | **3889.70** |

**Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Market risk**
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

As of now, the Company have not entered into any sort of derivative contracts, in order to manage market risks.

**Note No.35- Finance Lease Receivable**
The Company does not have any finance lease receivable.

**Note No.36 – Related Party Disclosure Transaction with related parties**

| Particulars | Subsidiary/ Associate | Entities in which KMP or their relatives have significant influence | Key Managerial Personnel | Relatives of KMP | 2020-21 | 2019-20 |
|---|---|---|---|---|---|---|
| Cost of Services received | | - | - | - | NIL | 7,75,000 |
| Service charges paid | | - | - | - | NIL | 3,50,000 USD |
| Loans given | | | | | 8,15,961 | 1,26,50,000 |
| Reimbursement of expenses paid | | | | | 16,24,808 | 10,29,248 |
| Remuneration paid | | | 85,49,031 | 34,14,810 | 1,19,63,841 | 99,57,752 |
| Loans repaid | | | 5,71,350 | | 6,71,350 | 5,10,825 |
| Security Deposit given | | | | | 0 | 40,00,000 |
| Rent paid | | | 41,586,00 | | 41,58,600 | 41,58,600 |
| Electricity charges received | | 20,97,000 | | | 20,97,000 | 10,49,924 |

**Outstanding Balances with related parties**

| Particulars | Subsidiary/ Associate | Entities in which KMP or their relatives have significant influence | Key Managerial Personnel | Relatives of KMP | 2020-21 | 2019-20 |
|---|---|---|---|---|---|---|
| Loans given | 3,91,38,277 | 0 | 45,91,237 | - | 4,37,29,514 | 52,432,766 |
| Investments | 82,43,977 | 11,26,19,349 | - | - | 12,08,63,326 | 120,669,439 |
| Electricity charges | - | 33,09,168 | - | - | 33,09,168 | 33,09,168 |

*Note*

i). Related party relationships have been identified by the management and relied upon by the Auditors.

ii). Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.

**Note No. 37 - Approval of financial statements:**

The financial statements were approved for issue by the board of directors on 31-05-2021.

**For Operational Energy Group India Limited**

**For Padmanabhan Ramani & Ramanujam**
Chartered Accountants
FRN: 002510S

**S RAMESH**
EXECUTIVE CHAIRMAN &
MANAGING DIRECTOR
DIN: 00052842

**B. VISWANATHAN**
INDEPENDENT DIRECTOR
DIN NO: 00702802

**G. VIVEKANANTHAN**
PARTNER
MEMBERSHIP No. 028339
UDIN: 21028339AAAABC7520

**S. V. NATARAJAN**
CHIEF FINANCIAL OFFICER

**KRITHIKA D THAKKAR**
COMPANY SECRETARY

**PLACE: CHENNAI**
**DATE: 31.05.2021**

OEG INDIA

OPERATIONAL EXCELLENCE

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