



To
Listing Department
Metropolitan Stock Exchange of India Limited
Vibgyor Towers, 4th Floor, Plot No C 62 G – Block,
Opp. Trident Hotel, Bandrakurla Complex,
Bandra (E)
Mumbai – 400 098,
India.

Date: 23.09.2017

Symbol: OEGIL

Dear Sir,

Sub: Annual Report under the Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 (1) of the Listing Regulation, 2015, Please find enclosed the Annual Report of the Company for the Financial Year 2016-17.

This is for your information and records.

Thanking you,

Your Faithfully,

For OPERATIONAL ENERGY GROUP INDIA LIMITED


(S. Srinath)
Company Secretary



OEG
OPERATIONAL EXCELLENCE

OPERATIONAL ENERGY GROUP INDIA LIMITED

ANNUAL REPORT



2016 - 2017

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



BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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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 EXECUTIVE OFFICER

S.V. Natarajan

CHIEF FINANCIAL OFFICER

V. Ramabhadran

COMPANY SECRETARY

S. Srinath

AUDITORS

M/s Sri & Co

SECRETARIAL AUDITOR

VKS & Associates

BANKERS

Axis Bank Limited
Indian Overseas Bank
HDFC Bank

REGISTERED OFFICE

A, 5th Floor, Gokul Arcade – East Wing,
No. 2 & 2A, Sadar Patel Road,
Adyar, Chennai – 600020.

CORPORATE IDENTITY NUMBER

U40100TN1994FLC028309

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

(Formerly Sri Balaganapathy Mills Limited)

CIN: U40100TN1994FLC028309

A, 5TH FLOOR, GOKUL ARCADE – EAST WING,
NO.2&2A, SARDAR PATEL ROAD,
ADYAR, CHENNAI – 600020

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of OPERATIONAL ENERGY GROUP INDIA LIMITED will be held at the Registered office of the company A, 5th Floor, Gokul Arcade – East Wing, No.2& 2A, Sardar Patel Road, Adyar, Chennai – 600020 in the state of Tamil Nadu on Friday, 22nd day of September 2017 at 02.00 P.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, 2017, 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, 2017 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.

3. Appointment of Statutory Auditor

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

“RESOLVED that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. S. Srinivasalu, Chartered Accountant Chennai (Registration No. 0008553), be and is hereby appointed as Statutory Auditor of the Company in place of the retiring Auditors M/s Sri & Co. Chartered Accountants (Firm Registration No. 010495S) to hold the office for a term of five consecutive financial years from the conclusion of this 23rd Annual General Meeting subject to ratification of the appointment at every Annual General Meeting until the conclusion of the 28th Annual General Meeting of the Company on a remuneration as may be fixed by the Board of Directors of the Company.”

/By Order of the Board of Directors/
For Operational Energy Group India, Limited

Place: Chennai
Date: 05.08.2017

(S. RAMESH)
EXECUTIVE CHAIRMAN & MANAGING DIRECTOR
DIN: 00052842



NOTES:

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

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

2. The documents relating to any of the items mentioned in the notice and explanatory statement are available for inspection at the Registered Office of the Company during normal working hours from Monday to Friday up to the date of meeting.
3. The registered members and share transfer books of the company will remain closed from 16th September,2017 to 22nd September,2017 (both days inclusive)
4. 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.
5. Members holding Shares in Physical form are requested to notify/send the following information by quoting their Folio Number to the company/Registrar and Share Transfer Agents to facilitate better Servicing.
 - i. Any change in their address/mandate/bank account details with phone numbers, Fax numbers and E-mail Id for speedy disposal of letters on various issues; and payment of Dividend.
 - ii. Share Certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.

6. **Voting through electronic means : (EVSN 170818026)**

- i. In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Company provides the members the facility to exercise their right to vote at the AGM by electronic means and the businesses may be transacted through e-voting services provided by Central Securities Depository Limited (CSDL).
- ii. The facility for voting, through ballot paper 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 company has appointed Mr. K.Krishnamoorthy, Practising Company Secretary, Chennai as Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

- iii. The “cut-off date” for determining the eligibility for voting either through electronic voting system or ballot is fixed as Friday, September 15, 2017. The e-voting period commences on Tuesday, September 19, 2017 at 9.00 a.m. IST and ends on Thursday September 21, 2017 at 5.00 p.m. IST. During this period, a person whose name is recorded in the Register of Members or in the Register of Beneficiary Owners maintained by the depositories, as on the cut-off date, i.e., Friday, September 15, 2017, shall be entitled to avail the facility of remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- iv. **The instructions for shareholders voting electronically are as under:**
 - i. The voting period begins on 19th September, 2017 at 9.00 A.M (IST) and ends on 21st September, 2017 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 15th September, 2017 of 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. The shareholders should log on to the e-voting website www.evotingindia.com.
 - iv. Click on Shareholders tab.
 - v. Now, Select the “Company Name” from the drop down menu and click on “submit”
 - vi. 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - vii. Next enter the Image Verification as displayed and Click on Login.
 - viii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - ix. If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in capital letter and the 8 digits of the Sequence Number in the PAN Field. In case the sequence number is less than 8 digits enter the applicable no of 0's before the number after the two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence no 1 then enter RA00000001 in PAN Field (sequence number has been provided as SI. NO in the address label).
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank Details' field as mentioned in instruction (vi). Dividend Bank Details means bank account number which is recorded in the demat account.</p>

- x. After entering these details appropriately, click on "SUBMIT" tab.
- xi. Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- xii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiii. Click on the EVSN for the relevant <Company Name> on which you choose to vote. In this case, it would be Operational Energy Group India Limited.
- xiv. 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.
- xv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- xvi. 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.
- xvii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xviii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xix. 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.
- xx. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xxi. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - 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.
- xxii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 18002005533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, (CDSL,) Central Depository Services (India) Limited, 16th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001, or send an email to helpdesk.evoting@cdslindia.com or call 18002005533.

/By Order of the Board/
For OPERATIONAL ENERGY GROUP INDIA LIMITED

Place: Chennai

S. Ramesh

Date: 05.08.2017

Executive Chairman & Managing Director

DIN: 00052842



Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

As required under Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the businesses mentioned under item no. 3 of the accompanying Notice.

Item No. 3

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

In terms of the provisions of Section 139 of Companies Act, 2013 (the "Act"), no listed company can appoint or re-appoint an audit firm as statutory auditor for more than two terms of five consecutive years. The Act further prescribes that the company has to comply with these provisions within three years from the commencement of the Act.

M/s Sri & Co, Chartered Accountants (Firm Registration No. 010495S) existing Statutory Auditors have been in office for more than ten years. As per second proviso to Section 139(2) of the Companies Act, 2013 ('the Act'), a transition period of three years from the commencement of the Act was provided to appoint a new auditor when the existing audit firm has completed two terms of five consecutive years. In compliance with the provisions of the Act, the Company will have to appoint a new auditor in place of the existing Statutory Auditors. The Board of Directors has, based on the recommendation of the Audit Committee at their meeting held on August 05, 2017, proposed the appointment of Mr. S. Srinivasalu Chartered Accountant, (Registration No. 0008553), as the Statutory Auditor of the Company in place of the existing Statutory Auditors to hold office from the conclusion of this AGM until the conclusion of the Twenty Eighth AGM of the Company, subject to ratification by the members at every AGM.

Mr. S. Srinivasalu, Chartered Accountant has consented to his appointment as Statutory Auditors and has confirmed that if appointed, his appointment will be in accordance with Section 139 read with Section 141 of the Act.

None of the Directors, Key Managerial Personnel and/or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set forth for the approval of the members.

/By Order of the Board/

For OPERATIONAL ENERGY GROUP INDIA LIMITED

Place: Chennai

S. Ramesh

Date: 05.08.2017

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 - 600020

Your Directors have pleasure in presenting the Twenty Third Board's Directors Report of your Company together with the Audited Statement of Accounts (Consolidated) and the Auditors' Report of your company for the financial year ended, 31st March 2017.

FINANCIAL HIGHLIGHTS:

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

(Rs. In Lacs)

Particulars	Consolidat	Stand	Consolidat	Stand
	ed	Alone	ed	Alone
	2016-17	2016-17	2015-16	2015-2016
Gross Income	15,621.72	14,785.22	14,056.01	13,962.54
Profit Before Interest and Depreciation	840.68	673.03	823.72	820.76
Finance Charges	(324.61)	(323.56)	(283.00)	(282.86)
Profit before depreciation and taxes	516.07	349.47	540.72	537.90
Provision for Depreciation	(71.63)	(71.63)	(173.36)	(154.19)
Net Profit Before Tax	444.44	277.85	367.37	383.71
Provision for Tax	(119.33)	(118.97)	(145.44)	(142.41)
Less: Minority Share of Profit	(3.33)			
Net Profit After Tax	321.78	158.88	221.45	241.30
Balance of Profit brought forward	863.07	895.05	641.13	653.75
Adjustment due to change in Composition of a Subsidiary company	28.06	-	-	-
Balance available for appropriation	0.00	0.00	0.00	0.00
Proposed Dividend on Equity Shares	0.00	0.00	0.00	0.00
Tax on proposed Dividend	0.00	0.00	0.00	0.00
Transfer to General Reserve	0.00	0.00	0.00	0.00
Surplus carried to Balance Sheet	1,212.91	1,053.93	863.07	895.05



DIVIDEND:

For the year under review, the Board of Directors have decided to skip 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 last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

PERFORMANCE REVIEW:

Consolidated:

The consolidated net revenue from the operations increased from Rs.140.56 crores to Rs.156.22 Crores an increase of 11.1% over the previous year. Earnings before interest, depreciation, tax and amortisation (EBITDA) was higher at Rs 8.41 crores compared to Rs.8.23 crores in the previous year. Profit before tax was up by 20.9% at Rs 4.44 Crores against Rs.3.67 Crores in the previous year. Profit after tax was at Rs. 3.25 Crores against Rs. 2.21 Crores in the previous year, up by 47%.

Standalone:

The net revenue from the operations of the Company increased from Rs. 139.63 Crores to Rs.147.85 Crores, registering a growth of 5.9% over the previous year. EBITDA was down at Rs.6.73 Crores compared to Rs.8.2 Crores earned in the previous year. Profit before tax was Rs.3.49 Crores against Rs.5.38 Crores in the previous year, down by 35.1%. Profit after tax was at Rs.1.58 Crores against Rs.2.41 Crores in the previous year, down by 34%.

Although on a standalone basis, the profitability declined on account of closure of a few contracts in domestic segment as well as operational loss in Saudi operations, the new overseas contracts in Bangladesh and Lebanon (which commenced in the financial year 2016-17) executed through overseas subsidiary, improved profits on a consolidated basis.

PERFORMANCE REVIEW OF BUSINESS OPERATIONS IS AS UNDER:

The Company faced serious challenges during the year under review. Due to low offtake of power by state utilities, the plant load factors have fallen drastically and our customers have reduced the equipments under Operation and Maintenance (O&M) and in some cases the entire power plants were shut. On account of this, sales revenue in domestic sector has started declining and the impact of the same will be pronounced in the FY 2017-18. The Company is taking active steps to reduce the cost of operations for improving the profitability.

However, your Directors take pleasure in informing that our Middle East operations are expanding and our Dubai Subsidiary has secured an order for O&M of 272 Mw Heavy duty furnace oil fired power plant in Lebanon for five years from Jan 2017. The financial results of the upcoming years will reflect this. Further, our Bangladesh power plant operations have also commenced and hence our overseas revenues for the FY 2017-18 will be much better and improve the profitability on consolidated basis.

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 31 st March 2017	4893.16	37%	585	87%
As on 31 st March 2016	3583.16	0.84%	313	196%

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

INDIA OPERATIONS:

The power sector in India is facing serious challenges such as excess supply situation, reduction in demand and new low-cost power sources such as solar. All these factors have significantly eroded the turnover and profitability of private power producers. As a result, the O&M operators are being forced to cut prices or O&M activity is being taken over by owners themselves. One more dimension added to this turmoil is the service tax/GST burden on the independent power producers (IPPs). As electricity is exempt from GST burden, IPPs are not able to take on the burden of GST which is 18% of the cost of O&M and hence they are forced to take over the O&M activities themselves so that they can save on taxes on input elements.

The above situation has resulted in loss of our O&M contracts with BMM, Udipi Power, Indbharath Maharashtra, Malco, and scaling down of operations in Indbharath Tuticorin and Girija Power. These will have a significant impact on the turnover and profitability of the company in the Year 2017-18.

Nevertheless, the Company is pursuing an aggressive marketing and pricing strategy to stay ahead in the O&M business. The company also internally reviewing all the cost components and overheads so as to minimize them to the extent possible.

Since no new power projects are in pipeline in the domestic sector in view of excess availability over demand, the Company is turning its focus into taking maintenance contract of process industries. It has started bidding for these projects. This is in addition to actively pursuing to gain and spread into overseas contracts.

OVERSEAS OPERATIONS:

The overseas operations in Bangladesh and Lebanon are progressing well as planned. The initial teething troubles such as recovering dues are being overcome by taking active steps. The operations in Saudi Arabia is not progressing well as expected. Owing to the low oil



prices, the client is exercising pressure to reduce O&M costs. Lebanon and Bangladesh operations will add significantly to the turnover and bottom-line of the company during 2017-18 and the Company is actively trying to increase its presence in these countries.

The emerging opportunity in overseas is in the continent of Africa and Far East. The Company is taking a cautious approach in entering projects in Africa as there are potential risks such as country, currency etc.

FINANCE:

During the year under review, the company has arranged with Axis bank for renewal of existing working capital facilities amounting to 24.52 crores.

The company has also negotiated for the credit facility of Rs 3,31,00,000 with IndusInd bank limited.

The company has negotiated with HDFC Bank, Mylapore Branch invoice discounting facility of Rs 5 crores with a tenor of 45 days at an interest rate of 90 days MCLR+1.75%.

RELATED PARTY TRANSACTION:

The Company has transactions with related parties as per Section 188 of the Companies Act, 2013 as defined under Section 2 (76) of the said Act. However these related party transactions are within the limits prescribed by the explanation to Regulation 23 (1) of SEBI (LODR) Regulation, 2015 as well as Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014. The CEO and CFO have confirmed the arm's length nature of these transactions. Further all the necessary details of transactions entered with the related parties are in **Form No. AOC-2** and is attached as **Annexure 1** to this Report.

RISK MANAGEMENT:

The company's approach to managing the risks includes a robust framework to identify monitor and minimize risk. The Company's aims at identification and prioritization of risks including business risk environment scanning and focused discussions in Risk Management Committee meetings.

Identified risks are used as one of the key inputs for the development of strategy and business plan. The Company takes steps to identify Risk Tolerance Levels to reduce the potential impact of the risk, should it occur and/or to reduce the expected frequency of its occurrence.

The Company has constituted a Risk Management Committee (RMC) to oversee the risk management efforts in the Company under the Chairmanship of Mr. S. Ramesh, Executive Chairman & Managing Director. The details of the Committee along with its terms of reference are set out in the Corporate Governance Report, forming part of the Annual Report.

A risk assessment update is provided to the RMC on periodical basis. The Committee assists the Audit Committee and the Board of Directors in overseeing the Company's risk management processes and controls. Some of the risks identified are set out in the Management Discussion and Analysis which forms part of the Annual Report.

DEPOSITS:

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

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Although CSR is non-mandatory as per provisions of Section 135 of the Companies Act, 2013, the company has constituted a Corporate Social Responsibility Committee and has a very passionate view of corporate social responsibility. The Company supports education cause in rural areas through giving donations to Yashas English School Foundation in Malli village, Srivilliputhur, Virudhunagar district, Tamil Nadu. Yashas English School Foundation commenced its operations in June 2016. There are seven qualified teachers and 1 Headmistress and supporting staff and part time teachers for music, skating etc. The school has classes from Pre-KG to Class 2. The total student strength was initially 12 and increased to 40 as of now. 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. 3,30,000/- up to March 2017.

The Annual Report on CSR activities is attached as Annexure 2 to this Report.



School Children of Yashas English school supported by Operational Energy Group India Limited

WHISTLEBLOWER POLICY AND VIGIL MECHANISM:

The Company has established Whistleblower and Vigil Mechanism for Directors, employees and its stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

The Company has created vigil mechanism by setting up a "We care for you" portal at our company website to enable people including staff to communicate with the management



Protected disclosures can be made by a whistleblower through several channels. The policy provides for adequate establishes safeguards against victimisation of employees who use such mechanism and direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. It is affirmed that no personnel of the Company have been denied access to the Audit Committee

PREVENTION OF SEXUAL HARASSMENT (POSH):

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. The Company has zero tolerance for sexual harassment at workplace .

The company has adopted a policy on internal complaints and sexual harassment.

No complaints of sexual harassment were received during the year.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company has following Loans, Guarantee given and Investments made under section 186 of the Companies Act, 2013 for the financial year ended 31st March 2017:

S. No	Name of Party	Particulars of Loans, Guarantee & Investments	Nature	Purpose for which it shall be used	Amount (in Rs.)
1	Maxitech Engineering Private Limited	Equity Shares	Trading, Installation and Maintenance of all types of Electronic security products, fire safety and Protection Engineering solutions	Nil	2,53,500
2	South Ganga Waters Technologies Private Limited	Preference Shares	Desalination of sea water and selling to power process plants.	Nil	11,25,00,000

The Company has not given any loans, guarantees during the year, which attracts provisions of section 186 of Companies Act 2013.

CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the consolidated financial statements of the Company. A statement containing the salient features of the financial statements of the subsidiary companies is attached to the Financial Statements in Form AOC-1 as Annexure 3 to this report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

The annual accounts of the subsidiaries and related detailed information will be kept at the registered office of the Company, as also at the registered offices of the respective subsidiary companies and will be available to investors seeking information till the date of AGM.

SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

MATERIAL SUBSIDIARY:

During the year Financial Year 2016 – 17 the company does not have any material subsidiaries as defined in clause 49 of listing agreement

PARTICULAR	CONSOLIDATED AMOUNT (Rs)	OEG INDIA (Rs)	PACIFIC TECHNICAL SERVICE INDIA (P) LTD. (Rs)
REVENUE FROM OPERATION	1,39,89,91,504	18,96,43,768	73,66,387
OTHER INCOME	66,10,032	66,10,032	
TOTAL TURNOVER	1,40,56,01,536	1,39,62,53,800	73,66,387
PERCENTAGE			0.52

PARTICULAR	CONSOLIDATED AMOUNT (Rs)	OEG INDIA (Rs)	PACIFIC TECHNICAL SERVICE INDIA (P) LTD (Rs)
SHARE CAPITAL	3,30,00,000	3,30,00,000	1,00,000
SHARE PENDING ALLOTMENT	9,74,18,000	9,74,18,000	
RESERVES & SURPLUS	8,63,06,778	8,95,04,965	11,23,372
NETWORTH	21,67,247,78	21,99,22,965	12,23,372
PERCENTAGE			0.56

OEG Solar Private Limited which was a subsidiary in 2015-16 has ceased to be a subsidiary in 2016-17.

The company's policy on material subsidiaries, as approved by the Board, is uploaded on the Company's website at the www.oegindia.com



SUBSIDIARY:

M/s. Pacific Technical Services India Private Limited:

Your Directors are optimistic about company's business and the Company is continuously making efforts to improve its turnover by supplying technical manpower. The Company has been exploring the possibilities of various business opportunities. Pacific Technical Services India Private Limited has incorporated a subsidiary company in Dubai called as Operational Energy Generation FZE, which has obtained O&M contracts in Bangladesh and Lebanon.

ASSOCIATES:

a) M/s. Thoothukudi Renew Waters Private Limited:

M/s. Thoothukudi Renew Waters Private Limited, is a special purpose vehicle incorporated to undertake and execute a 24 MLD waste water treatment plan on Design, Build, Own Operate and Transfer basis at Tuticorin Municipal Corporation. Lease agreement in respect of land identified and owned by Tuticorin Municipal Corporation has been signed between the Company and Tuticorin Municipal Corporation on 29.05.2015. Construction activity on the project is slated to commence this fiscal year. Since the Company could not secure the firm water supply agreements from the prospective customers, the construction activities did not commence even during the Financial Year 2016-17. Citing this as reason, the Tuticorin Municipality has cancelled the concessional agreement vide their letter no: E3/111512/2007 dated 27th July 2016. The Company is in discussions with the authorities to revoke this cancellation.

b) M/s. Maxitech Engineering Private Limited:

Maxitech Engineering Pvt Ltd having profound knowledge and experience in the field of fire fighting & Mechanical, Electrical and Plumbing services has partnered with Operational Energy Group India Ltd since Nov'2016. During the initial stages of its operation, Maxitech had started interacting and meeting with the corporate clients for vendor registration to increase the clientele database. As a result of the effort, Maxitech had managed to enrol in the approved vendor list of major companies like M/s Tata Projects Ltd, M/s Hyundai Motors India, M/s Siemens, M/s TVS Emerald Haven Realty, M/s URC Constructions, M/s Blue Star Limited etc.

Maxitech had managed to secure orders for INR 15 Lakhs worth of firefighting job from M/s Vital paper products, Sri City, Tada, A.P through the main contractor M/s Sag Taur followed by an INR 3 Lakhs worth job from M/s Blue star for VR Mall project under Phase I. Phase II job worth 65 Lakhs is under discussion and negotiation with the client.

Apart from the above, projects worth more than INR 25 Crores from various reputed clients are under negotiation and expected to get finalized during 2017-2018. Maxitech hopes to achieve a sizeable turnover in the current year and establish itself as one of the reliable and leading EPC contractor in the field of fire fighting & MEP works.

JOINT VENTURE:

M/s. Shapoorji Pallonji and OEG Services Private Limited:

The Company is engaged in carrying on the business of operation and maintaining generating stations and other industrial establishments of all types and their ancillary like waste and water treatment facilities. The accumulated losses of the company have resulted in complete erosion of the net worth of the company. The Company's management is, however of the view that the said erosion is temporary in nature as the company is in the process of making

strategic investments in certain assets / projects, the proceeds of which when fructified, would result in turnaround of the Company.

SHARES

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

a. Sweat Equity:

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

b. Bonus Shares:

No Bonus Shares were issued during the year under review.

c. Employees Stock Option Plan:

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

DETAILS OF SIGNIFICANT MATERIAL ORDERS:

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.

INTERNAL FINANCIAL CONTROLS:

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. They have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has a well-defined delegation of power with authority limits for approving revenue as well as expenditure, both capital and revenue. The Company has just established ERP(SAP) system to record day to day transactions for accounting and financial reporting.

The Company's internal audit function monitors and assesses the adequacy and effectiveness of the Internal Financial Controls. The Audit Committee deliberated with the members of the management, considered the systems as laid down and met the internal auditors and statutory auditors to ascertain, inter alia, their views on the internal financial control systems. The Audit Committee broadly satisfied itself of the adequacy and effectiveness of the internal financial control system as laid down and kept the Board of Directors informed.

Details of internal control system are given in the Management Discussion and Analysis Report, which forms part of the Report.

During the year the audit committee reviewed the presentation on internal control procedures on purchases at various locations by the internal audit department.

FINANCIAL RESULTS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

As on 31st March 2017, the Company has one subsidiary, one joint venture company and two associate companies.

Subsidiary Company:

M/s. Pacific Technical Services India Private Limited. The consolidated Revenue for the year ended 31st March, 2017 was Rs.7.78 Crores with a consolidated Net Profit after Tax of



Rs.1.66 Crores. Being the first year of consolidation previous year figures are not given. The Stand-Alone Revenue from operations for the year ended 31st March,2017 was Rs.19.91 Lakhs as against Rs. 73.67 Lakhs for the previous year. The profit for the period was Rs. 0.80 Lakh as against Rs. 6.76 lakhs of the previous year.

Associate Companies:

a) M/s. Thoothukudi Renew Waters Private Limited:

The Company has not taken off and has not commenced operations.

b) M/s. Maxitech Engineering Private Limited:

The company has recorded a revenue of Rs. 9.89 Lakhs from operations for the year ended 31.03.2017 as against Rs 4.43 lakhs in the previous year. The Company has recorded a loss of Rs. 15.86 Lakhs for the financial year 2016-17 as against a loss of Rs.38.34 Lakhs for the previous financial year.

Joint Venture Company:

M/s. Shapoorji Pallonji and OEG Services Private Limited.

The joint venture with Shapoorji Pallonji is yet to take off.

The company has not recorded any income for the year under consideration as well as in the previous financial year.

A report on the performance and financial position of each of the subsidiary, associates and joint venture company as per the Act is provided in Form AOC-1 attached to the Financial Statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Directors:

Appointment/Re-appointment:

During the year the following appointments took place.

Mr. S. Ramesh (Executive Chairman & Managing Director)

Mrs. Usha Ramesh (Non-Executive Women Director)

Mr. George Jameidas who retired by rotation was re-appointed as an Executive Director

Retirement /Resignation:

Mr. K. Subramanyam resigned from the board

Mrs. S. Sagunthala resigned from the board

Mr. S.V. Natarajan resigned from the board

INDEPENDENT DIRECTORS:

The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation in terms of Section 149(13) the Act. In accordance with Section 149(7) of the Act., Each Independent Director has given a written declaration to the Company confirming that he meets the criteria of independence as mentioned under Section 149(6) of the Act and the Listing Regulations.

Appointments:

Mr. B. Viswanathan

Mr. P.Swaminathan

with effect from 16.09.2016.

Familiarization programme is being arranged during the current financial year (2017 – 2018).

KEY MANAGERIAL PERSONNEL (KMP):

Mr. S.V. Natarajan -Chief Executive Officer

Mr. V. Ramabhadran – Chief Financial Officer

Mr. S. Srinath – Company Secretary.

were appointed under Section 2(51) and Section 203 of the Act with effect from 16.09.2016.

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, 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 COMMITTEE:

The Nomination and Remuneration Committee (NRC) is responsible for developing competency requirements for selection of employees for critical positions, monitoring their performance etc., on behalf of the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR.

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and the Listing Regulations. The relevant information has been given in Annexure 4 to this Report.

BOARD EVALUATION:

It will be done in the course of Current Financial year, 2017-18.



REMUNERATION POLICY:

The Company has in place a Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Act and the Listing Regulations which is set out in Annexure 5 to this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and external consultant(s), including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2016-17.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a). in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b). they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the Company at the end of the financial year and of the profit of the Company for that period.
- (c). They have taken 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). they have prepared the annual accounts on a going concern basis;
- (e). they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f). they have devised proper systems 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 of the Listing Regulations, the Management Discussion and Analysis and the Corporate Governance Report are presented in a separate section forming part of the 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 just implemented common ERP programme (SAP) recently.

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

(A) Conservation of energy and Technology absorption:

The Company has been actively involved with the Clients for reducing the heat rate and auxiliary consumption of the power generating stations of the clients. Measures such as

introduction of VFD, blending of fuel etc. are being constantly pursued by the Company, thereby contributing towards energy conservation and reducing carbon footprint.

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

(B) Foreign exchange earnings and Outgo:

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

Earnings	Rs. 35,41,79,372
Outgo	Rs. 8,94,83,306

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 6 to this Report.

This Report and financial statement are being sent to the members. In terms of Section 136 of the Companies Act, 2013, the said statement is open for inspection at the Registered Office of your Company. Any members interested in obtaining such particulars may write to the Chief Executive Officer at the Registered Office of the Company.

AUDITORS:

I. Auditors and their report:

At the AGM held on 16th September 2016, the appointment of M/s. Sri & Co, Chartered Accountants, as Statutory Auditors of the Company was ratified. In term of section 139 (2)(1) (ii) of the Companies Act 2013 read with Rule 6(3) of Companies (Audit and Auditors) Rules, 2014, M/s Sri & Co have completed their term.

Accordingly, appointment of Mr. Srinivasalu a Chartered Accountant (M.No.0008553) as statutory Auditor is being sought from the members of the company at AGM.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this Report. We received unmodified report from auditors.

COST AUDIT:

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

SECRETARIAL AUDIT:

In terms of Section 204 of the Act and Rules made there under, Mr. Shankaramann of VKS & Associates, Practicing Company Secretaries have been appointed as Secretarial Auditors of the Company for the financial year ended 31.03.2018. The report of the Secretarial Auditors is enclosed as Annexure 7 to this Report. The report is self-explanatory and do not call for any further comments.



DISCLOSURES:

i. Details of Board meetings:

During the year, 10 (ten) Board meetings were held and the details of which are provided in the Corporate Governance Report.

ii. Composition of Audit Committee:

The Audit Committee comprises 3 (three) Members of which two are Independent Directors. During the year, 2 (two) Audit Committee meetings were held and the details of which are provided in the Corporate Governance Report.

iii. Composition of Corporate Social Responsibility Committee:

The Committee comprises 3 (three) Members. During the year, 1 (one) CSR Committee meeting was held and the details of which are provided in the Corporate Governance Report.

iv. Listing Regulations:

The Securities and Exchange Board of India (SEBI) has, by its notification dated 2nd September 2015, issued the (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an aim to consolidate and streamline the provisions of the Listing Regulations for different segments of capital markets to ensure better enforceability.

Pursuant to the Listing Regulations, the following policies were approved and adopted by the Board:

- (i) Policy on determination of Materiality for disclosures of events or information.
- (ii) Policy for preservation of documents, to classify documents in two categories, viz. documents which need to be preserved permanently and documents which need to be preserved for not less than 8 years after completion of the relevant transactions.
- (iii) Archival Policy, to determine the period, for which information is required to be disclosed on the Company's website.
- (iv) Implementation of Code of Conduct for the Directors & Senior Management.
- (v) Implementation of Code of Conduct for the Independent Directors.
- (vi) Code of Procedure for fair disclose – Insider Trading.
- (vii) Remuneration Policy for Directors, Key Managerial Personnel and Other Employees.
- (viii) Policy on Material Subsidiaries.
- (ix) Policy on Related Party Transactions.
- v. Details of material changes and commitments affecting financial position of the company occurring after balance sheet date - NIL
- vi. The company has neither bought its own share nor provided any loan for purchase to its own shares as contemplated by section 67(3) read with rule 16 of companies (share capital and debentures) rules, 2014.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return in Form MGT 9 is enclosed as Annexure 8 to this Report.

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)

Executive Chairman & Managing Director

Place: Chennai

Date: 05.08.2017

Annexure 1 to the Board's Report

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

S. No	Particulars	Details
a)	Name(s) of the related party and nature of relationship	During the financial year 2016-17, Operational Energy Group India Limited has not entered into any contracts or arrangements or transactions that are not at arm's length basis
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis. The contracts mentioned below are below the limits of Regulation 23 (1) of SEBI (LODR) Regulation, 2015

S. No	Particulars	Details		
a)	Name(s) of the related party and nature of relationship	Mr. S. Ramesh (Executive Chairman & Managing Director)	Mr. R. Sudarshan (Son of Ex. Ch. & Managing Director)	Mr. R. Sudarshan (Son of Ex. Ch. & Managing Director)

b)	Nature of contracts/arrangements/transactions	Leasing of Property for Rent	Normal Employment With Operational Energy Group India Private Limited erstwhile company since 22/06/ 2009	Leasing of Property for Rent
c)	Duration of the contracts/arrangements/transactions	Five Years from 01.01.2017	Until retirement / resignation/termination/ whichever is earlier	Five Year From 01.01.2017
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	As per Lease Agreement	Formal Letter of Employment	As per Rental Agreement
e)	Date(s) of approval by the Board, if any:	16/09/2016	16/09/2016	16/09/2016
f)	Amount paid as advances, if any:	Nil	N.A	Nil

The above transactions are within the limits prescribed in Section 188 of the Act and falls below the limit of 10% of the consolidated turnover as prescribed in Explanation to Regulation 23(1) of LODR.

For and on Behalf of the Board

Place: Chennai

(S.Ramesh)

Date: 05.08.2017

Executive Chairman & Managing Director

Annexure 2 to the Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Section 135 of the Act & Rules made thereunder)

Si 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.	<ul style="list-style-type: none"> i. Mr. S. Ramesh (Chairman) ii. Mr. George Jameidas iii. Mrs. Usha Ramesh
3	Average net profit of the Company for last three financial years	Rs. 3,24,60,505/-
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs. 6,49,210/-
5	Details of CSR spent for the financial year:	
	a. Total amount spent for the financial year	Rs. 3,30,000/-
	b. Amount unspent, if any:	NA
	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 the company has undertaken CSR activity 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.

Annexure 3 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

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. in Lakhs)

S.No	Particulars	Details
1	Name of the subsidiary	PACIFIC TECHNICAL SERVICE INDIA PRIVATE LIMITED
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2016 - 17
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees
4	Share capital	1.00
5	Reserves & Surplus	13.03
6	Total Assets	48.46
7	Total Liabilities	48.46
8	Investments	15.80
9	Turnover	19.91
10	Profit Before Taxation	1.16
11	Provision for Taxation	0.36
12.	Profit After Taxation	0.80
13.	Proposed Dividend	0
14.	% of Shareholding	98%

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: 05.08.2017

(S. Ramesh)
Executive Chairman & Managing Director



Part “B”: Associates and Joint Ventures

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

S.No	Particulars	Joint Venture	Associate Company	Associate Company
1	Name	SHAPOORJI PALLONJI & OEG SERVICES PRIVATE LIMITED	THOOTHUKUDI RENEW WATERS PRIVATE LIMITED	MAXITECH ENGINEERING PRIVATE LIMITED
2	Latest Audited Balance Sheet Date	31.03.2017	31.03.2017	31.03.2017
3	Shares of Associate/Joint Ventures held by the Company on the year end			
	No. of shares	67,500	4,800	1,40,000
	Amount of Investment in Associates / Joint Venture (Rs.)	Rs. 8,31,000	Rs. 48,000	Rs. 2,53,500
	Extending of Holding	50%	48%	18%
4	Description of how there is significant influence	Represented on Board	Represented on Board	Represented on Board
5	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.
6	Net Worth attributable to shareholding as per latest audited Balance Sheet	Rs. -20,305	0	Rs. -20,46,565
7	Profit/Loss for the year			
	i Considered in Consolidation	Rs. -17,189	0	Rs. -6,34,591
	ii Not Considered in Consolidation	NA	NA	NA

For and on behalf of the board of Directors

Place: Chennai

Date: 05.08.2017

(S. Ramesh)

Executive Chairman & Managing Director

Annexure 4 to the Board's Report

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS

1. Definition of Independence

- A director will be considered as an “independent director” (ID) if the person meets with the criteria for ‘independent director’ as laid down in the Companies Act, 2013 (‘the Act’) and Listing Regulations, 2015.
- The definition of Independence as provided in the Act and Listing Regulations, 2015 is as follows:

“An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director -

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) i. who is or was not a promoter of the company or its holding, subsidiary or associate company;
ii. who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the company, its holding subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) who, neither himself nor any of his relatives-
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives 2% or more of the total voting power of the company; or
 - (iv) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty- five per cent or more of its receipts from the company, any of its

promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;

- (v) is a material supplier, service provider or customer or a lessor or lessee of the company;
- (f) who is not less than 21 years of age.”

- Current and ex-employees of a OEGIL company may be considered as independent only if he/ she has or had no pecuniary relationship with any OEGIL company (due to employment/ receipt of monthly pension by way of Special Retirement Benefits/ holding consultant or advisor positions) during the two immediately preceding financial years or during the current financial year.

2. Qualifications of Directors

- Boards will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- It is expected that Boards have an appropriate blend of functional and industry expertise.
- While recommending appointment of a director, it is expected that the Nomination and Remuneration Committee (“NRC”) consider the manner in which the function and domain expertise of the individual contributes to the overall skill domain mix of the Board.
- ID ideally should be thought/ practice leaders in their respective functions/ domains.

3. Positive attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

- 1) “Act in accordance with the articles of the company.
- 2) Act in good faith to promote the objects of the company for the benefit of its members, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- 3) Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
- 4) Not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- 5) Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
- 6) Not assign his office.”

Additionally, the Directors on the Board of a OEGIL Company are also expected to demonstrate high standards of ethical behaviour, strong interpersonal and communication skills and soundness of judgment.

IDs are also expected to abide by the ‘Code for Independent Directors’ as outlined in Schedule IV to section 149(8) of the Act and adopted by the Board. The Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors. The guidelines of professional conduct specified in the Code are as follows:

“An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a bona fide manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse his position to the detriment of the Company or its shareholders or for gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise, which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the Company in implementing the best corporate governance practices.”

On behalf of the Board of Directors

S. RAMESH

Executive Chairman & Managing Director

Place: Chennai

Date: 05.08.2017

Annexure 5 to the Board's Report

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The philosophy for remuneration of directors, Key Managerial Personnel (“KMP”) and all other employees of Operational Energy Group India Limited (“the Company”) is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“Act”) and Listing Regulations, 2015. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act, which are as under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals”

Key principles governing this remuneration policy are as follows:

- Remuneration for independent directors and non-independent non- executive directors
 - Independent directors (“ID”) and non-independent nonexecutive directors (“NED”) may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
 - Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
 - Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).
 - Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company’s operations and the company’s capacity to pay the remuneration.
 - Overall remuneration practices should be consistent with recognised best practices.
 - Quantum of sitting fees may be subject to review on a periodic basis, as required.
 - The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organised by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.
- Remuneration for managing director (“MD”)/ executive directors (“ED”)/ KMP/ rest of the employees¹

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be-

- Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent)
- Driven by the role played by the individual
- Reflective of size of the Company, complexity of the sector/ industry/ Company’s operations and the Company’s capacity to pay
- Consistent with recognised best practices and
- Aligned
- to any regulatory requirements.

In terms of remuneration mix or composition,

- The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimisation, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalisation through reimbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- Retirement benefits to employees comprises of contributions to provident fund and provision for gratuity. Contributions to provident fund and family pension fund are made in accordance with the respective rules and charged to Profit and Loss Account. Provision for gratuity has been made for those employees having completed their five years of continuous service.

- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
- Our remuneration policy is based on the following broad out line
- The salaries that are to be paid to managers and employees at all levels of the company shall be compatible with internal balances, strategic targets and market conditions.
- A general increase in salaries is to be implemented once a year. A two-stage process is followed in the determination of the rate of yearly wage increase: first, the general corporate wage increase rate shall be determined, and then personal wage increase rates shall be specified.
- Determination of wages in duty changes and recruitments and yearly general wage increases are arranged through Remuneration Management Procedures and announced to all employees.

Remuneration Structure

The Company's main policy is to offer competitive remuneration packages to its employees. Market research is conducted by international consulting companies in order to enable the practices to be parallel in quality and value with the general conditions present in the market.

The Remuneration Policy and related practices are determined with regard to common interests of partners, employees and customers.

Operational Energy Group India Ltd.'s Remuneration Policy consists of base salary as well as performance-based and structured cash bonuses.

- Remuneration payable to Director for services rendered in other capacity

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

- Policy implementation

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

On behalf of the Board of Directors

(S RAMESH)

Executive Chairman & Managing Director

Place: Chennai

Date: 05.08.2017

Annexure 6 to the Board's Report

Salary Ratios for the Directors' Report

Sl No	Directors	Designation	Nature of earning	2016-17 Rs	Ratio to Median Salary		2015-16 Rs	% Inc
1	Mr S.Ramesh	Executive Chairman and Managing Director	Salary/ Commission	31,98,706	22.21	1	NA	
2	Mr J. George	Executive Director	Salary	4,33,120	3.01	1	3,92,000	10.49%
3	Mr P.Swaminathan	Independent Director	Sitting fees	60,000	0.42	1	NA	
4	Mr B. Viswanathan	Independent Director	Sitting fees	55,000	0.38	1	NA	
5	Mrs Usha Ramesh	Non-Executive Director	Sitting fees	40,000	0.28	1	NA	
Key Managerial Personnel								
1	Mr S V Natarajan	Chief Operating Officer	Salary	17,86,332	12.41	1	NA	
2	Mr V Ramabhadran	Chief Financial Officer	Salary	8,23,529	5.72	1	NA	
3	Mr S Srinath	Company Secretary	Salary (Part of the year)	1,75,000	1.22	1	NA	

As this is the first year of reporting after listing, there are no comparative figures for previous year.



Annexure 7 to the Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017

[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

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 (hereinafter called the company). 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 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) 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;
- (v) 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:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned 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 10 times in the financial year 2016-17 Viz., on 01/06/2016, 28/06/2016, 02/07/2016, 18/07/2016, 09/08/2016, 17/08/2016, 30/08/2016, 16/09/2016, 19/12/2016, and 24/03/2017.

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 while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has:

1. Convened an EGM on 27/06/2016 to pass the following resolutions through Postal Ballot:
 - a) Adoption of new articles of association of the company (Special Resolution)
 - b) Increase in authorized share capital (Ordinary Resolution)
 - c) Alteration of capital clause of memorandum of association (Ordinary Resolution)

- d) Increasing in the borrowing limits upto rs.140 crores or the aggregate of the paid up capital and free reserves of the company, whichever is higher (Special Resolution)
 - e) Creation of charges on the movable and immovable properties of the company, both present and future, in respect of borrowings (Special Resolution)
 - f) Alteration of object clause of the memorandum (Special Resolution)
 - g) Shifting of registered office from one district to another (Special Resolution)
 - h) To give loans or to give guarantees or to provide securities in connection with the loan made to any other body corporate or person or to make investments under section 186 of the companies act, 2013 (Special Resolution)
2. Appointed the following persons as Independent Directors vide resolution passed in the 22nd Annual general meeting held on 16th September 2016:
 - a) Mr. PANCHAPAGESAN SWAMINATHAN (DIN: 02603984)
 - b) Mr. VISWANATHAN BALAKRISHNAN (DIN: 00702802)
 3. Appointed following persons as Directors vide resolution passed in the 22nd Annual general meeting held on 16th September 2016:
 - a) Mrs. USHA RAMESH (DIN: 00053451)
 - b) Mr. SUBRAMANYAM RAMESH (DIN: 00052842)
 4. Appointed Mr. SUBRAMANYAM RAMESH (DIN: 00052842) as Managing Director vide resolution passed in the 22nd Annual general meeting held on 16th September 2016.
 5. Taken note of resignation of following directors from the board with effect from 16th September 2016
 - a) Mr. KRISHNASWAMI SUBRAMANYAM (00053410)
 - b) Mrs. S. SAGUNTHALA (DIN: 06792835)
 - c) Mr. SANKARANKOVIL VENKATESWARAN NATARAJAN (DIN: 00052854)
 6. Appointed following persons as Key Managerial Personnel vide resolutions passed in the meeting of Board of Directors of the company held on 16th September 2016:
 - a) Mr. SANKARANKOVIL VENKATESWARAN NATARAJAN (PAN: ACRPN2136K) as CEO
 - b) Mr. VARADACHARI RAMABHADHRAN (ADXPR7627L) as CFO
 - c) Mr. SRINATH SUNDARAJU as Company Secretary

7. Allotted 97,41,800 equity shares of Rs.10 Each vide Resolution dated 18th July 2016 to the Following allottees:

Name of Allotte	No. of Shares Alloted	Total Amount Paid
S. RAMESH	47,44,800	4,74,48,000.00
USHA RAMESH	9,00,000	90,00,000.00
SOUTH GANGA WATERS TECHNOLOGIES LIMITED	26,05,200	2,60,52,000
PREMIER INTERNATIONAL LIMITED	14,91,800	1,49,18,000.00
TOTAL	97,41,800	9,74,18,000.00

The company is not required to obtain secretarial audit report in Form MR-3 for the financial year ending 31.03.2017. However based on the representations made by the Management of the company as required by Metropolitan Stock Exchange, this report has been made.

Place: Chennai

Date: 03.08.2017

FOR VKS&ASSOCIATES

Company Secretaries

V K Shankaramann

F.C.S No. 5592

C.P. No.5255



Annexure 8 to the Board's Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U40100TN1994FLC028309
2.	Registration Date	09/08/1994
3.	Name of the Company	OPERATIONAL ENERGY GROUP INDIA LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non- Govt company
5.	Address of the Registered office & contact details	A, 5 th Floor, Gokul Arcade – East Wing, No. 2 & 2A, Sadar Patel Road, Adyar, Chennai – 600020.
6.	Whether listed company	listed – Public Limited Company
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Service Limited No.1, Club House Road, Chennai – 600 002.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated):

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
01	Electric power generation by coal based thermal power plant	35102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section
1	Pacific technical Services India Limited	U74900TN1993PTC024165	Subsidiary	98%	2(87)

2	Maxitech Engineering Private Limited	U74900KA2012PTC065818	Associate	18%	2(6)
3	Shapoorji Pallonji & OEG Services Private Limited	U45209GJ2008PTC054828	Joint Venture	50%	2(6)
4	Thoothukudi Renew Waters Private Limited	U41000TN2013PTC092363	Associate	48%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category - Wise Share Holding

Category Code	Category of Shareholder	Number of shares held at the beginning for the year 1st April, 2016				Number of shares held at the end of the year 31st March, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters (Including Promotor Group)									
(1)	Indian									
(a)	Individuals/Hindu Undivided Family	-	9,79,100	9,79,100	29.67	56,98,100	-	56,98,100	43.69	14.02
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(e)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(f)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	SUB TOTAL:(A) (1)	-	9,79,100	9,79,100	29.67	56,98,100	-	56,98,100	43.69	14.02
(2)	Foreign									
(a)	NRI - Individuals	-	12,500	12,500	0.38	12,500	-	12,500	0.10	(0.28)
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks/ FI	-	-	-	-	-	-	-	-	-
(e)	Any other...	-	-	-	-	-	-	-	-	-
	SUB TOTAL (A) (2)	-	12,500	12,500	0.38	12,500	-	12,500	0	(0.28)

	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	9,91,600	9,91,600	30.05	57,10,600	-	57,10,600	43.79	13.74
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Banks / FI	-	-	-	-	-	-	-	-	-
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub - total (B)(1):-	-	-	-	-	-	-	-	-	-
(2)	Non -Institutions									
(a)	Bodies Corp.									
i	Indian	-	53,400	53,400	1.62	2,605,200	53,400	26,58,600	20.39	18.77
ii	Overseas	-	-	-	-	-	14,91,800	14,91,800	11.44	11.44
(b)	Individuals									
i	Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	3,08,800	3,08,800	9.36	-	3,26,920	3,26,920	2.51	(6.85)
ii	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	19,46,200	19,46,200	58.98	27,43,500	52,480	27,95,980	21.44	(37.54)
(c)	c) Others (specify)									
	Non Resident Indians	-	-	-	-	57,900	-	57,900	0.44	0.44
	Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	Foreign Nationals	-	-	-	-	-	-	-	-	-
	Clearing Members	-	-	-	-	-	-	-	-	-
	Trusts	-	-	-	-	-	-	-	-	-

	Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
	Sub-total (B)(2):-	-	23,08,400	23,08,400	69.95	54,06,600	19,24,600	73,31,200	56.21	(13.74)
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	23,08,400	23,08,400	69.95	54,06,600	19,24,600	73,31,200	56.21	(13.74)
(C)	Shares held by Custodian for GDRs & ADRs									
	Grand Total (A+B+C)	-	3,300,000	3,300,000	100.00	11,117,200	1,924,600	13,041,800	100.00	-

B) Shareholding of Promoters-

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	S.Ramesh	3,37,000	10.21	NIL	50,81,800	38.97	NIL	28.76
2.	R. Sudarshan	6,16,300	18.67	NIL	6,16,300	4.73	NIL	(13.94)
3.	S. Swaminathan	12,500	0.38	NIL	12,500	0.1	NIL	(0.28)

C) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year (as on 1 st April, 2016)		Date	Reason	Increase/decrease in shareholding		Cumulative Shareholding during the year	
		No of Share	% of total shares of the Company			No of Share	% of total shares of the Company	No of Share	% of total shares of the Company
1	Mr. S. Ramesh	3,37,000	2.58	18.07.2016	Allotted on 18.07.2016 *	47,44,800	36.38	50,81,800	38.97
				31.03.2017	At the end of the year	-	-	50,81,800	38.97
2	Mr. R. Sudarshan	6,16,300	4.73	01.04.2016	No Change	-	-	6,16,300	4.73
				31.03.2017	At the end of the year	-	-	6,16,300	4.73
3	Mr. S. Swaminathan	12,500	0.10	01.04.2016	No Change	-	-	12,500	0.10
				31.03.2017	At the end of the year	-	-	12,500	0.10

Note: * Allotted as per the Scheme of arrangement as approved by Hon'ble Madras High court, vide its order no. 509 to 511 dt. 08/02/2016.

**D) Shareholding Pattern of Top Ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
M/s. South Ganga Water Technologies Pvt Ltd					
1	At the beginning of the year	0	0	0	
	Allotted on 18.07.2016 *	26,05,200	19.98	26,05,200	19.98
	Sold during the year	0	-	26,05,200	19.98
	At the end of the year	26,05,200	19.98	26,05,200	19.98

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
M/s. Premier International Limited					
2	At the beginning of the year	0	-	0	-
	Allotted on 18.07.2016 *	14,91,800	11.44	14,91,800	11.44
	Sold during the year	0	-	14,91,800	11.44
	At the end of the year	14,91,800	11.44	14,91,800	11.44

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3	Mrs. Usha Ramesh				
	At the beginning of the year	25,200	0.19	25,200	0.19
	Allotted on 18.07.216*	9,00,000	6.90	9,25,200	7.09
	Sold during the year	0	-	9,25,200	7.09
	At the end of the year	9,25,200	7.09	9,25,200	7.09

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4	Mr. R. Vijay				
	At the beginning of the year	0	-	0	-
	Bought on 30.06.2016	1,50,000	1.15	1,50,000	1.15
	Bought on 10.08.2016	200	0.00	1,50,200	1.15
	Bought on 31.08.2016	45,000	0.35	1,95,200	1.50
	Sold on 16.09.2016	-20,520	(0.16)	1,74,680	1.34
	Bought on 21.10.2016	27,500	0.21	2,02,180	1.55
	Bought on 14.03.2016	500	0.00	2,02,680	1.55
	At the end of the year	2,02,680	1.55	2,02,680	1.55

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5	Mr. R. Surendar				
	At the beginning of the year	1,50,600	1.15	1,50,600	1.15
	Bought during the year	0	-	1,50,600	1.15
	Sold during the year	0	-	1,50,600	1.15
	At the end of the year	1,50,600	1.15	1,50,600	1.15

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6	Mr. K. Balaguru				
	At the beginning of the year	1,50,000	1.15	1,50,000	1.15
	Bought during the year	0	-	1,50,000	1.15
	Sold during the year	0	-	1,50,000	1.15
	At the end of the year	1,50,000	1.15	1,50,000	1.15

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7	Mr. M. Subramanian				
	At the beginning of the year	1,50,000	1.15	1,50,000	1.15
	Bought during the year	0	-	1,50,000	1.15
	Sold during the year	0	-	1,50,000	1.15
	At the end of the year	1,50,000	1.15	1,50,000	1.15

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8	Mr. P. Murugantham				
	At the beginning of the year	1,50,000	1.15	1,50,000	1.15
	Bought during the year	0	-	1,50,000	1.15
	Sold during the year	0	-	1,50,000	1.15
	At the end of the year	1,50,000	1.15	1,50,000	1.15

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9	Mr. S. Saravanan				
	At the beginning of the year	1,50,000	1.15	1,50,000	1.15
	Bought on 16.09.2016	160	0.00	1,50,160	1.15
	Sold during the year	0	-	1,50,160	1.15
	At the end of the year	1,50,160	1.15	1,50,160	1.15

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10	Mr. R. Rangarajan				
	At the beginning of the year	1,49,600	1.15	1,49,600	1.15
	Bought during the year	0	-	1,49,600	1.15
	Sold during the year	0	-	1,49,600	1.15
	At the end of the year	1,49,600	1.15	1,49,600	1.15

Note - * Allotted as per the Scheme of arrangement as approved by Hon'ble Madras High Court, Vide its order no. 509 to 511 dt. 08.02.2016

E) Shareholding of Directors and Key Managerial Personnel:

SI No.	Name of Directors/KMP	Shareholding at the beginning of the year as on 1st April, 2016)		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. S. Ramesh (Executive Chairman & Managing Director)				
	At the beginning of the year	3,37,000	2.58	3,37,000	2.58
	Allotted on 18.07.2016*	47,44,800	36.38	50,81,800	38.97
	Sold during the year	0	-	50,81,800	38.97
	At the end of the year	50,81,800	38.97	50,81,800	38.97
2	Mrs. Usha Ramesh (Non - Executive Director)				
	At the beginning of the year	25,200	0.19	25,200	0.19
	Allotted on 18.07.2016*	9,00,000	6.90	9,25,200	7.09
	Sold during the year	0	-	9,25,200	7.09
	At the end of the year	9,25,200	7.09	9,25,200	7.09
3	Mr.S. V. Natarajan (Chief Executive Officer)				
	At the beginning of the year	1,000	0.01	1,000	0.01
	Bought on 16.09.2016	260	0.00	1,260	0.01
	Sold during the year	0	-	1,260	0.01
	At the end of the year	1,260	0.01	1,260	0.01
4	Mr. V. Ramabhadran (Chief Financial Officer)				
	At the beginning of the year	1,04,200	0.80	1,04,200	0.80
	Bought during the year	0	-	1,04,200	0.80
	Sold during the year	0	-	1,04,200	0.80
	At the end of the year	1,04,200	0.80	1,04,200	0.80

Notes

1. Mr. George Jameidas, Mr. P. Swaminathan and B. Viswanathan did not hold any share of the Company during 2016-17
2. Mr. S. Srinath Company Secretary did not hold any share of the company during 2016-17
3. * Allotted as per the Scheme of arrangement as approved by Hon'ble Madras High Court, Vide its order no. 509 to 511 dt. 08.02.2016

V) **INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits (Rs)	Unsecured Loans (Rs)	Deposits (Rs)	Total Indebtedness (Rs)
Indebtedness at the beginning of the financial Year				
i) Principal Amount	19,74,64,111.00	5,64,69,165.00		25,39,33,276.00
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	19,74,64,111.00	5,64,69,165.00		25,39,33,276.00
Change in Indebtedness during the financial Year				
• Addition		1,52,11,068.00		1,52,11,068.00
• Reduction	7,95,05,237.00			7,95,05,237.00
Net Change	7,95,05,237.00	1,52,11,068.00		(6,42,94,169.00)
Indebtedness at the end of the financial Year				
i) Principal Amount	11,79,58,874.00	7,16,80,233.00		18,96,39,107.00
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii) Indebtedness at the end of the year 31-03-2017	11,79,58,874.00	7,16,80,233.00		18,96,39,107.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	Gross salary	Mr.S. Ramesh Executive Chairman & Managing Director (Rs)	Mr. George Jameidas Executive Director (Rs)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31,98,706	4,33,120	36,31,826
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0		0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total (A)	31,98,706	4,33,120	36,31,826
	Ceiling as per the Act			

B. REMUNERATION TO OTHER DIRECTORS:

SI No.	Particulars	Fee for attending Board / Committee Meetings (Rs)	Commission (Rs)	Others, Please Specify (Rs)	Total Amount (Rs)
I)	Independent Directors				
1	Mr. B. Viswanathan	55,000	-	-	55,000
2	Mr. P. Swaminathan	60,000	-	-	60,000
	Total (1)	1,15,000	-	-	1,15,000
II)	Other Non-Executive Directors				

1	Mrs. Usha Ramesh	40,000	-	-	40,000
	Total (2)	40,000	-	-	40,000
	Total (B) = (1+2)	1,55,000	-	-	1,55,000
	Total Managerial Remuneration				
	Ceiling as per Act				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
1	Gross salary	Mr. S.V. Natarajan	Mr. V. Ramabhadran	Mr. S. Srinath	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,70,132	8,23,529	1,75,000	27,68,661
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	16,200	-	-	16,200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	N.A	N.A	N.A	N.A
	- as % of profit				
	others, specify...				
5	Others, please specify	0	0	0	0
	Total	17,86,332	8,23,529	1,75,000	27,84,861

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

For and on Behalf of the Board

(S.RAMESH)

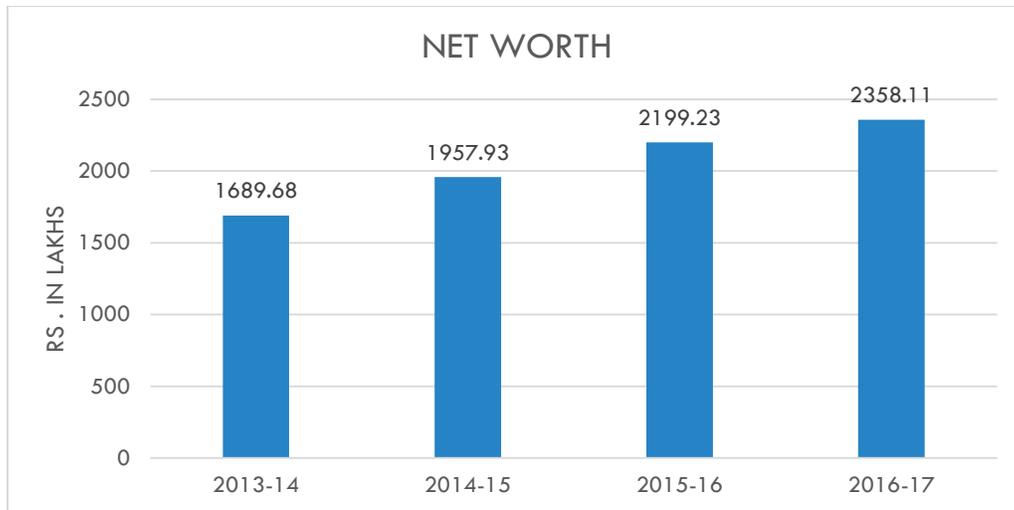
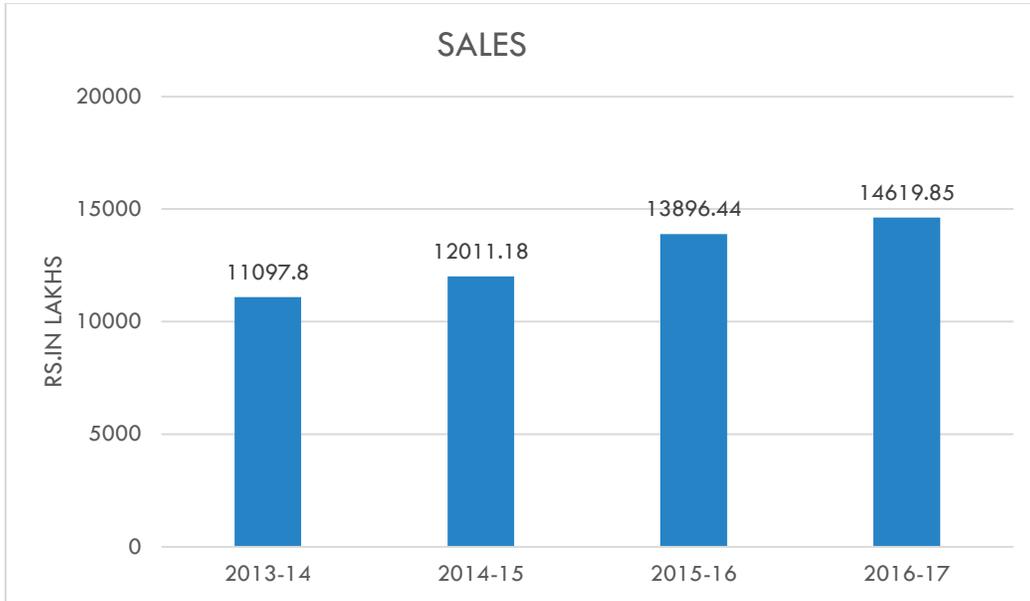
Executive Chairman & Managing Director

DIN: 00052842

Place: Chennai

Date: 05.08.2017

FINANCIAL HIGHLIGHTS 2013-2016



MANAGEMENT DISCUSSION AND ANALYSIS

1. GLOBAL ECONOMIC OUTLOOK:

The global economic outlook remains challenging and is not following a predictable course. Thus, IMF is forced to revise the growth figures on a quarterly basis.

Global growth estimated at 3.1 % in 2016 is expected to inch to 3.5% in 2017. Economic activity in both advanced economies, Emerging Markets and Developing Economies is forecast to accelerate in 2017–18, with global growth projected to be 3.5 percent and 3.6 percent, respectively in 2017 and 2018.

The key global economic, trade and political developments were Brexit, election of Donald Trump and tilt towards a hawkish tone in U.S. Federal Reserve.

Advanced economies are now projected to grow by 1.9 percent in 2017 and 2.0 percent in 2018, 0.1 and 0.2 percentage points more than in the October 2016 forecast, respectively. As noted, this forecast is particularly uncertain in light of potential changes in the policy stance of the United States under the incoming administration. The projection for the United States is the one with the highest likelihood among a wide range of possible scenarios. It assumes a fiscal stimulus that leads growth to rise to 2.3 percent in 2017 and 2.5 percent in 2018, a cumulative increase in GDP of 0.5 percentage point relative to the October forecast. Growth projections for 2017 have also been revised upward for Germany, Japan, Spain, and the United Kingdom, mostly on account of a stronger-than-expected performance during the latter part of 2016. These upward revisions more than offset the downward revisions to the outlook for Italy and Korea.

The primary factor underlying the strengthening global outlook over 2017–18 is, however, the projected pickup in Emerging Market and Developing Economies' (EMDE) growth. This projection reflects to an important extent a gradual normalization of conditions in a number of large economies that are currently experiencing macroeconomic strains. EMDE's growth is currently estimated at 4.1 percent in 2016, and is projected to reach 4.5 percent for 2017, around 0.1 percentage point weaker than the October 2016 forecast. A further pickup in growth to 4.8 percent is projected for 2018.

This optimism is overshadowed by downward revision of certain developing economies. Growth forecasts for 2017 were instead revised down in a number of other regions:

- In India, the growth forecast for the current (2016–17) and next fiscal year were trimmed by 1 percentage point and 0.4 percentage point, respectively, primarily due to the temporary negative consumption shock induced by cash shortages and payment disruptions associated with the recent currency note withdrawal and exchange initiative.
- Elsewhere in emerging Asia, growth was also revised down in Indonesia, reflecting weaker-than-projected private investment, and in Thailand, in light of a slowdown in consumption and tourism.
- In Latin America, the growth downgrade reflects to an important extent more muted expectations of short-term recovery in Argentina and Brazil following weaker-than-expected growth in the second half of 2016, tighter financial conditions and increased headwinds from U.S.-related uncertainty in Mexico, and continued deterioration in Venezuela.



- In the Middle East, growth in Saudi Arabia is expected to be weaker than previously forecast for 2017 as oil production is cut back in line with the recent OPEC agreement, while civil strife continues to take a heavy toll on a number of other countries.

2. DOMESTIC ECONOMIC OUTLOOK:

The main event attracting world attention was the demonetisation exercise where Rs. 15.44 trillion old notes were exchanged for new notes with additional security features and the introduction of GST on 01.07.2017 which the G20 nations welcomed as a major economic reform.

These two events signaled that India is on its way towards economic reform.

India's GDP or gross domestic product grew at 6.1 per cent in the January-March quarter 2016, slowing from a provisional 7.0 per cent in the previous quarter, government data showed today.

For the full fiscal year 2016-17, growth came in at 7.1 per cent, in line with the official estimate.

In the March,2016 quarter, the agriculture, forestry and fishing sectors grew at 5.2 per cent; mining and quarrying at 6.4 per cent; manufacturing at 5.3 per cent; electricity, gas, water supply and other utility services 6.1 per cent; trade, hotels, transport and communication at 6.5 per cent; financial, real estate and professional services at 2.2 per cent; and public administration, defence and other services at 17 per cent. However, the construction sector shrank 3.7 per cent.

Manufacturing is quiet tepid, construction continues to remain very weak. Going ahead one key factor expected to perform will be the banking sector. That will drag growth substantially."

Economists say that the Reserve Bank of India could reassess its monetary policy given that the economic growth has come in, below expectations.

Another set of macroeconomic data released recently showed annual infrastructure output growth slowed to a three-month low of 2.5 per cent in April 2016, dragged down by a slowdown in refinery output and a contraction in coal production. The output grew a revised 5.3 per cent year-on-year in March, 2016. Annual growth in refinery production slowed down to 0.2 per cent in April,2016 from 2.0 per cent in March2016. Coal production fell 3.8 per cent in March, 2016.

There has been scaling down of operations across the sectors.

(a). **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. India ranks third among 40 countries in EY's Renewable Energy Country Attractiveness Index,

on the back of strong focus by the government on promoting renewable energy and implementation of projects in a time bound manner.

Developments:

The Government of India is taking a number of steps and initiatives like 10-year tax exemption for solar energy projects, etc., in order to achieve India's ambitious renewable energy targets of adding 175 GW of renewable energy, including addition of 100 GW of solar power, by the year 2022. The government has also sought to restart the stalled hydro power projects and increase the wind energy production target to 60 GW by 2022 from the current 20 GW.

Due to decline in demand and consequent scaling down of operations at present, there is surplus reported at various centres and this phenomenon has eroded the turnover and profitability of private power producers. One more dimension added to this turmoil is the service tax/GST burden on the independent power producers (IPPs). As GST is exempt on electricity, the independent power producers (IPPs) cannot take credit on input /GST which is 18% of the cost of Operational & Maintenance (O&M). They are forced to take over the O&M so that they can save on taxes. As a result, the O&M operators are being forced to cut prices as O&M activity is being taken over by owners themselves.

Nevertheless, the Company is pursuing an aggressive marketing and pricing strategy to stay ahead in the O&M business. The company is also internally reviewing all the cost components and overheads so as to minimize them to the extent possible.

The experience gained in O&M operations in domestic operations has enabled the company to enter overseas market as reflected by its operations in, Saudi Arabia, Lebanon, Bangladesh, Sri Lanka etc.,



Awarded by Dalmia Cement (Bharat) Limited to Operational Energy Group India Ltd for Effective Safety Management

(b). OPPORTUNITIES AND THREATS:

Opportunities:

Installed capacity by source in India as on 30 April 2017

- Coal: 194,402.88 MW (59.1%)
- Large Hydro: 44,594.42 MW (13.5%)
- Small Hydro: 4,379.86 MW (1.3%)
- Wind Power: 32,279.77 MW (9.8%)
- Solar Power: 12,288.83 MW (3.7%)
- Biomass: 8,311.78 MW (2.5%)
- Nuclear: 6,780 MW (2.1%)
- Gas: 25,329.38 MW (7.7%)

Market Size:

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. Total installed capacity of power stations in India stood at 315,426.32 Megawatt (MW) as of February 28, 2017.

The Ministry of Power has set a target of 1,229.4 billion units (BU) of electricity to be generated in the financial year 2017-18, which is 50 BU's higher than the target for 2016-17. The annual growth rate in renewable energy generation has been estimated to be 27 per cent and 18 per cent for conventional energy.

The Government has added 8.5 GW of conventional generation capacity during the April 2016-January 2017 period. Under the 12th Five Year Plan, the Government has added 93.5 GW of power generation capacity, thereby surpassing its target of 88.5 GW during the period.

The Market Size indicates that despite current tepid growth in Demand, there are still vast opportunities for O&M companies in the power sector. Coal continues to occupy a significant role in the power sector.

Threats:

At the same time, the competition intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

The exemption of GST on electricity in India poses a severe constraint in the Power Sector where cost of operations rules the game. This has forced many Power Companies to take over O & M activities to save on GST.

Secondly the Economic indicators reveal a slide in GDP growth showing reduced demand resulting in scaling down of operations in major activities resulting in reduced O & M contracts.

Operational Energy Group India Limited (OEG) is striving to introduce cost cutting measures to stay afloat in this ever-increasing competitive threat on cost based deliverance and ever-changing environment and trying to utilize its expertise in Overseas Market.

(c) SEGMENT -WISE OR PRODUCT -WISE PERFORMANCE:

OEG PROJECTS LIST for 2016-2017					
OEG - DOMESTIC PROJECTS		31'st March 2017		31'st March 2016	
Sl.No.	Type of Plants	No of Plants	in MWs	No of Plants	in MW
1	Thermal Projects (TPP)	30	4602	29	3202
2	Diesel Generators (DGPP)	2	114.16	2	114.16
3	Combined Cycle Power Plants (CCPP)	2	114	2	114
4	Solar PV Power Plants (SPVPP)	4	73	4	73
OEG - OVERSEAS PROJECTS		31'st March 2017		31'st March 2016	
Sl.No.	Type of Plants	No of Plants	in MWs	No of Plants	in MW
1	Thermal Projects (TPP)	1	4	1	4
2	Diesel Generators (DGPP)	1	200	1	200
3	Combined Cycle Power Plants (CCPP)	2	381	1	109
4	Solar PV Power Plants (SPVPP)	0	0	0	0

(d). OUTLOOK:

The Indian power sector has an investment potential of Rs 15 trillion (US\$ 225 billion) in the next 4–5 years, thereby providing immense opportunities in power generation, distribution, transmission, and equipment, according to Union Minister Mr Piyush Goyal.



The government's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019. This means doubling the current production capacity to provide 24x7 electricity for residential, industrial, commercial and agriculture use.

The Government of India is taking a number of steps and initiatives like 10-year tax exemption for solar energy projects, etc., in order to achieve targets.

(e) RISKS AND CONCERNS:

Our risks and concerns are discussed and covered at the Risk Management Committee and we give below an analysis of the same.

Definition: - Risk is defined in Oxford Dictionary as “a Chance or possibility of danger, loss injury or other adverse consequences”.

The objective of Risk management committee will be

- a) Identify the risks in all spheres like Business, operations, legal, Finance, compliances etc.,
- b) Eliminate the risks wherever possible
- c) Transfer the risk to other parties
- d) Minimise the risk, in unavoidable
- e) Have contingency plan in case the risk occurs
- f) If none of the above is possible, exit those areas, if the potential impact is significant even if the probability of occurrence is small.

Taking cue from its objectives, the exposure of the company, to the following risks are analysed.

Business Risks:

Industry Risk: - Operational Energy Group India Limited (OEG), is engaged in the Business of Operations and Maintenance of Power plants both in India and abroad. The dependence of the business is primarily on Coal fired plants in India and oil-fired plants overseas. Of the domestic billing of Rs 115 crores, the billing arising from Coal fired plants is almost 100%

In view of the international restrictions on environment preservation, the fossil based fuel plants will face threats from the Governmental authorities in the next 3-5 years. Added to that is the economical running of these plants will become a challenge, as the tariff rates of the renewable energy power coming down significantly. (Tariff rates in the region of Rs 3 to 4 per KWh).

Hence OEG needs to go into other areas of its core competence. The following are the potential areas to be examined:

- 1) EPC Solar plants
- 2) Build own operate and Transfer of Solar Plants (BOOT)
- 3) Wind power generation.

- 4) The possibilities of branching into manufacture of Solar Panels at competitive cost can be explored as a move towards manufacturing activity. The possibility of obtaining any subsidy under “Make in India” can be examined.

Client risk: Apart from the generic risk in this Industry, we also have risk in respect of certain clients who are not technologically advanced and financially sound. We need to consciously bring down our exposure over the next 1-2 years with these companies. We need to keep expanding our business in those plants which are up to date on the technology.

On the client side, the captive clients are quite significant, about 75% of the total billing. In this case the margins are quite low, but we need to cut wastages and reduce costs.

In the case of IPPS, the margins are relatively better, but there are two issues: 1. Payments are not received on time. 2. The service tax is an element of cost; accordingly we need to focus on cost reduction measures.

Competition Risk:

On the domestic front, we face severe competition from other players primarily on price; We lost three to four contracts in the last few months on account of the price. We need to redefine our area of strength. If we compete on price, our product becomes a commodity. We need to differentiate our services. We must provide value which is of importance to the client. We have provided services which improves the sustainable competitive advantage of the clients. For example, we can suggest fuel types to clients which will bring down the unit cost of Power generation. Similarly, we can do energy audits so as to identify areas of inefficiency to improve the productivity of the resources. This we are in a unique position to do as we handle multiple plants and we read across best practices in one plant to another plant. Ultimately, if we provide “Customer Delight”, price will not be a significant factor for winning and sustaining the contracts.

Overseas Clients: As a strategy to diversify our client base, as well as to improve our profitability, we need to concentrate on overseas markets.

However, the risk that we have with overseas clients are

- a) Concentrated on oil based fuel
- b) Meeting the contract obligations.
- c) Credit exposure/delay in payments.
- d) Political environment.

We need to diversify into other types of power plants. We are planning to go into solar project in Bangladesh.

We also need to spend more upfront time in doing proper due diligence both technical and commercial before we sign and take up overseas projects. We also should cover our exposure through ECGC.

(f) **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

Internal Controls:

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 business and corporate levels. The Internal Auditor reports directly to the Chairman of the Audit Committee of the Board of Directors, which ensures independence. 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 and efficiency of the internal control systems

(G) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Financial Analysis of Operational Energy Group India Limited (Standalone entity in India) for the Year Ended 31st March, 2017

1. INCOME FROM OPERATION:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
Net Sales/Income from Operation	14,619.85	13,896.44	723.41	5

The Growth in turnover last year was 5%. The company also lost the following contracts during the financial year: a) ARS Metals Private Limited b) Udipi Power Corporation Limited c) Coromandel Sugars Limited

However the growth in other clients and addition of overseas projects like Sri Lanka more than offset the loss of contracts.

2. OTHER INCOME:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
Other Income	165.36	66.10	99.26	150

The Company earned interest on advances to M/s South Ganga waters Technologies Private Limited.

3. COST OF MATERIALS CONSUMED:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
Cost of Materials Consumed	2,016.83	1,591.43	425.40	27

The Scope of contract expanded in sites like Saudi Arabia, Bhubaneshwar Power, in supplying maintenance Materials.

4. EMPLOYEE BENEFITS EXPENSES:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
Employee Benefits Expenses	10,540.39	10,147.62	392.77	4

The Overall increase was marginally lower than the growth in billings.

5. FINANCE COST:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
Finance Cost	323.56	282.86	40.70	14

As the volume of business expanded, the working capital requirement increased; also owing to sluggishness in the power sector, the payment cycle was getting elongated leading increased usage of credit facilities

6. OTHER EXPENSES:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
Other Expenses	1,554.97	1,402.73	152.24	11

The overseas project in Saudi Arabia and Srilanka were in full swing. The Business development activities in Lebanon and Bangladesh were in final stages, leading to increased travelling expenses and Visa Charges.



7. INVESTMENT:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
Investment in Subsidiary Companies	0.98	0.98	0.00	0
Investment in Joint Ventures	8.31	8.31	0.00	0
Investment in Associate Companies	3.02	0.48	2.54	528
Investment in other Companies (Preference Share)	1,126.00	1.00	1,125.00	112462

- a). The Company invested in Maxitech Engineering for a 40% stake Rs 2,53,500/- This will enable the company to Capitalise on synergy arising out of firefighting equipment's being sold to existing clients.
- b). The Company converted its loans and advances in South Ganga Waters Technologies Private Limited to Non-Cumulative preference shares worth Rs 1125 Lakhs.

8. TRADE RECEIVABLES:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
Trade Receivables	3,599.64	3,648.98	-49.34	-1

Although during the course of the year the payments from clients were delayed on accounts of their liquidity problem, towards the end of the year, barring a few clients, all the other clients honoured their commitments. Hence receivables have come down, in spite of increase in total billings

9. SHORT TERM LOAN AND ADVANCES:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
Short Term loans and Advance	405.35	454.95	-49.60	-11

There was a decrease of Rs.49.60 lakhs in short term loans and advances from Rs.454.95 Lakhs as on 31st March 2016 to Rs.405.35 Lakhs on 31st March 2016. The decrease is mainly on account of repayment of loans/advance.

10. OTHER CURRENT ASSETS:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
Other Current Asset	1,732.55	1,482.97	249.58	17

Other current assets have increased by Rs. 249.58 Lakhs from Rs.1482.97 Lakhs on 31 March, 2016 to Rs.1732.55 Lakhs on 31 March, 2017 mainly on account of increase in Bank fixed Deposits as collateral Security for enhancement of working capital limit and increase in Bank Guarantee deposit for issuance of foreign bank Guarantee for Tender submission.

11. TRADE PAYABLE:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
Trade Payable	786.97	537.48	249.49	46

Trade payables as at March 2017 was Rs.786.97 lakhs as against Rs.537.48 lakhs in the previous year. Trade payables include amounts payable to vendors for supply of materials and supply of services. Increase in Trade Payables is mainly on account of major shutdown jobs carried out at various sites.



12. NET DEBT:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
Long term Borrowing	137.33	223.42	-86.09	-39
Short term Borrowing	1,179.59	1,974.64	-795.05	-40
Unsecured Loan	716.80	564.69	152.11	27
Total Debt	2,033.72	2,762.75	-729.03	-52
Less: Cash and Bank balance	159.53	95.81	63.71	66
Net Debt	1,874.19	2,666.94	-792.75	-30

Towards the end of the year, the overall borrowings position has come down on accounts of internal cash accruals and mobilization advances from some of the clients.

Financial Analysis of Operational Energy Group (Consolidated) for the Year Ended 31st March, 2017

1. INCOME FROM OPERATION:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
OPERATIONAL ENERGY GROUP INDIA LIMITED	14,619.9	13,896.44	723.41	5
PACIFIC TECHNICAL SERVICES INDIA PRIVATE LIMITED	778.86	0.00	778.86	N.A

The Growth in OEG (standalone) turnover last year was 5%. The company also lost the following contracts during the financial year: a) ARS Metals Private Limited b) Udipi Power Corporation Limited c) Coromandel Sugars Limited.

However the growth in other clients and addition of overseas projects like Sri Lanka more than offset the loss of contracts.

The addition of clients in Sri Lanka and Lebanon, contributes to the income of the company's subsidiary.

The Contracts with clients in Bangladesh and Lebanon, became operational in later part of the year through the subsidiary company of Pacific Technical Services India Private Limited.

2. OTHER INCOME:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
OPERATIONAL ENERGY GROUP INDIA LIMITED	165.36	66.1	99.26	150
PACIFIC TECHNICAL SERVICES INDIA PRIVATE LIMITED	57.64	0.00	57.64	N.A

The Company earned interest on advances to group company, M/s South Ganga waters Technologies Private Limited.

3. COST OF MATERIALS CONSUMED:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
OPERATIONAL ENERGY GROUP INDIA LIMITED	2,016.83	1,591.43	425.4	27
PACIFIC TECHNICAL SERVICES INDIA PRIVATE LIMITED	0.00	0.00	0.00	N.A

The Scope of contract expanded in sites like Saudi Arabia, Bhubaneshwar Power, in supplying maintenance Materials.

4. EMPLOYEE BENEFITS EXPENSES:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
OPERATIONAL ENERGY GROUP INDIA LIMITED	10,540.4	10,147.62	392.77	4
PACIFIC TECHNICAL SERVICES INDIA PRIVATE LIMITED	328.74	0.00	328.74	N.A

The Overall increase was marginally lower than the growth in billings.

In respect of subsidiary, the addition of new overseas clients, resulted in employment of personnel, and hence the employee related expenses for 2016-17.



5. FINANCE COST:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
OPERATIONAL ENERGY GROUP INDIA LIMITED	323.56	282.86	40.7	14
PACIFIC TECHNICAL SERVICES INDIA PRIVATE LIMITED	1.05	0.00	1.05	N.A

As the volume of business expanded, the working capital requirement increased; also owing to sluggishness in the power sector, the payment cycle was getting elongated leading increased usage of credit facilities.

6. OTHER EXPENSES:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
OPERATIONAL ENERGY GROUP INDIA LIMITED	1,554.97	1,402.73	152.24	11
PACIFIC TECHNICAL SERVICES INDIA PRIVATE LIMITED	339.94	0.00	339.94	N.A

The overseas project in Saudi Arabia and Srilanka were in full swing. The Business development activities in Lebanon and Bangladesh were in final stages, leading to increased travelling expenses and Visa Charges.

In respect of subsidiary, the addition of new overseas clients, resulted in employment of personnel, and hence the other related expenses for 2016-17.

7. INVESTMENT:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
OPERATIONAL ENERGY GROUP INDIA LIMITED	1,138.31	10.77	1,127.54	10469
PACIFIC TECHNICAL SERVICES INDIA PRIVATE LIMITED	0	0	0	N.A

a). The Company invested in Maxitech Engineering for a 40% stake Rs 2,53,500/- This will enable the company to Capitalise on synergy arising out of firefighting equipment's being sold to existing clients.

b). The Company converted its loans and advances in South Ganga Waters Technologies Private Limited to Non-Cumulative preference share Rs 1125 Lakhs.

8. TRADE RECEIVABLES:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
OPERATIONAL ENERGY GROUP INDIA LIMITED	3,599.64	3,648.98	-49.34	-1
PACIFIC TECHNICAL SERVICES INDIA PRIVATE LIMITED	597.01	0.00	597.01	N.A

Although during the course of the year the payments from clients were delayed on accounts of their liquidity problem, towards the end of the year, barring a few clients, all the other clients honored their commitments. Hence receivables have come down, in spite of increase in total billings. The addition of clients in overseas subsidiary resulted in receivables for Pacific Technical Services India Private Limited.

9. SHORT TERM LOANS AND ADVANCE:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
OPERATIONAL ENERGY GROUP INDIA LIMITED	405.35	454.95	-49.6	-11
PACIFIC TECHNICAL SERVICES INDIA PRIVATE LIMITED	68.08	0.00	68.08	N.A

There was a decrease of Rs.49.60 lakhs in short term loans and advances from Rs.454.95 Lakhs as on 31st March 2016 to Rs.405.35 Lakhs on 31st March 2016. The decrease is mainly on account of repayment of loans.



10. OTHER CURRENT ASSET:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
OPERATIONAL ENERGY GROUP INDIA LIMITED	1,732.55	1,482.97	249.58	17
PACIFIC TECHNICAL SERVICES INDIA PRIVATE LIMITED	46.21	0.00	46.21	N.A

Other current assets have increased by Rs. 249.58 Lakhs from Rs.1482.97 Lakhs on 31 March, 2016 to Rs.1732.55 Lakhs on 31 March, 2017 mainly on account of increase in Bank fixed Deposits as collateral Security for enhancement of working capital limit and increase in Bank Guarantee deposit for issuance of foreign bank Guarantee for Tender submission.

11. TRADE PAYABLE:

(Rs. in Lakhs)				
Particular	FY 2016-17	FY 2015-16	Change	% Change
OPERATIONAL ENERGY GROUP INDIA LIMITED	786.97	537.48	249.49	46
PACIFIC TECHNICAL SERVICES INDIA PRIVATE LIMITED	7.33	0.00	7.33	N.A

Trade payables as at March 2017 was Rs.786.97 lakhs as against Rs.537.48 lakhs in the previous year. Trade payables include amounts payable to vendors for supply of materials and supply of services. Increase in Trade Payables is mainly on account of major shutdown jobs carried out at various sites and bringing some strategic plans in to actions.

12. NET DEBT:

(Rs. in Lakhs)				
Entity	FY 2016-17	FY 2015-16	Change	% Change
OPERATIONAL ENERGY GROUP INDIA LIMITED	1,874.19	2,666.94	-792.75	-30
PACIFIC TECHNICAL SERVICES INDIA PRIVATE LIMITED	0.00	0.00	0.00	N.A

Towards the end of the year, the overall borrowings position has come down on accounts of internal cash accruals and mobilization advances from some of the clients.

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

HUMAN RESOURCES:

The complexities in business have been fully appreciated in Human Resource factor.

The Importance of Human Resources in the Operation and Maintenance as a source for getting competitive advantage is fully recognized. Being in Operation and Maintenance sector, cost related productivity issues give thrust to competitiveness.

“OPTRA” training: Keeping this in mind, to improve the quality and standards of performance Operation Energy Group India Limited set up an industrial Training Academy known as OEG POWER ENGINEERS TRAINING ACADEMY where fresh graduate engineers get trained as Power Plant professionals.

Simulator training brings real time plant situation is the crux of the training. Structural adjustments have been made to address complexities in business. A four month intensive training has benefitted about 400 fresh engineers.

With such training our employees have shown positive resilience and have achieved sound value addition to our company.

Talent Search and talent development has been the core principle in our Human Resource function. The following has been guiding principles in our Human Resources Activity.

- Talent Sourcing - web sources; walk-in interviews at various locations; employee referrals; newspaper advertisement.
- Recruitment- Talents being selected through a recruitment policy- right person for the right position
- Performance Appraisal- A standard scheme and format being followed across the sites for employees’ performance appraisal and advised on the improvement areas; training to be imparted.
- Talent Management- Fresh graduates from various departments are being inducted in different areas of power plant. Trained graduates are being absorbed on permanent payroll and given an opportunity to develop their talent thereby enhancing the efficiency of the organization. Training includes classroom training, simulator training & on the job training.
- Job rotation/ Enhancement- Employees’ are identified and being rotated on various jobs in order to enhance themselves in the power plant field.
- Rewards & recognition- Best employee of the month, safe employee of the month, best department of the month are identified on a monthly basis based on the site- specific parameters.
- Employee Welfare- Refreshments being provided at site & HO employees at regular intervals. Annual Medical check-up for employees being conducted. ESI camps being arranged so as to enable the dependents of employees’ with the ESI medical facilities.

We had a total of 2760 work force in 2017 as against 2915 in 2016.



Training Session of the Company in Progress

CORPORATE GOVERNANCE REPORT

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

At Operational Energy Group India Limited, Corporate Governance takes a prime central focus point in shaping the company's philosophy on fairness and integrity to protect Stakeholders interest and the Social environment at large. The governance framework lays strong emphasis on high moral values and standards of ethical practice and corporate compliance to create value addition to stake holders and addresses societal aspirations and tap the creative potential of the human resources.

The corporate governance fabric of the company is ethically woven around freedom for the management team to take the company to new heights. Such freedom being guided to be within the hallmark of transparent accountability with checks and balances. This is to ensure that care and transparency is reflected in making decisions.

The Corporate Philosophy well understands the trusteeship that the stake holders have entrusted to it. To uphold the trusteeship, it has set up a Lakshman Rekha consisting of the following core values.

1. Establishment of exemplary ethical standards in the conduct of its corporate affairs both inside the company and in its relationship externally.
2. Establishing transparency and accountability by ensuring its dealings at arm's length.
3. Innovation and creativity in its corporate management by top-down approach – extension of decision making by consultation, exchange of views at relevant levels and consensus so that man power potential is encouraged and utilized.
4. A strong internal control to act as litmus test to ensure and prevent misuse of freedom and power and as an effective tool for management of risks.

Thus, Corporate Governance is an edifice that stands on pillars of ethics, transparency, accountability and freedom with internal control procedures.

Strong leadership and effective corporate governance practices have been the fulcrum of the company. The Company has a long history of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director, Executive Director and Independent directors.

The Company has an experienced and a well-informed broad-based Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy.

The Company follows the requirements stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the erstwhile Clause 49 of the Listing Agreement on corporate governance.

2. BOARD OF DIRECTORS:

Composition of the Board

The composition of the Board of Directors of the Company as on 15th June 2017 is in conformity with the Listing Regulations and the Companies Act, 2013. As on 31st March 2017, the Board comprises of five Directors, out of which three are Non-Executive Directors and one



Executive Chairman & Managing Director. Out of three Non-Executive Directors, two are Independent Directors.

All Directors possess the requisite qualifications and experience in general corporate management, finance, banking, marketing and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company. Detailed profile of the Directors is available on the Company's website: www.oegindia.com.

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. 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.

None of the Independent Directors on the Board serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with regard to the limit on Independent Directorships of listed companies as prescribed in Regulation 25 (1) of the Listing Regulations. The Executive Chairman and Managing Director of the Company does not serve as an Independent Director in any listed company.

Board Procedure:

The annual calendar of Board Meetings is agreed upon at the beginning of the year.

To protect green environment, and to leave less carbon footprint on the environment, the company strives to reduce paper consumption. Hence the company has adopted a web based application for transmitting the agenda and pre-reads for the Board and Committee meetings. The Directors receive the agenda and pre-reads in electronic form which is highly secured.

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. The items in the Agenda are determined with full communication at responsible levels to enable the Board to take appropriate decisions and to discharge its responsibilities effectively. The Managing Director, CEO and CFO apprise the Board on the overall performance of the Company. The Board also, *interalia*, reviews the risk management strategy, business development plan, client satisfaction strategies, capital expenditure budgets, compliance reports of the laws applicable to the Company, review of major contracts, steps to improve new contracts, internal financial controls and financial reporting systems, minutes of the Board Meetings of the Company's subsidiary companies, adoption of quarterly / half-yearly / annual results, transactions pertaining to purchase / disposal of property, major accounting provisions and write-offs / write backs, corporate restructuring, minutes of the meetings of the Audit and other Committees of the Board.

Meetings Held

The Board met 10 (ten) times on the following dates during the Financial Year (FY) 2016-17:

SI NO	DATE OF BOARD MEETING
1	01/06/2016
2	28/06/2016

3	02/07/2016
4	18/07/2016
5	09/08/2016
6	17/08/2016
7	30/08/2016
8	16/09/2016
9	19/12/2016
10	24/03/2017

The gap between two meetings did not exceed one hundred and twenty days.

Name of the Director	Category of the Director	No. of Board Meeting Held During the Year 2016-17	Number of Board Meeting attended during the year 2016-17	Whether Attended AGM Held on 16th September 2016	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	10	3	Yes	-	-	-	-
* Mrs. Usha Ramesh DIN - 00053451	Non-Executive Director	10	3	Yes	-	-	-	-
Mr. George Jameidas DIN - 06777068	Executive Director	10	10	Yes	-	-	-	-

* Mr. P. Swaminathan DIN - 02603984	Independent Director	10	3	Yes	-	-	-	-
* Mr. B. Viswanathan DIN - 00702802	Independent Director	10	3	Yes	-	-	-	-
Mr. S. V. Natarajan DIN - 00052854	Director	10	8	Yes	-	-	-	-
Mr. K. Subramanian DIN - 00053410	Non Executive Director	10	7	No	-	-	-	-
Mrs. Sagunthala DIN - 06792835	Non Executive Director	10	7	No	-	-	-	-

* was appointed on the board on 16th September 2016.

Shareholding of Directors as on 31st March 2017 is as under:

Name of the Director	No of Ordinary Shares Held	% of Paid-Up Capital
Mr. S. Ramesh	5,081,800	38.97
Mrs. Usha Ramesh	925,000	7.09
Mr. S.V. Natarajan	1,260	0.01

No other Director holds any shares in the Company. The Company has not issued any convertible instruments.

Independent Directors

Terms and conditions of appointment of Independent Directors

All the Independent Directors of the Company have been appointed as per the provisions of the Act, Listing Regulations and the Governance Guidelines for Effectiveness of the Board. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment have been disclosed on the website of the Company.

Familiarisation Programme for Independent Directors:

As listing took place on 15th May of 2017, the familiarization programme will be conducted in the Current Year. However the independent directors with long experience in management and administration are well equipped to guide the Board during the deliberations.

Separate Meeting of Independent Directors:

As the Independent directors were appointed on 16.09.2016 the separate meeting of Independent Directors will be conducted in the Current Year (2017-18).

Code of Conduct:

Whilst the Operational Energy Group India Limited (OEGIL) Code of Conduct is applicable to the Whole time Directors and employees of the Company, the Board has also adopted a Code of Conduct for Non- Executive Directors, which incorporates the duties of Independent Directors as laid down in Schedule IV to the Act (Code for Independent Directors) and Regulation 17(5) of the Listing Regulations, both of which are available on the Company's website.

All the Board members and Senior Management of the Company as on 31st March 2017 have affirmed compliance with their respective Codes of Conduct. A declaration to this effect, duly signed by the Managing Director, forms part of this report.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that these Directors would be entitled to under the Act as Non-Executive Directors, none of the Directors has any other material /pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates except for Mrs. Usha Ramesh, woman director who is related to Mr. S. Ramesh, Executive chairman and managing director.

Senior Management of the Company have made disclosures to the Board confirming that there is no material, financial and/or commercial transactions between them and the Company which has or could have potential conflict of interest with the Company at large.

AUDIT COMMITTEE:

The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions.

All the items listed in Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and in Section 177 of the Act are covered in the terms of reference.

Terms of Reference

The terms of reference of the Audit Committee, *inter-alia*, are:

- Overseeing of the Company's financial reporting process and disclosure of its financial information;
- Discuss and review, with the management and auditors, the annual/quarterly financial statements before submission to the Board;
- Review of the Company's accounting policies internal accounting controls, financial and such other matters;

- Hold timely discussions with external auditors regarding critical accounting policies and practices, significant reporting issues and judgements made, nature and scope of audit, etc.;
- Evaluate auditors' performance, qualification, independence and effectiveness of Audit process;
- Recommend to the Board, the appointment, re-appointment, removal of the external auditors, fixation of audit fees and approval for payment of audit and non-audit services;
- Review the adequacy of internal audit and risk management function;
- Review the adequacy of internal control systems and ensure adherence thereto;
- Provide guidance to the Compliance Officer for setting forth policies and implementation of the revised OEGIL Code of Conduct for Prevention of Insider Trading;
- Scrutinise inter-corporate loans and investments;
- Review the functioning of Whistle Blower Mechanism of the Company which shall include the Vigil Mechanism for Directors and employees to report genuine concerns in the prescribed manner;
- Review the significant related party transactions;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure and frequency of internal audit;
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee has been granted powers as prescribed under Regulation 18 (2) (c) of the Listing Regulations.

Meetings Held:

During FY 2016-17, 2 (two) meetings of the Audit Committee were held on the following dates:

Si. No	Date
1	19.12.2016
2	24.03.2017

The gap between two meetings did not exceed one hundred and twenty days.

Composition and Attendance:

Name of the Member	Category	No. of Meeting attended
Mr. B. Viswanathan (Chairman)	Independent Director	2
Mr. P. Swaminathan	Independent Director	2
Mr. S. Ramesh	Executive Chairman & Managing Director	2

Mr. B. Viswanathan is a Management Graduate from IIM Calcutta. He has held various managerial positions in Asian Paints India Limited and Best and Crompton Engg.Ltd. and was also a member of Coimbatore Stock Exchange.

All members of the Audit Committee are financially literate and have accounting and related financial management expertise.

The Company Secretary acts as the Secretary to the Committee. The composition of the Committee is in conformity with Section 177 of the Act and Regulation 18 (1) of the Listing Regulations.

The Managing Director, Chief Executive Officer, Chief Financial Officer and Internal Auditor attend and participate at all the meetings of the Committee. The Committee from time to time also invites such of the executives, as it considers appropriate, to be present at the meetings.

During the year, the Committee reviewed the key audit findings covering operational, financial and compliance areas, internal financial controls and financial reporting systems to the Committee. The Chairman of the Audit Committee briefs the Board about the significant discussions at the Audit Committee meetings. The minutes of each of the Audit Committee are placed in the next meeting of the Board.

Mr. Viswanathan, Chairman of the Audit Committee, was present at the last AGM held on 16th September 2016.

4. NOMINATION AND REMUNERATION COMMITTEE (NRC):

Terms of Reference

The terms of reference of the NRC, *inter-alia*, are:

- Make recommendations to the Board regarding the setup and composition of the Board;
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Formulate criteria for evaluation of Independent Directors and the Board;
- Support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its Committees and Individual Directors;
- Devise a policy on Board diversity;
- Recommend to the Board the appointment or reappointment of Directors;
- Recommend to the Board, the appointment of KMP and executive team members;
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team members of the Company;
- Review matters related to remuneration and benefits payable upon retirement and severance to the Managing Director/ Executive Director(s), KMP and executive team members;
- Review HR and people strategy and its alignment with the business strategy periodically or when a change is made to either;
- Provide guidelines for remuneration of Directors on material subsidiaries;
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of Board, KMP and executive team members;
- Perform other activities related to the charter as requested by the Board from time to time.

Meetings Held:

During FY 2016-17, 1 (one) meeting of NRC were held on the following dates:

Sl No	Date of the Meeting
1.	24.03.2017

Composition and Attendance:

The composition and the terms of reference of the NRC are in compliance with the provisions of Section 178 (1) of the Act and Regulation 19 of the Listing Regulations.

Name of the Member	Category	No of meetings attended
Mr. B. Viswanathan (Chairman)	Independent Director	1
Mr. P. Swaminathan	Independent Director	1
Mrs. Usha Ramesh	Non – Executive Director	1

Mr. B. Viswanathan is well experienced in corporate management and in human resources matters. He took over as Chairman of the NRC and was also, was present at the AGM of the Company held on 16th September 2016 as an invitee.

5. BOARD AND DIRECTORS EVALUATION:

This will be conducted during the current year of the operation as the listing became effective from 15.05.2017. The criteria of the evaluation will be decided during the current year which will form the basis of the evaluation.

6. REMUNERATION OF DIRECTORS:

The Company's philosophy for remuneration of Directors, KMP and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, KMP and other employees, which is aligned to this philosophy. The principles governing the Company's Remuneration Policy is provided in the Board's Report.

Managing Director / Executive Director:

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Chairman and Managing Director. Annual increments are recommended by the NRC within the salary scale approved by the members of the Company. The members have at the AGM of the Company held on 16.09.2016, approved the payment of Commission to the Executive Chairman and Managing Director a commission on the net profits of the Company determined in accordance with the relevant provisions of the Companies Act, 2013 at a rate to be determined by the Board of Directors from time to time, for the relevant period. The payment may be made on a pro-rata basis every month or on an annual basis or partly monthly and partly on an annual basis at the discretion of the Board.

Name of the Director	Salary (Rs)	Perquisites and Allowance (Rs)	Commission (Rs)	Retirement Benefits paid (Rs)	Total Remuneration (Rs)
Mr. S. Ramesh Executive Chairman & Managing Director	31,98,706	-	-	-	31,98,706/-
Mr. George Jameidas - Executive Director	4,33,120	-	-	-	4,33,120/-



Note:Mr. S. Ramesh with Effect from 16.09.2016

Non-Executive Directors:

During FY 2016-17, the company has been paying sitting as follows: -

Board Meeting	Rs. 10,000/-
Committee meetings	Rs. 5,000/-

Details of Sitting Fees paid to the Non-Whole time Directors for the FY ended 31st March 2017 is given below:

Name of the Directors	Sitting Fees
Mrs. Usha Ramesh	Rs. 40,000/-
Mr. B. Viswanathan	Rs. 55,000/-
Mr. P. Swaminathan	Rs. 60,000/-

Service Contracts, Severance Fees and Notice Period:

Terms of Agreement of Managing Director	Mr. S. Ramesh
Period of Contract	3 Years from 16 th September 2016
Severance fees/ notice period	The Contract may be terminated by either party giving the other party six months' notice or by payment of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.

7. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Terms of Reference

The terms of reference of the Stakeholders Relationship Committee are as under:

- To look into redressal of investors' requests such as transfer of shares / debentures, non-receipt of dividend, annual report, etc.
- To resolve the grievances of the security holders of the Company.

Meetings Held

During FY 2016-17 1 (one) meetings of Stakeholders Relationship Committee were held on 24.03.2017

Composition and Attendance:

Name of the Member	Category	No of Meetings attended
Mr. B. Viswanathan – Chairman	Independent Director	1
Mr. S. Ramesh	Executive Chairman & Managing Director	1
Mr. George Jameidas	Executive Director	1

During the year no grievance was received from the shareholders

COMPLIANCE OFFICER

NAME : S. Srinath

DESIGNATION : Company Secretary

ADDRESS : A, 5th Floor Gokul Arcade - East Wing, No.2& 2A, Sardar Patel Road, Adyar , Chennai 600020.

The company in the process of encouraging the shareholders to dematerialize their shares.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Although non mandatory in terms of Section 135(1) of the companies Act, 2013, the company has engaged itself in Social Responsibility activities and has formed a committee for that purpose.

Terms of Reference

The terms of reference of the CSR Committee are as under:

- formulating and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013.
- recommending the amount of expenditure to be incurred on the CSR activities.
- monitoring the Corporate Social Responsibility Policy of the company from time to time.
- Further the rules provide that the CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

For the financial year 2016-17 Operational Energy Group India Limited has contributed Rs. 3,30,000/- for CSR activities.

Meetings Held:

During FY 2016-17, 1 (one) meeting was held on 24th March, 2017.

Composition and Attendance:

Name of the Member	Category	NO. of Meetings attended
Mr. S. Ramesh - Chairman	Executive Chairman & Managing Director	1
Mrs. Usha Ramesh	Non – Executive Director	1
Mr. George Jameidas	Executive Director	1

9. RISK MANAGEMENT COMMITTEE (RMC):

Regulation 21 of the Listing Regulations mandates top 100 listed companies based on market capitalisation as on 31st March 2016 to constitute the RMC. Although non-mandatory, the Company has constituted a RMC of the Board to ensure effective risk management in its operations.

The objective of Risk management committee is to

- a) Identify the risks in all spheres like Business, operations, legal, Finance, compliances etc.,
- b) Eliminate the risks wherever possible
- c) Transfer the risk to other parties
- d) Minimise the risk, in unavoidable circumstances
- e) Have contingency plan in case the risk occurs
- f) If none of the above is possible, exit those areas, if the potential impact is significant even if the probability of occurrence is small.

At the meeting held on 24.03.2017 a note on Business Risk covering Industry Risk, Client Risk, Competition Risk and Overseas business Risk was discussed, and a plan of action has been agreed upon.

Composition and Attendance:

Name of the member	Category	No. of meeting attended
Mr. S. Ramesh – Chairman	Executive Chairman & Managing Director	1
Mr. B. Viswanathan	Independent Director	1
Mr. P. Swaminathan	Independent Director	1
Mr. S.V. Natarajan	Chief Executive Officer	0
Mr. V. Ramabhadran	Chief Financial Officer	1

A more detailed framework is discussed in detail in Management Discussion and Analysis chapter.

10. **SUBSIDIARY COMPANIES:**

Regulation 16 (1) (c) of the Listing Regulations defines a 'material subsidiary' as subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

OPERATIONAL ENERGY GROUP INDIA LIMITED CONSOLIDATION 2015-16			
TURNOVER PERCENTAGE			
PARTICULAR	CONSOLIDATED AMOUNT (Rs)	OEG INDIA (Rs)	PACIFIC TECHNICAL SERVICE INDIA PVT Ltd. (Rs)
REVENUE FROM OPERATION	1,39,89,91,504	1,38,96,43,768	73,66,387
OTHER INCOME	66,10,032	66,10,032	
TOTAL TURNOVER	1,40,56,01,536	1,39,62,53,800	73,66,387
	PERCENTAGE		0.52%

OPERATIONAL ENERGY GROUP INDIA LIMITED CONSOLIDATION 2015-16			
NETWORTH PERCENTAGE			
PARTICULAR	CONSOLIDATED AMOUNT (Rs)	OEG INDIA (Rs)	PACIFIC TECHNICAL SERVICE INDIA PVT Ltd. (Rs)
SHARE CAPITAL	3,30,00,000	3,30,00,000	1,00,000
SHARE PENDING ALLOTMENT	9,74,18,000	9,74,18,000	
RESERVES & SURPLUS	8,63,06,778	8,95,04,965	11,23,372
NETWORTH	21,67,24,778	21,99,22,965	12,23,372
	PERCENTAGE		0.56%



As per this definition, the Company does not have any material subsidiary incorporated in India. It is, therefore, not required to have an Independent Director of the Company on the Board of such subsidiary.

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 the following web link: www.oegindia.com

11. GENERAL BODY MEETINGS:

Location, day, date and time of AGMs held during the last 3 year and special resolution passed are given as below:

e	LOCATION	DAY, DATE AND TIME	SPECIAL RESOLUTIONS
2015-16	A, 5th Floor, Gokul Arcade - East Wing, No. 2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020.	Friday, 16th September 2016 at 2.00 P.M.	1. Appointment of Mr. S. Ramesh as Executive Chairman & Managing Director.
2014-15	37/2A1, SIVAKASI MAIN ROAD, MALLI VILLAGE, SRIVILLIPUTTUR - 626141	FRIDAY, 18 TH SEPTEMBER 2015 AT 12.00 P.M.	There was no matter that required passing of Special Resolution
2013-14	37/2A1, SIVAKASI MAIN ROAD, MALLI VILLAGE, SRIVILLIPUTTUR - 626141	THURSDAY, 19 TH SEPTEMBER 2014 AT 12.00 P.M.	There was no matter that required passing of Special Resolution

Postal Ballot:

During FY 2016-17, the notices of postal ballot were sent to the member on 30th May 2016 and results announced on 27th June 2016. The Company appointed M/s.V K S & Associates, Practicing Company Secretaries in whole-time practice as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

The following Resolutions were passed by postal ballot.

PARTICULARS	RESOLUTIONS
ADOPTION OF NEW ARTICLES OF ASSOCIATION OF THE COMPANY	Special Resolution:
INCREASE IN AUTHORIZED SHARE CAPITAL	Ordinary Resolution:
ALTERATION OF CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION	Ordinary Resolution:
INCREASING IN THE BORROWING LIMITS UPTO RS.140 CRORES OR THE AGGREGATE OF THE PAID-UP CAPITAL AND FREE RESERVES OF THE COMPANY, WHICHEVER IS HIGHER	Special Resolution:
CREATION OF CHARGES ON THE MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE, IN RESPECT OFBORROWINGS	Special Resolution:
ALTERATION OF OBJECT CLAUSE OF THE MEMORANDUM	Special Resolution
SHIFTING OF REGISTERED OFFICE FROM ONE DISTRICT TO ANOTHER	Special Resolution
TO GIVE LOANS OR TO GIVE GUARANTEES OR TO PROVIDE SECURITIES IN CONNECTION WITH THE LOAN MADE TO ANY OTHER BODY CORPORATE OR PERSON OR TO MAKE INVESTMENTS UNDER SECTION 186 OF THECOMPANIES ACT, 2013	Special Resolution

12. MEANS OF COMMUNICATION:

The periodical financial results will be published in the newspapers both in English and vernacular and the financial result will be published in the company website www.oegindia.com

Company's Website:

The company's website has comprehensive reference to company's management vision, mission, policies, corporate governance, corporate sustainability, investor relations, updates and news.



Material events or information as detailed in Regulation 30 of the Listing Regulations are disclosed to the Stock Exchanges by filing them with Metropolitan Stock Exchange of India Ltd. They are also displayed on the Company's website.

13. GENERAL SHAREHOLDER INFORMATION:

The Company is registered with the Registrar of Companies, Chennai, and Tamil Nadu. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U40100TN1994FLC028309.

Annual General Meeting date, time and venue

Date and Time : 22.09.2017 02.00 P.M.
Venue : A, 5th Floor Gokul Arcade - East Wing, No. 2 & 2A Sardar Patel Road Adyar Chennai 600020.
Financial Year : April, 2016 to March, 2017
Book Closure Date : Physical Mode: 16.09.2017 to 22.09.2017.
Electronic Mode: 19.09.2017 to 21.09.2017
Cut Off Date/ Record Date: 15.09.2017
Dividend payment date : Not Applicable
Listing on Stock
Exchanges : A portion of the Company's Ordinary Shares (33,00,000 Nos) are listed on the following Stock Exchange :
Metropolitan Stock Exchange India Limited (MSEI)
4th Floor, Vibgyor Tower, Plot No. C-62, OPP Trident Hotel, BKC, Bandra East Mumbai, Maharashtra 400098 India.
Stock Code : OEGIL
International Securities Identification Number (ISIN) in NSDL and CDSL for Equity Shares: INE239V01012

Listed Shares : 33,00,000

Unlisted Shares : 97,41,800

Registrar to issue and Share Transfer Agents:

**CAMEO CORPORATE SERVICE LIMITED,
"SUBRAMANIAN BUILDING" NO. 1,
CLUB HOUSE ROAD, CHENNAI - 600002.**

Phone No. 044-28460390

Web Site: www.cameoindia.com

Email: investor@cameoindia.com

Share Transfer Process:

Shares in physical forms are processed by the Registrar and Share Transfer Agent within 15 days from the date of receipt, if the documents are complete in all respects. The share transfer committee has been severally empowered to approve transfers. Already 85.24% of listed shares have been dematerialised and steps are in process to further dematerialise the remaining shares.

Meeting Held:

During FY 2016-17, 7 (Seven) Meetings were held as mentioned below:

Si No	Date of Meetings
1	30.06.2016
2	10.08.2016
3	31.08.2016
4	06.09.2016
5	16.09.2016
6	21.10.2016
7	20.01.2017

Composition and Attendance:

Name of the Director	Category	No. of meeting attended
Mr. George Jameidas	Executive Director	7
Mr. S. V. Natarajan	Executive Director	5
Mr. K. Subramanyam	Non-Executive Director	5
Mr. S. Ramesh	Executive Chairman & Managing Director	2
Mrs. Usha Ramesh	Non-Executive Director	2

Secretarial Audit:

As the company was listed in the stock exchange on 15.05.2017 the company will be following Regulation 40(9) of the SEBI (Listing obligation and disclosure requirements) Regulation, 2015.

- Accordingly, Pursuant to Regulation 40(9) of the Listing Regulations, certificates will be issued, on a half- yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.

- A Company Secretary in practice will carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid-up capital agrees with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
- Mr. V.K. Shankararamann of VKS and Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for year 2016-17. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board of Director' Report.

Distribution of Shareholding as on 31st March 2017:

Range of Holdings	Number of Shares	Amount (Rs)	% to Capital	Number of Shareholders	% of Shareholders
1 to 500	1,01,520	10,15,200	0.78	335	65.56
501 to 1000	82,300	8,23,000	0.63	90	17.61
1001 to 2000	46,700	4,67,000	0.36	30	5.87
2001 to 3000	66,100	6,61,000	0.51	27	5.28
3001 to 4000	17,400	1,74,000	0.13	5	0.98
4001 to 5000	4,300	43,000	0.03	1	0.20
5001 to 10000	8,600	86,000	0.07	1	0.20
Above 10000	1,27,14,880	1,27,14,880	97.49	22	4.30
Total	1,30,41,800	13,04,18,000	100.00	511	100.00

Category of Shareholding as on 31st March 2017

Category	Number of Shares	Percentage
Promoter and promoter group	57,10,600	43.79
Resident Individuals	31,22,900	23.95
Foreign Holdings	15,49,700	11.88
Body Corporate	26,58,600	20.38
Total	1,30,41,800	100.00

Address for Correspondence: Operational Energy Group India Limited, A 5th Floor Gokul Arcade No.2 & 2A Sardar Patel Road Adyar Chennai – 600020.

Email: ramabhadran@oegindia.com website: www.oegindia.com.

Plant Location: As the main business of the company is in the Operation and Maintenance of the power plants, the company does not own any plant. However, the Company carries out operation and maintenance activity in client’s plant locations.

14. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company is primarily in service industry and hence is not subject to commodity price risk. However we have receipts in forex from our projects in Srilanka and Saudi Arabia. We have limited import of spare parts. We have natural hedging on our imports as import payments are routed through EEFC Account. We also have limited forex loan of US\$ 5, 00,000 (about Rs. 3.2 Crores). The overseas billings for the year 2016-17 is Rs. 35.41 Crores. As overseas billings are significantly higher than the forex outflow, we have not resorted any hedging.

15. OTHER DISCLOSURES:

Related Party Transactions:

The Following are the Related party Transactions with the Director:

Name of the Related Party	Nature of transaction	
	Salary Income (Rs)	Rental Income (Rs)
Mr. S. Ramesh, Executive Chairman & Managing Director	31,98,706/-	65,31,600/-
Mr. R. Sudarshan :Son of Managing Director	12,39,960/-	6,00,000/-

The above Related party transactions are at arm’s length based on opinion from Independent Valuer. These transactions were approved by the Audit Committee and the Board of Directors. There is no pecuniary relationship or transaction of the non-executive Directors’ Vis-à-vis the Company. The policy on Related Party Transaction is made available on Company’s Website at www.oegindia.com.

Statutory Compliance, Penalties and Strictures

The Company was originally under the name of Sri Balaganapathy Mills Ltd. The Shares of the Company was listed in Madras Stock Exchange limited. Subsequently the trading operation of Madras stock exchange were closed in 2015 and consequently the shares of the company were transferred to the Dissemination Board of National Stock Exchange (NSE) in August 2015.

In the meanwhile, the scheme of Arrangement was finalized amongst Sri Balaganapathy Mills Limited, Operational Energy Group India private limited and OEG Solar Energy Private limited. The Scheme of Arrangement was approved by the Hon’ble Madras High Court on 08/02/2016 Vide Order No. 509 to 511 Dated. 08/02/2016.

Subsequently on the implementation of the scheme of Arrangement, the name of the company was changed to Operational Energy Group India Limited, effective from 11.05.2016 after due compliance of law.

Subsequently Operational Energy Group India Limited approached Metropolitan Stock exchange India limited for direct listing of 33,00,000 shares, which were under the dissemination board of NSE. Metropolitan stock exchange India limited after due deliberations



approved listing of aforesaid 33,00,000 shares in their stock exchange with effect from 15.05.2017.

The Company has complied with the requirements of the Stock Exchange, SEBI and Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by these authorities.

Whistleblower Policy and Vigil Mechanism:

The Company has adopted a Whistleblower policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Conduct or Ethics policy. The company has established separate email id for reporting any unethical behaviours.

Accounting Treatment in preparation of Financial Statements:

The Company has prepared the Financial Statements in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act / Companies Act, 1956, as applicable.

CEO / CFO Certification:

The Chief Executive Officer and the Chief Financial Officer have given their certification to the Board of Directors as required by Regulation 17 (8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO / CFO certification for the Financial Year ended 31st March 2017.

Mandatory Requirements:

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

Non-Mandatory Requirements:

The status of compliance with the nonmandatory requirements listed in Regulation 27 (1) read with Part E of Schedule II of the Listing Regulations are as under:

- The Internal Auditor reporting to the Audit Committee.
- Other Non-mandatory requirement will be adopted as and when felt necessary.

DECLARATION BY THE MANAGING DIRECTOR

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 2017.

For Operational Energy Group India Limited

S. Ramesh

Executive Chairman & Managing Director

Place: Chennai,
Date: 05.08.2017

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, 2017, 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, 2017.
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.

Thanking you.

Yours faithfully,

For Sri & Co.,
Chartered Accountants
Firm Registration No: 010495S

M.B.Srinivasan
Partner
Membership No: 027630
Chennai

Date: 05.08.2017

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER TO THE BOARD

We, S.V. Natarajan, Chief Executive Officer and V. Ramabhadran Chief Financial Officer of Operational Energy Group India Limited certify that:

- A. We have reviewed financial statements and the cash flow 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, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, 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.

(S.V. Natarajan)

Chief Executive Officer

(V. Ramabhadran)

Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT

To the Members of

Operational Energy Group India Limited

Chennai

Report on the Financial Statements

We have audited the accompanying financial statements of **Operational Energy Group India Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid financial 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 written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on Behalf of

For Sri & Co.,

Chartered Accountants

FRN : 010495S

Date: 15.06.2017

Place: Chennai

M.B. Srinivasan

Partner

Membership Number:027630

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- (d) In our opinion and according to the information and explanations given to us, no major fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
- 2) The company does not have any inventory.
- 3) *According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has taken loans from Directors and other parties listed in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the loan is Interest free and other terms and conditions for such loans are prima facie not prejudicial to the interest of the company.*
- 4) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, with regard to the purchase of consumables & fixed assets and payment for expenses & for sale of goods. During the course of audit, no major instance of continuing failure to correct any weakness in the internal control has been noticed.
- 5) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013. In respect of loans, investments, guarantees and security.
- 6) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 7) As per information & explanation given by the management, the maintenance of Cost Records has been prescribed by the Central Government under clause(d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

- 8) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, subject to point 3, Disclosure of Contingent Liability in respect of Service Tax, in Schedule, Note to accounts, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
- 9) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 12) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- 13) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 14) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has made preferential allotment of shares during the year on account of Merger as per High Court Order under review. Accordingly, the provisions of clause 3 (xiv) of the Order are applicable to the Company and the company has also update with the Ministry of Corporate Affairs.

- 16) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 17) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on Behalf of

For Sri & Co.,

Chartered Accountants

FRN : 010495S

Date: 15.06.2017

Place: Chennai

M.B.Srinivasan

Partner

Membership Number:027630



“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Operational Energy Group India Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Operational Energy Group India Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017.

For and on Behalf of

For Sri & Co.,

Chartered Accountants

FRN : 010495S

Date: 15.06.2017

Place: Chennai

M.B.Srinivasan

Partner

Membership Number:027630



OPERATIONAL ENERGY GROUP INDIA LIMITED

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

BALANCE SHEET AS ON 31ST MARCH 2017

		Note No.	As at 31st March 2017		As at 31st March 2016	
I	EQUITY AND LIABILITIES					
(1)	Shareholders' funds					
	(a) Share Capital	1	130,418,000		130,418,000	
	(b) Reserves and Surplus	2	105,392,633	235,810,633	89,504,964	219,922,964
(2)	Non-current liabilities					
	(a)Long-Term Borrowings	3	13,732,935	13,732,935	22,342,124	22,342,124
(3)	Unsecured Loan	4		71,680,233		56,469,165
(4)	Current Liabilities					
	(a) Short-term borrowings	5	117,958,874		197,464,111	
	(b) Trade Payables	6	78,696,778		53,747,754	
	(C)Other current liabilities	7	1,095,908		1,984,465	
	(d)Short-term provisions	8	234,167,181		178,439,099	
				431,918,740		431,635,428
	Total			753,142,542		730,369,683
II	ASSETS					
(1)	Non-Current Assets					
	Fixed Assets					
	(a)Tangible Assets					
	Gross Block	9	133,560,371		125,400,044	
	Less: Excess Depreciation written off		-		(2,947,683)	
	Less : Depreciation		(83,955,006)	49,605,365	(74,013,509)	48,438,852
	(b) Non - current Investments	10		113,830,534		1,077,034
	(C)Long-term loans and advances	10A	-	-		112,582,304
				163,435,899		162,098,190
(2)	Current Assets					
	(a)Trade Receivables	11	359,963,975		364,898,119	
	(b)Cash and Cash Equivalents	12	15,952,728		9,581,274	
	(C)Short-term loans and advances	13	40,535,040		45,495,467	
	(d)Other Current Assets	14	173,254,896		148,296,631	
				589,706,640		568,271,491
	Total			753,142,542		730,369,683

The notes are an integral part of these financial statements.

For Operational Energy Group India Limited

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

USHA RAMESH
DIRECTOR
00053451

B.VISWANATHAN
INDEPENDENT DIRECTOR
DIN NO: 00702802

GEORGE JAMEIDAS
DIRECTOR
DIN NO: 06777068

V.RAMABHADRAN
CHIEF FINANCIAL OFFICER

S.V.NATARAJAN
CHIEF EXECUTIVE OFFICER

S.SRINATH
COMPANY SECRETARY

CHENNAI
15.06.2017

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

M.B. Srinivasan

Partner

Membership no:027630

OPERATIONAL ENERGY GROUP INDIA LIMITED

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

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 31ST MARCH 2017

Sl.no	Particulars	Note No.	Year ended 31st March'2017	Year ended 31st March'2016
I	Revenue from operations	15	1,461,985,441	1,389,643,768
II	Other Income	16	16,536,392	6,610,032
III	Total Revenue (I +II)		1,478,521,833	1,396,253,800
IV	Expenses:			
	Cost of Materials Consumed	17	201,682,799	159,143,179
	Employee benefits expenses	18	1,054,038,708	1,014,761,633
	Finance costs	19	32,356,076	28,286,243
	Other expenses	20	155,496,988	140,272,784
	Depreciation		7162693	15419287
	Total Expenses (ii)		1,450,737,265	1,357,883,126
V	Profit before exceptional and extraordinary items and tax (III - IV)		27,784,568	38,370,675
VI	Exceptional items		-	-
	Provisions Written back		-	-
VII	Profit before extraordinary items and tax (V- VI)		27,784,568	38,370,675
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		27,784,568	38,370,675
X	Tax Expense			
	(1) Current Expense		11,896,900	14240954
	(2) Deferred Tax		-	-
	Sub - Total		11,896,900	14,240,954
XI	Profit (loss) for the period from continuing operations (IX - X)		15,887,668	24,129,721
	Excess Depreciation to be written off		-	-
XII	Profit (loss) from discontinuing operations		-	-
XIII	Tax expense of Discontinuing operations		-	-
	Profit/(Loss) from Discontinuing operations (after tax) (XI-XIII)		-	-
XIV	Profit/(Loss) For the period (XI-XIV)		15,887,668	24,129,721
XV	Earnings per Equity Shares			
	(1) Basic		1.22	7.31
	(2)Diluted		1.22	7.31

The notes are an integral part of these financial statements.

For Operational Energy Group India Limited

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

USHA RAMESH
DIRECTOR
00053451

B.VISWANATHAN
INDEPENDENT DIRECTOR
DIN NO: 00702802

GEORGE JAMEIDAS
DIRECTOR
DIN NO: 06777068

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

V.RAMABHADRAN
CHIEF FINANCIAL OFFICER

S.V.NATARAJAN
CHIEF EXECUTIVE OFFICER

S.SRINATH
COMPANY SECRETARY

M.B. Srinivasan
Partner
Membership no:027630

CHENNAI
15.06.2017



OPERATIONAL ENERGY GROUP INDIA LIMITED
CASH FLOW STATEMENT-STAND ALONE

	2016-17	2015-16
Annexure to Clause 32 of the listing Agreement		
CASH FLOW STATEMENT		
A.CASH FLOW FROM OPERATIONS		
Profit before Tax	27,784,568	38,370,674
Less:- Provision for Taxation	11,896,900	14,240,954
Net Profit after Tax and extra ordinary items.	15,887,668	24,129,720
Adjustments for		
Depreciation	7,162,693	15,419,287
Profit on sale of fixed assets	108,374	-1,636,997
Interest/Dividend		
Operating profit before working capital	23,158,735	37,912,010
Increase/(Decrease) in Sundry Debtors	-4,934,144	51,363,711
Increase/(Decrease) in Inventories and other current assets	24,958,265	33,577,874
Increase/(Decrease) in Loans and Advances	-4,960,427	13,390,193
Decrease in preoperation expenses (Increase)/Decrease in current liabilities	-79,788,549	-30,210,319
	-64,724,855	68,121,459
Cash generated from Operating activities	87,883,590	-30,209,449
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	8,437,579	6,596,124
Sale of Fixed Assets	-	-
Purchase/Sale of Investments	112,753,500	198,000
Long term Loans and Advances	-112,582,304	-1,244,094
Net cash generated/Used from/in Investing Activities	8,608,775	5,550,030
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	-5,033
Proceeds from long term borrowings (net)	6,601,879	10,919,713
Proceeds from working capital Loan	-79,505,237	18,713,136
Repayment of finance lease liabilities		
Dividend paid	-	-
Net cash generated/used in Financing activities	-72,903,358	29,632,849
Net increase in cash and cash equivalents	6,371,457	-6,126,630
Cash and cash Equivalents (Opening Balance)	9,581,271	15,707,901
Cash and cash Equivalents (Closing Balance)	15,952,728	9,581,271

The notes are an integral part of these financial statements.

For Operational Energy Group India Limited

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

USHA RAMESH
DIRECTOR
00053451

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

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S.SRINATH
COMPANY SECRETARY

M.B. Srinivasan
Partner
Membership no:027630

CHENNAI
15.06.2017

OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Notes Forming Part of Accounts

Particulars	As at March 31, 2017	As at March 31, 2016
1. Share Capital		
(a) Authorised:		
1,40,00,000 Equity Shares of Rs.10/- each	140,000,000	40,000,000
	140,000,000	40,000,000
(b) Issued, Subscribed and paid up:		
1,30,41,800 Equity Shares of Rs 10/- each fully paid up	130,418,000	33,000,000
Total	130,418,000	33,000,000
Share Capital Pending Allotment	-	97,418,000
	130,418,000	130,418,000

Details of shares held by shareholders holding more than 5% shares in the Company:

Particulars	F.Y -2016-17		F.Y -2015-16	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of Rs.10 each				
Ramesh S	5,081,800	38.97	337,000	10.21
Sudarshan R	616,300	4.73	616,300	18.67
Usha Ramesh	925,200	7.09		
Premier International Limited	1,491,800	11.44		
South Ganga Waters Technologies Private Limited	2,605,200	19.98		



OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Notes Forming Part of Accounts

Particulars	As at 31st March 2017	As at 31st March 2016
2. Reserves and Surplus		
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	89,504,965	65,375,244
Profit after Tax	15,887,668	24,129,721
Balance as at the end of the year	105,392,633	89,504,965
3. Long Term Borrowings		
Term Loans		
From Banks		
Axis Bank - Loan - Toyota	-	-
Axis Working Capital Loan	7,486,421	14,767,611
From Other Parties		
BMW Financial Services Private Ltd	-	-
Sundaram Finance Ltd	-	-
Volkswagen Finance Private Limited	5,665,797	6,817,794
Kotak Mahindar Bank	580,717	756,719
Total	13,732,935	22,342,124
4. Unsecured Loan		
Term Loan - Capital First Limited	39,507,652	42,785,575
Term Loan - Indusind bank Limited	32,172,581	13,683,590
Total	71,680,233	56,469,165
5. Short-term Borrowings		
Secured:		
From Banks		
Working Capital Demand Loan	114,758,874	159,403,517
Loans and Advances	-	23,875,689
Loan from K.Subramanyam - SBML	-	-
Loan from S.Ramesh - SBML	-	4,234,057
Loan from R.Sudarshan - SBML	-	-
Loan from Usha Ramesh - SBML	600,000	7,150,848
Pacific Technical Services	2,600,000	2,800,000
Total	117,958,874	197,464,111
6. Trade Payables		
Sundry Creditors	78,696,778	53,747,754
Total	78,696,778	53,747,754
7. Other Current Liabilities		
Other payables - SBML	-	327,229
Other payables	1,095,908	1657236
Total	1,095,908	1,984,465
8. Short-term provisions		
Provision for Taxation	11,479,840	14,240,954
Provision for Audit Fee	450,000	375,000
Provision for Expenses Payable	26,698,673	22,622,449
Bonus Payable	15,720,833	12,062,695
Duties & Taxes and Payable	81,708,477	53,892,164
Staff Salary Payable	98,109,357	75,245,837
Total	234,167,181	178,439,099

OPERATIONAL ENERGY GROUP INDIA LIMITED
DEPRECIATION AS PER COMPANIES ACT FOR THE YEAR 2016-17

Note - 9

PARTICULARS	GROSS BLOCK				DEP. [WDV] Rate Rs.	DEPRECIATION				WDV AS ON 31.03.2017 Rs.	WDV AS ON 31.03.2016 Rs.
	Opening as on 01.04.2016	Addition Rs.	Deletion Rs.	Total Rs.		Opening Rs.	For the year Rs.	Deletion Rs.	Total Rs.		
LAND	286,517	-	-	286,517	-	-	-	-	-	286,517	286,517
Furniture & Fittings	5,004,311	243,513	-	5,247,824	9.50%	4,675,377	107,544	4,782,921	464,903	378,379	378,379
Office equipment	5,827,358	371,279	33,153	6,165,484	19.00%	4,738,017	426,733	5,164,750	1,000,734	1,089,341	1,089,341
Plant & Machinery	36,864,994	6,410,003	-	43,274,997	6.33%	24,716,985	2,975,400	27,692,385	15,582,612	12,148,009	12,148,009
Computer & Peripherals	12,273,850	1,147,865	17,552	13,404,163	31.67%	10,593,447	1,107,163	11,683,660	1,720,503	1,680,403	1,680,403
Vehicle	19,065,157	262,335	223,963	19,103,529	9.50%	11,632,425	1,693,145	13,173,643	5,929,886	7,432,732	7,432,732
Building	45,593,670	-	-	45,593,670	5.00%	20,372,402	804,911	21,177,313	24,416,357	25,221,268	25,221,268
Gym Equipments	64,012	-	-	64,012	13.91%	64,011	-	64,011	1	1	1
Solar Power Hybrid with Batteries	98,018	-	-	98,018	13.91%	95,034	2,984	98,018	-	2,984	2,984
Gen set	322,157	-	-	322,157	13.91%	73,493	44,812	118,305	203,852	248,664	248,664
TOTAL	125,400,044	8,434,995	274,668	133,560,371		76,961,191	7,162,692	83,955,006	49,605,365	48,438,853	48,438,853



OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Notes Forming Part of Accounts

Particulars	As at 31st March 2017	As at 31st March 2016
10. Non - Current Investments		
Investment in Equity shares		
OEG Singapore - 1 SGD = 44.00	44	44
Investment in OEG RR Renew Waters	48,000	48,000
Investment in Shapoorji Pallonji OEG Services Private Limited	831,000	831,000
Investment in Pacific Technical Services	98,000	98,000
Investment in OEG Solar Energy Private Limited	99,990	99,990
Investment in Maxitech Engineering Private Limited	253,500	-
Investment in Preference Shares		
Investment in South Ganga Waters Technologies Private Limited	112,500,000	-
Total	113,830,534	1,077,034
10A. Long Term Loans & Advances:		
South Ganga Waters Technologies Private Limited	-	112,582,303
Total	-	112,582,303
11. Trade Receivables		
Unsecured, considered good	359,963,975	364,898,119
Outstanding for a period exceeding 6 months from the date they are due for payment		
Others		-
Total	359,963,975	364,898,119
12. Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand	179,384	157,333
Cheques on hand		-
Bank balances		
In current accounts	15,773,344	9,423,941
Demand deposits (less than 3 months maturity)	-	-
Other bank balances	-	-
Long term deposits with maturity more than 3 months but less than 12 months	-	-
Total	15,952,728	9,581,274
13. Short-term loans and advances		
Advances	29,543,778	23,677,002
Advance to Sujay Waters	339,675	339,675
Share Application money in	-	
RPA Engineering and Projects Private Limited	950,000	950,000
Metro Global Power Limited	4,452,000	4,452,000
OEG - Middle East	-	11,154,345
PT Oeg Indonesia	58,279	58,279
OEG Solar Energy Private Limited	5,191,308	4,864,166
Total	40,535,040	45,495,467
14. Other Current Assets		
TDS	27,335,565	23,807,721
Income tax refund for the year 2008-09	710,341	710,341
Income tax refund for the year 2009-10	185,903	185,903
Income tax refund for the year 2010 -11	135,649	135,649
Income tax refund for the year 2011- 12	-	-
Income tax refund for the year 2012 -13	-	6,117,726
Incometax Refund for the year 2013-14	24,691,441	24,691,441
Incometax Refund for the year 2014-15	11,840,360	18,710,607
Incometax Refund for the year 2015-16	7,856,178	-
Deposits	71,183,165	64,374,235
Others	29,316,295	9,563,007
Total	173,254,896	148,296,631

OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Notes Forming Part of Accounts

Particulars	Year ended 31st March '2017	Year ended 31 st March' 2016
15. Revenue		
Income from Operations		
Operations Fees	18,982,758	18,437,388
Maintenance Fees	1,061,212,238	1,030,000,891
Spares and Consumables	27,611,073	13,514,987
Overseas	354,179,372	327,690,502
Total	1,461,985,441	1,389,643,768
16. Other Income		
Interest Income	16,490,894	6,089,996
Other Income	37,913	181,607
Profit on sale of assets	7,585	338,429
Total	16,536,392	6,610,032
17. Cost of Materials Consumed		
Chemicals and Consumables	179,222,482	105,018,425
Stores and spares	22,460,316	54,124,754
Total	201,682,799	159,143,179
18. Employee Benefits Expenses		
Salaries & Bonus	763,769,018	748,208,172
PF & ESI	56,176,062	56,019,974
Labour charges	124,557,196	96,920,071
Staff Transport expenses	44,284,977	43,920,744
Staff Food and Refreshment	12,271,367	14,485,642
Staff Accommodation Expenses	27,776,961	22,839,847
Staff Welfare Expenses	9,144,366	15,682,684
Staff Safety Expenses	7,412,365	8,477,980
Gratuity and Leave Encashment	8,646,396	8,206,519
Total	1,054,038,708	1,014,761,633



OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Notes Forming Part of Accounts

Particulars	Year ended 31st March '2017	Year ended 31st March'2016
19. Finance Costs		
Bank Charges	1,368,080	1,230,039
Interest charges	30,987,997	27,056,204
Total	32,356,076	28,286,243
20. Other Expenses		
Advertisement expenses	470,463	743,532
AMC Charges	3,138,221	2,627,286
Audit Fees	500,000	325,000
Boarding & Lodging Expenses	3,894,886	4,500,387
Books & periodicals	135,688	26,023
Brokerage & Commission Charges	22,500	4,500
Business Development Expenses	2,752,357	3,814,563
Calibration Charges	486,316	175,141
Clearing and Forwarding	-	159,410
Conveyance Expenses	1,273,427	2,364,494
Diesel -OPM	2,942,304	2,603,451
Director Sitting fees	155,211	-
Donation	335,000	5,000
Discount Allowed	3,700,000	-
Electricity & Water charges	2,372,859	2,836,855
Environmental Testing- Samalpatti	-	131,450
Filing fees	862,661	48,536
Freight & Transportation	1,412,970	4,413,800
Foreign Exchange Loss / Gain	(2,672,972)	(2,180,526)
House Keeping Expenses	538,608	811,060
Incentive - Optra	1,356,570	-
Inspection Charges	-	3,089
Insurance	883,870	840,226
Input credit - KK cess - Vehicle	39,936	-
Labour Welfare Fund Cont -Employer	72,010	50,602
Licenses & Permits	82,783	201,280
Loss on Sale of Asset	65,327	37,680
Miscellaneous Expenses	1,990,339	8,379,968
Office expenses	2,974,584	2,025,043
Office Rent	6,804,320	12,523,141
Pooja expenses	1,015,922	929,651
Postage & couriers	1,100,833	1,054,933
Printing & Stationery	3,369,497	2,722,008
Professional & Consultancy charges	6,313,280	4,254,173
Professional tax & Property tax	166,916	162,316
Recruitment Expenses	-	350,000
Repairs & Maintenance	68,434,157	45,528,967
Sales Tax , Entry tax, Water tax	47,154	47,154
Security Service Charges	2,079,073	2,255,273
Statutory fees & Documentation expenses	33,055	71,567
Subscription	111,160	132,553
Swachh Bharat Cess	862,142	324,803
Telephone & Communication expenses	5,068,048	4,771,198
Tender Fees	38,901	2,000
Testing Expenses & Testing charges	1,170,410	719,379
Travelling Expenses	9,375,287	10,804,799
Uniform Expenses	-	66,623
Vehicle Repairs Expenses	1,163,186	1,264,547
Visa Expenses	18,557,731	16,933,700
Water Charges - Samalpatti	-	406,150
Total	155,496,988	140,272,784

Notes to accounts

1. Background

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.

2. Summary of significant accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP"), the Accounting Standards ("AS") as specified under section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 7 of the Companies' (Accounts) Rules 2014. The financial statements are prepared on the basis of going concern under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year. 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 Schedule III to the 2013 ACT.

a. Fixed assets and depreciation

Fixed assets are stated at cost, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation has been provided using the straight line method ("SLM") over the useful lives as estimated by Management. Schedule II to the Companies Act 2013 ("Schedule") prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, management believes that, the useful lives adopted by it reflects the periods over which these assets are expected to be used. Accordingly for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. The management's estimates of the useful lives for various class of fixed assets are as given below:

Asset Useful life	
Plant & Machinery	15 Years
Factory Buildings (Works)	5-60 Years
Other Buildings	5-60 Years
Furniture & Fittings	1-10 Years
Office Equipments (including Computers & Data Processing Equipments)	2-10 Years
Vehicles	4- 10 Years



Fixed assets individually having an original cost of less than or equal to Rs 5,000/- are fully depreciated in the year of acquisition.

Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed to determine whether there is any indication that an asset may be impaired. If any indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised. The recoverable amount is the higher of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

b. Revenue recognition

Revenues comprise charges for operations and maintenance services billable under the terms of the various O&M Agreements. The charges are accounted for under the proportionate completion method in accordance with AS 9 – Revenue Recognition issued by the Institute of Chartered Accountants of India. The stage of completion is measured by reference to cost incurred to date, as a percentage of the total estimated cost for each contract. The relevant cost is recognised in the financial statements in the period of recognition of revenues.

c. Foreign currency transactions

Foreign currency transactions during the year are recorded at the exchange rate prevailing on the dates of the transactions. Monetary assets and liabilities in foreign currency are translated into rupees at the exchange rates prevailing on the date of the balance sheet. All exchange differences are recognized in the statement of profit and loss.

d. Retirement benefits

Retirement benefits to employees comprises of contributions to provident fund and provision for gratuity. Contributions to provident fund and family pension fund are made in accordance with the respective rules and charged to Profit and Loss Account. Provision for gratuity has been made for those employees having completed their five years of continuous service. Encashable short term compensated absences are provided for based on estimates. No provision is made for unencashable short term compensated absences.

e. Taxation

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Income tax expense comprises both current and deferred taxes. Current income- tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

At each Balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets of earlier years to the extent that it has become reasonably / virtually certain that future taxable income will be available against which such deferred tax assets can be realised.

f. Provisions

A Provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. A contingent asset is neither recognised nor disclosed in the financial statements.

g. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



As per Notification No. GSR 308 (E) (F.No 17/62/2015-CL-V-(VOL.I) DATED 30.03.2017,
DISCLOSURE ON SPECIFIED BANK NOTES

PARTICULARS	SBN	OTHER DENOMINATIONS NOTES	TOTAL (Rs.)
Opening cash in hand as on November 8,2016	464,000.00	52,413.00	516,413.00
Add: Permitted Receipts (New currency)	-	1,218,692.00	1,218,692.00
Less: Permitted Payments	-	961,959.00	961,959.00
Less : Amount deposited in banks	464,000.00	-	464,000.00
Closing cash in hand as on December 30,2016	-	309,146.00	309,146.00

h. Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements. Actual results could differ from those estimated. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized

i. Investments

Long term investments are stated at cost. Provision for diminution in value is made if the decline is other than temporary in nature. Current Investments are stated at lower of cost and fair value determined on the basis of each category of investments. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

3. Capital Commitments

A) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for NIL (Previous year Rs. lakhs)

4. Secured Loans:

4.1 Banks

a) Cash Credit facilities:

For Cash credit facilities primarily are secured by hypothecation of stock and Receivables of the company (present and future). Hypothecation of moveable fixed assets except those funded by other banks/ financial institutions and personal property of Mr.S Ramesh situated at Adyar, Chennai – 20 is given as collateral security. Personal guarantee also given in addition to the above of Mr. Ramesh and Mrs. Usha Ramesh

b) Bank Guarantee:

Bank Guarantee facilities primarily secured by way of Counter guarantee of the borrower 10% of cash margin. Hypothecation of moveable fixed assets except those funded by other banks/ financial institutions and personal property of Mr. S.Ramesh situated at Adyar, Chennai – 20 is given as collateral security. Personal guarantee also given in addition to the above of Mr. Ramesh and Mrs. Usha Ramesh

4.2 Term Loans:

Axis Bank Limited:

Term Loan has been availed for Rs.2.10 crores @ 11.15 interest rate towards Working Capital of the Company and the run down liability is Rs.0.74 crores as on 31.03.2017. Hypothecation of moveable fixed assets except those funded by other banks/ financial institutions and personal property of Mr.S. Ramesh situated at Adyar, Chennai – 20 is given as collateral security. Personal guarantee also given in addition to the above of Mr. S.Ramesh and Mrs. Usha Ramesh.

4.3 Hire Purchase Finance:

Hire Purchase Finance is secured by hypothecation of the Assets acquired under Hire Purchase Agreement.

5. Related party disclosures:

i) Names of related parties where control exists irrespective of whether transaction have occurred or not:

Key Managerial Personnel	: Mr.S.Ramesh and Mr.R.Sudarshan
Enterprises owned or significantly Influenced by key managerial Personnel or their relatives	: M/s.Pacific Supplies Private Limited M/s.Pacific Technical Services India Private Limited

ii) Related Party Disclosures:

Particulars of transaction during the year	March 31, 2017	March 31, 2016
Sales: - Electricity sold to M/s.South Ganga Waters Technologies Pvt Limited	NIL	Rs.19,81,349/-
Rent Payments – S.Ramesh	Rs.65,31,600/-	Rs.65,31,600/-
Rent payments –R.Sudarshan – Son of Mr. S.Ramesh	Rs.6,00,000/-	Rs.6,00,000/-
Salary Payments – S.Ramesh	Rs.31,98,706/-	Rs.30,40,860/-
Salary payments –R.Sudarshan	Rs.12,39,960/-	Rs.12,39,960/-

3. **Contingent Liabilities:**

(A) Claim against the company in respect of Service Tax:

	Particulars	March 31'2017	March 31'2016
1.	The Company has received a Show Cause notice dated 9 th August 2007 from the Commissioner of Service tax, Chennai amounting to Rs.81, 75,034/- towards payment of Service tax and Education Cess under Operation Service for the period from 16 th June 2005 to 31 st March 2007. The Company has preferred an appeal with the Customs, Excise and Service Tax Appellate Tribunal (CESAT) which is currently pending with that authority. The demanded amount has come down from Rs.81, 75,034/- to Rs.73, 20,717/-.CESTAT has already granted a stay of recovery and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.73,20,717/-	Rs.73,20,717/-
2.	The Company has received a Show Cause notice dated 24 th March 2008 from the Commissioner of Service tax, Chennai amounting to Rs.33, 50,510/- towards payment of Service tax and Education Cess under Operation Service for the period from		

	1 st April 2007 to 31 st October 2007. The Company preferred an appeal with The Commissioner of Central Excise and call booking done with The Joint Commissioner of Service Tax. As similar case is pending with CESTAT as detailed in Sl.no.1, no provision is considered necessary in respect of the above.	Rs.33,50,510/-	Rs.33,50,510/-
3.	The Company has received a Show Cause notice dated 17 th February 2009 from the Commissioner of Service tax, Chennai amounting to Rs.34, 08,031/- towards payment of Service tax and Education Cess under Operation Service for the period from November 2007 to May 2008. The Company has done call booking .and received an order demanding Rs.30,33,136/- which has come down from Rs.34,08,031/-..As a similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.30,33,136/-	Rs.30,33,136/-
4.	The Company has received a Show Cause notice dated 1 st June 2009 from the Commissioner of Service tax, Chennai amounting to Rs.40, 71,233/- towards payment of Service tax and Education Cess under Operation Service for the period from June 2008 to March 2009 The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.40,57,230/-	Rs.40,57,230/-
5	The Company has received a Show Cause notice dated 30 th September 2010 from the Commissioner of Service tax, Chennai amounting to Rs.74, 26,186/- towards payment of Service tax and Education Cess under Operation Service for the period from April 2009 to March 2010 The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.74,26,186/-	Rs.74,26,186/-

6	The Company has received a Show Cause notice dated 8 th February 2011 from the Additional Commissioner of Service tax, Chennai amounting to Rs.26,37,118/- towards payment of Service tax and Education Cess under Operation Service for the period from April 2010 to September 2010. The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.26,37,118/-	Rs.26,37,118/-
7	The Company has received a Show Cause notice dated 8 th September 2011 from the Additional Commissioner of Service tax, Chennai amounting to Rs.42,93,302/- towards payment of Service tax and Education Cess under Operation Service for the period from October 2010 to March 2011. The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.42,93,302/-	Rs.42,93,302/-
8	The Company has received a Show Cause notice from the Additional Commissioner of Service tax, Chennai amounting to Rs.1,20,72,760/- towards payment of Service tax and Education Cess under Operation Service for the period from April 11 to March 2012. The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.1,20,72,760/-	Rs.1,20,72,760/-
9	The Company has received a Show Cause notices from the Additional Commissioner of Service tax, Chennai amounting to Rs.93,58,618/- towards payment of Service tax and Education Cess under Consumables for the period from January 2009 to September 2011. The Appeal Was allowed in our favour.	Rs.93,58,618/-	Rs.93,58,618/-
10	The Company has received a Show Cause notices from the Additional Commissioner of		

<p>Service tax, Chennai amounting to Rs.59,70,569/- towards payment of Service tax and Education Cess under Consumables for the period from October 2011 to June 2012. The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.</p>	<p>Rs.59,70,569/-</p>	<p>Rs.59,70,569/-</p>
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The Company has won the First case at CESTAT and hence there is no requirement of contingent liability for this in the future period. The Other cases are similar in nature and hence it is expected to be in favour of the company.

(B) Bank Guarantees:

Bank Guarantee / Performance Guarantee from Axis Bank Limited in respect of contracts accepted, endorsed and obligated – Rs.8.00 crores

6. There are no amounts due to small scale industrial undertakings outstanding for more than 30 days, based on the information available with the Company as at March 31, 2017 and March 31, 2016. There are no dues outstanding to any enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the Company as at 31st March 2017 and 31st March 2016.

7. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly the Company has complied with the Accounting Standards as applicable to Small and Medium Sized Company. Accordingly no disclosures are made in the financial statements with respect to the following matters:

- a) Disclosure as per Accounting Standard 19 regarding the total future minimum lease payments under non cancelable operating leases, for each of the following periods:
 - Not later than one year
 - Later than one year and not later than five years
 - Later than five years
- b) Disclosure of diluted earnings per share as per AS-20 Earnings per Share

8. Additional information pursuant to the provisions of Part II – 5 of Schedule III of the Companies Act, 2013

a) **Remuneration to Auditors (included in legal and professional charges) (excluding service tax)**

Particulars	March 2017	March 2016
Statutory and Tax audit	5,00,000	3,25,000
Total	5,00,000	3,25,000

b) **Dividend remitted in foreign currency - NIL**

c) **CIF Value of Imports – Rs.8,94,83,306/-**

d) **Consumption of stores, spares and consumables**

	March 31, 2017		March 31, 2016	
	%	Value	%	Value
Imported	45%	8,94,83,306	66%	10,47,27,965
Indigenous	55%	11,21,99,492	34%	5,44,15,214
Total	100%	20,16,82,798	100%	15,91,43,179

9. The prior period comparatives have been reclassified to conform to current year's presentation, wherever applicable.

For and on behalf of the Board of Directors

M/s Sri & Co Chartered Accountants	S.RAMESH EXECUTIVE CHAIRMAN & MANAGING DIRECTOR DIN NO:00052842	USHA RAMESH DIRECTOR DIN NO: 00053451	B. VISWANATHAN INDEPENDENT DIRECTOR DIN NO: 00702802
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M.B.Srinivasan Partner Membership No: 027630	V.RAMABHADRAN CHIEF FINANCIAL OFFICER GEORGE JAMEIDAS DIRECTOR DIN NO: 06777068	S.V. NATARAJAN CHIEF EXECUTIVE OFFICER	S.SRINATH COMPANY SECRETARY
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PLACE:CHENNAI
DATE:
15.06.2017

AUDITOR'S REPORT

To the Board of Directors of

Operational Energy Group India Limited

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Operational Energy Group India Limited** ('the Company') and its subsidiaries, Joint venture and associate companies, which comprise the consolidated Balance Sheet as at 31 March 2017 and the consolidated Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performances of the Company in accordance with the Accounting Standards notified under section 134(5) of the Companies Act 2013 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule 2014. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal control that were operating effectively and ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit of the holding company, subsidiaries, Joint Venture and associates companies. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under:

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 March 2017; and
- ii. in the case of the consolidated Statement of Profit and Loss account and Cash Flow Statement, of the profit for the year ended on that date;

For Sri & co.,
Chartered Accountants
FRN 010495S

M.B.Srinivasan
Partner
Membership No.027630

Place: Chennai
Date: 15.06.2017

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

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

Particulars	Note No.	As at 31st March 2017		As at 31st March 2016	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share Capital	1	130,418,000		33,000,000	
Share Capital pending Allotment		-		97,418,000	
Reserves and Surplus	2	121,291,049		86,306,779	
Minority Interest		715,297	252,424,346	7,817,571	224,542,350
Non-current liabilities					
Long-Term Borrowings	3	89,827,386		22,342,124	
Deferred tax Liabilities			89,827,386	-	22,342,124
Unsecured Loans					
	4		71,680,233	56,469,165	56,469,165
Current Liabilities					
Short-term borrowings	5	138,826,710		197,073,696	
Trade Payables	6	79,430,010		55,915,949	
Other current liabilities	7	1,130,414		3,140,221	
Short-term provisions	8	251,326,123		179,527,782	
			470,713,257		435,657,648
Total			884,645,222		739,011,287
Assets					
Non-current assets					
Fixed Assets					
Tangible Assets	9	50,990,032		59,945,322	
Non - Current Investments	10	112,600,034		44	
Long Term Loans and Advances	10A	-		112,582,303	
			163,590,066		172,527,669
Current Assets					
Inventories				-	
Trade Receivables	11	419,664,697		366,474,633	
Cash and Cash Equivalents	12	78,771,514		10,691,902	
Short-term loans and advances	13	44,743,061		40,765,219	
Other Current Assets	14	177,875,877		148,384,424	
Miscellaneous Expenses not written off	15	-	721,055,149	167,432	566,483,610
Total			884,645,222		739,011,287

The notes are an integral part of these financial statements.

For Operational Energy Group India Limited

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

USHA RAMESH
DIRECTOR
00053451

B.VISWANATHAN
INDEPENDENT DIRECTOR
DIN NO: 00702802

GEORGE JAMEIDAS
DIRECTOR
DIN NO: 06777068

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

V.RAMABHADRAN
CHIEF FINANCIAL OFFICER

S.V.NATARAJAN
CHIEF EXECUTIVE OFFICER

S.SRINATH
COMPANY SECRETARY

M.B. Srinivasan
Partner
Membership no:027630

CHENNAI
15.06.2017



OPERATIONAL ENERGY GROUP INDIA LIMITED

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS ON 31ST MARCH 2017

Particulars	Note No.	Year ended 31st March'2017	Year ended 31st March'2016
Revenue from operations	16	1,539,871,087	1,398,991,504
Other Income	17	22,300,559	6,610,032
Total Revenue (i)		1,562,171,646	1,405,601,536
Expenses:			
Cost of Service/materials Less Closing Stock	18	201,682,798	160,920,867
Employee benefits expenses	19	1,086,912,642	1,020,389,915
Finance costs	20	32,461,231	28,300,252
Other expenses	21	189,507,958	141,917,716
Depreciation		7,162,693	17,335,786
Total Expenses (ii)		1,517,727,323	1,368,864,536
Profit before Extraordinary item (i-ii)		44,444,323	36,737,000
Extraordinary item :			
Provision for MAT		-	-
Provision for Tax		11,932,700	14,543,660
Deferred Tax		-	-
Excess depreciation written off		-	-
Profit after tax from continuing operations		32,511,623	22,193,340
Minority Share of profit		333,539	-
Profit to be transferred to Consolidated Balance sheet		32,178,084	22,193,340

The notes are an integral part of these financial statements.

For Operational Energy Group India Limited

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

USHA RAMESH
DIRECTOR
00053451

B.VISWANATHAN
INDEPENDENT DIRECTOR
DIN NO: 00702802

GEORGE JAMEIDAS
DIRECTOR
DIN NO: 06777068

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

V.RAMABHADRAN
CHIEF FINANCIAL OFFICER

S.V.NATARAJAN
CHIEF EXECUTIVE OFFICER

S.SRINATH
COMPANY SECRETARY

M.B. Srinivasan
Partner
Membership no:027630

CHENNAI
15.06.2017

OPERATIONAL ENERGY GROUP INDIA LIMITED
CASH FLOW STATEMENT

	2016-17
Annexure to Clause 32 of the listing Agreement	
CASH FLOW STATEMENT	
A. CASH FLOW FROM OPERATIONS	
Profit before Tax	44,444,323
Less:- Provision for Taxation	11,932,700
Less:- Minority portion	333,539
Net Profit after Tax and extra ordinary items.	32,178,084
Adjustments for	
Depreciation	7,162,693
Profit on sale of fixed assets	108,375
Interest/Dividend	
Operating profit before working capital	39,449,152
Increase/(Decrease) in Sundry Debtors	53,190,064
Increase/(Decrease) in Inventories and other current assets	29,491,453
Increase/(Decrease) in Loans and Advances	3,977,842
Decrease in preoperation expenses	-167,432
(Increase)/Decrease in current liabilities	-93,302,595
	-6,810,668
Cash generated from Operating activities	46,259,820
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	8,437,579
Sale of Fixed Assets	10,121,802
Purchase/Sale of Investments	112,599,990
Long term Loans and Advances	-112,582,303
	-
Net cash generated/Used from/in Investing Activities	-1,666,536
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of share capital	-
Decrease in minority interest	7,102,274
Increase in Reserves and surplus owing to Change of subsidiaries	2,806,185
Proceeds from long term borrowings (net)	6,601,879
Proceeds from working capital Loan	17,847,466
Repayment of finance lease liabilities	-
Dividend paid	-
Net cash generated/used in Financing activities	20,153,256
Net increase in cash and cash equivalents	68,079,612
Cash and cash Equivalents (Opening Balance)	10,691,902
Cash and cash Equivalents (Closing Balance)	78,771,514

The notes are an integral part of these financial statements.

For Operational Energy Group India Limited

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

USHA RAMESH
DIRECTOR
00053451

B.VISWANATHAN
INDEPENDENT DIRECTOR
DIN NO: 00702802

GEORGE JAMEIDAS
DIRECTOR
DIN NO: 06777068

V.RAMABHADRAN
CHIEF FINANCIAL OFFICER

S.V.NATARAJAN
CHIEF EXECUTIVE OFFICER

S.SRINATH
COMPANY SECRETARY

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

M.B. Srinivasan
Partner
Membership no:027630

CHENNAI
15.06.2017



OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Notes Forming Part of Accounts

Particulars	As at March 31, 2017	As at March 31, 2016
1. Share Capital		
(a) Authorised:		
1,40,00,000 Equity Shares of Rs.10/- each	140,000,000	40,000,000
	140,000,000	40,000,000
(b) Issued, Subscribed and paid up:		
1,30,41,800 Equity Shares of Rs 10/- each fully paid up	130,418,000	33,000,000
Total	130,418,000	33,000,000
Share Capital Pending Allotment	-	97,418,000
	130,418,000	130,418,000

Details of shares held by shareholders holding more than 5% shares in the Company:

Particulars	F.Y -2016-17		F.Y -2015-16	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of Rs.10 each				
Ramesh S	5,081,800	38.97	337,000	10.21
Sudarshan R	616,300	4.73	616,300	18.67
Usha Ramesh	925,200	7.09		
Premier International Limited	1,491,800	11.44		
South Ganga Waters Technologies Private Limited	2,605,200	19.98		

OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Particulars	As at 31st March 2017	As at 31st March 2016
2. Reserves and Surplus		
Surplus in Statement of Profit and Loss		
General Reserve	0	0
Balance as at the beginning of the year	86,306,779	64,113,439
Adjustment due to change in composition of a Subsidiary Company	2,806,186	
Profit after tax	32,178,084	22,193,340
Balance as at the end of the year	121,291,049	86,306,779
Minority Interest	715,297	7,817,571
3. Long Term Borrowings		
Term Loans		
From Banks		
Axis Bank - Loan - Toyota		-
Axis Working Capital Loan	7,486,421	14,767,611
From Other Parties		
BMW Financial Services Private Ltd	-	-
Mobilisation advance - JV of MEP SAL & OEGIL & AERL Ltd	76,094,451	
Sundaram Finance Ltd	-	-
Volkswagen Finance Private Limited	5,665,797	6,817,794
Kotak Mahindra Bank	580,717	756,719
Total	89,827,386	22,342,124
4. Unsecured Loan		
Term Loan - Capital First Limited	39,507,652	42,785,575
Term Loan - Indusind bank Limited	32,172,581	13,683,590
Total	71,680,233	56,469,165
5. Short-term Borrowings		
Secured:		
From Banks		
Working Capital Demand Loan	114,758,874	159,403,517
Loans and Advances	-	23,485,274
Loan from K.Subramanyam - SBML	-	-
Loan from S.Ramesh - SBML	-	4,234,057
Loan from R.Sudarshan - SBML	-	-
Loan from Usha Ramesh - SBML	600,000	7,150,848
Pacific Technical Services India Private Limited	-	2,800,000
Mobilisation advance - JV of MEP SAL & OEGIL & AERL Ltd	21,967,836	-
Magnus Power Private Limited	1,500,000	-
Total	138,826,710	197,073,696
6. Trade Payables		
Sundry Creditors	79,430,010	55,915,949
Total	79,430,010	55,915,949
7. Other Current Liabilities		
Other payables - SBML	-	327,229
Other payables	1,130,414	2,812,992
Total	1,130,414	3,140,221
8. Short-term provisions		
Provision for Taxation	11,515,640	15,329,637
Provision for Audit Fee	530,500	375,000
Provision for Expenses Payable	57,344,814	22,622,449
Bonus Payable	15,720,833	12,062,695
Duties & Taxes Payable	81,708,477	53,892,164
Staff Salary Payable	84,505,859	75,245,837
Total	251,326,123	179,527,782

OPERATIONAL ENERGY GROUP INDIA LIMITED
DEPRECIATION AS PER COMPANIES ACT FOR THE YEAR 2016-17

Note - 9

PARTICULARS	GROSS BLOCK				DEP. [WDV] Rate Rs.	DEPRECIATION				WDV AS ON 31.03.2017 Rs.	WDV AS ON 31.03.2016 Rs.
	Opening as on 01.04.2016	Addition Rs.	Deletion Rs.	Total Rs.		Opening Rs.	For the year Rs.	Deletion Rs.	Total Rs.		
LAND	286,517	-	-	286,517	-	-	-	-	286,517	286,517	286,517
Furniture & Fittings	5,053,757	243,513	-	5,297,270	9.50%	4,675,377	107,544	4,782,921	514,349	378,379.92	378,379.92
Office equipment	5,827,358	371,279	33,153	6,165,484	19.00%	4,738,017	426,733	5,164,750	1,000,734	1,089,341	1,089,341
Plant & Machinery	36,864,994	6,410,003	-	43,274,997	6.33%	24,716,985	2,975,400	27,692,385	15,582,612	12,148,009	12,148,009
Computer & Peripherals	12,532,750	1,147,865	17,552	13,663,063	31.67%	10,593,447	1,107,163	11,683,660	1,979,403	1,939,303	1,939,303
Vehicle	20,141,478	262,335	223,963	20,179,850	9.50%	11,632,425	1,693,145	13,173,643	7,006,207	8,509,053	8,509,053
Building	45,593,670	-	-	45,593,670	5.00%	20,372,402	804,911	21,177,313	24,416,357	25,221,268	25,221,268
Gym Equipments	64,012	-	-	64,012	13.91%	64,011	-	64,011	1	1	1
Solar Power Hybrid with Batteries	98,018	-	-	98,018	13.91%	95,034	2,984	98,018	-	2,984	2,984
Gen set	322,157	-	-	322,157	13.91%	73,493	44,812	118,305	203,852	248,664	248,664
TOTAL	126,784,711	8,434,995	274,668	134,945,038		76,961,191	7,162,692	83,955,006	50,990,032	49,823,520	49,823,520



OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Notes Forming Part of Accounts

Particulars	As at 31st March 2017	As at 31st March 2016
10. Non - Current Investments		
OEG Singapore - 1 SGD = 44.00	44	44
Investment in OEG Solar Energy Private Limited	99,990	
Investment in South Ganga Waters Technologies Private Limited	112,500,000	
Investment in Maxitech Engineering Private Limited		
Total	112,600,034	44
10A. Long Term Loans & Advances:		
South Ganga Waters Technologies Private Limited	-	112,582,303
Total	-	112,582,303
11. Trade Receivables		
Unsecured, considered good	419,664,697	366,474,633
Outstanding for a period exceeding 6 months from the date they are due for payment		
Others		
Total	419,664,697	366,474,633
12. Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand	332,647	282,882
Cheques on hand		
Bank balances		
In current accounts	78,438,867	10,409,020
Demand deposits (less than 3 months maturity)	-	-
Other bank balances	-	-
Long term deposits with maturity more than 3 months but less than 12 months	-	-
Total	78,771,514	10,691,902
13. Short-term loans and advances		
Advances	29,543,778	23,810,919
Advance to Sujay Waters	339,675	339,675
Loans	4,208,021	-
Share Application money in		
RPA Engineering and Projects Private Limited	950,000	950,000
Metro Global Power Limited	4,452,000	4,452,000
OEG - Middle East	-	11,154,345
PT Oeg Indonesia	58,279	58,279
OEG Solar Energy Private Limited	5,191,308	
Total	44,743,061	40,765,219
14. Other Current Assets		
TDS	27,375,385	23,807,721
Income tax refund for the year 2007-08	48,194	48,194
Income tax refund for the year 2008-09	710,341	710,341
Income tax refund for the year 2009-10	185,903	185,903
Income tax refund for the year 2010 -11	135,649	135,649
Income tax refund for the year 2011- 12	20,000	20,000
Income tax refund for the year 2012 -13	19,600	6,137,326
Incometax Refund for the year 2013-14	24,691,441	24,691,441
Incometax Refund for the year 2014-15	11,840,360	18,710,607
Incometax Refund for the year 2015-16	7,856,178	
Deposits	71,183,165	64,374,235
Others	33,809,661	9,563,007
Total	177,875,877	148,384,424
15. Misc.Exp Not Written off		
Preliminary Expenses and Pre -Operative Expenses	-	167,432
	-	167,432



OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Notes Forming Part of Accounts

Particulars	Year ended 31st March '2017	Year ended 31st March '2016
16. Revenue		
Income from Operations		
Operations Fees	96,868,404	18,437,388
Maintenance Fees	1,061,212,238	1,037,367,278
Maintenance Fee - Exemption	-	-
Spares and Consumables	27,611,073	13,514,987
Electricity Sale	-	1,981,349
Overseas	354,179,372	327,690,502
Total	1,539,871,087	1,398,991,504
17. Other Income		
Interest Income	22,255,061	6,089,996
Other Income	37,913	181,607
Profit on sale of assets	7,585	338,429
Total	22,300,559	6,610,032
18. Cost of Materials Consumed		
Chemicals and Consumables	179,222,482	106,796,113
Stores and spares	22,460,316	54,124,754
Total	201,682,798	160,920,867
19. Employee Benefits Expenses		
Salaries & Bonus	796,642,952	753,836,454
PF & ESI	56,176,062	56,019,974
Labour charges	124,557,196	96,920,071
Staff Transport expenses	44,284,977	43,920,744
Staff Food and Refreshment	12,271,367	14,485,642
Staff Accommodation Expenses	27,776,961	22,839,847
Staff Welfare Expenses	9,144,366	15,682,684
Staff Safety Expenses	7,412,365	8,477,980
Gratuity and Leave Encashment	8,646,396	8,206,519
Total	1,086,912,642	1,020,389,915

OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Notes Forming Part of Accounts

Particulars	Year ended 31st March '2017	Year ended 31st March '2016
20. Finance Costs		
Bank Charges	1,455,122	1,244,048
Interest charges	31,006,110	27,056,204
Total	32,461,231	28,300,252
21. Other Expenses		
Advertisement expenses	770,110	743,532
AMC Charges	3,138,221	2,627,286
Audit Fees	540,250	325,000
Boarding & Lodging Expenses	3,894,886	4,500,387
Books & periodicals	135,688	26,023
Brokerage & Commission Charges	22,500	4,500
Business Development Expenses	9,437,121	3,814,563
Calibration Charges	486,316	175,141
Clearing and Forwarding	-	159,410
Conveyance Expenses	1,273,427	2,364,494
Diesel -OPM	2,942,304	2,603,451
Director Sitting fees	155,211	-
Donation	335,000	5,000
Discount Allowed	3,700,000	
Electricity & Water charges	2,507,016	2,836,855
Environmental Testing- Samalpatti	-	131,450
Filing fees	862,661	48,536
Freight & Transportation	1,456,860	4,413,800
Foreign Exchange Loss / Gain	(2,471,274)	(2,180,526)
House Keeping Expenses	538,608	811,060
Incentive - Optra	1,356,570	-
Inspection Charges	-	3,089
Insurance	983,642	840,226
Input credit - KK cess - Vehicle	39,936	-
Labour Welfare Fund Cont -Employer	72,010	50,602
Licenses & Permits	344,139	201,280
Loss on Sale of Asset	65,327	37,680
Miscellaneous Expenses	2,370,444	8,331,367
Office expenses	2,974,584	2,025,043
Office Rent	8,311,453	12,523,141
Pooja expenses	1,015,922	929,651
Postage & couriers	1,100,833	1,054,933
Printing & Stationery	4,024,077	2,722,008
Professional & Consultancy charges	7,221,581	4,254,173
Professional tax & Property tax	166,916	162,316
Recruitment Expenses	-	350,000
Repairs & Maintenance	68,601,350	47,221,960
Sales Tax , Entry tax, Water tax	47,154	47,154
Security Service Charges	2,079,073	2,255,273
Statutory fees & Documentation expenses	1,079,525	71,567
Subscription	111,160	132,553
Swachh Bharat Cess	862,142	324,803
Telephone & Communication expenses	5,068,048	4,771,198
Tender Fees	38,901	2,000
Testing Expenses & Testing charges	1,170,410	719,379
Travelling Expenses	17,331,405	10,804,799
Uniform Expenses	-	66,623
Vehicle Repairs Expenses	1,203,780	1,264,547
Visa Expenses	20,206,941	16,933,700
Works Contract Tax	-	-
Withholding Tax	11,786,413	-
Water Charges - Samalpatti	149,319	406,150
Total	189,507,958	141,917,176

Notes to Consolidated accounts

1. Background

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.

2. Summary of significant accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP"), the Accounting Standards ("AS") as specified under section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 7 of the Companies' (Accounts) Rules 2014. The financial statements are prepared on the basis of going concern under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of financial statements are

Consistent with those of the previous year. 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 Schedule III to the 2013 ACT.

Fixed assets and depreciation

Fixed assets are stated at cost, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation has been provided using the straight line method ("SLM") over the useful lives as estimated by Management. Schedule II to the Companies Act 2013 ("Schedule") prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, management believes that, the useful lives adopted by it reflects the periods over which these assets are expected to be used. Accordingly for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. The management's estimates of the useful lives for various class of fixed assets are as given below:

Asset Useful life	
Plant & Machinery	15 Years
Factory Buildings (Works)	5-60 Years
Other Buildings	5-60 Years
Furniture & Fittings	1-10 Years
Office Equipments (including Computers & Data Processing Equipments)	2-10 Years
Vehicles	4- 10 Years

Fixed assets individually having an original cost of less than or equal to Rs 5,000/- are fully depreciated in the year of acquisition.

Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed to determine whether there is any indication that an asset may be impaired. If any indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised. The recoverable amount is the higher of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

b. Revenue recognition

Revenues comprise charges for operations and maintenance services billable under the terms of the various O&M Agreements. The charges are accounted for under the proportionate completion method in accordance with AS 9 – Revenue Recognition issued by the Institute of Chartered Accountants of India. The stage of completion is measured by reference to cost incurred to date, as a percentage of the total estimated cost for each contract. The relevant cost is recognised in the financial statements in the period of recognition of revenues.

c. Foreign currency transactions

Foreign currency transactions during the year are recorded at the exchange rate prevailing on the dates of the transactions. Monetary assets and liabilities in foreign currency are translated into rupees at the exchange rates prevailing on the date of the balance sheet. All exchange differences are recognized in the statement of profit and loss.

d. Retirement benefits

Retirement benefits to employees comprises of contributions to provident fund and provision for gratuity. Contributions to provident fund and family pension fund are made in accordance with the respective rules and charged to Profit and Loss Account. Provision for gratuity has been made for those employees having completed their five years of continuous service. Encashable short term compensated absences are provided for based on estimates. No provision is made for unencashable short term compensated absences.

e. Taxation

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Income tax expense comprises both current and deferred taxes. Current income- tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively

enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets of earlier years to the extent that it has become reasonably / virtually certain that future taxable income will be available against which such deferred tax assets can be realised.

f. Provisions

A Provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. A contingent asset is neither recognised nor disclosed in the financial statements.

g. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

As per Notification No. GSR 308 (E) (F.No 17/62/2015-CL-V-(VOL.I) DATED 30.03.2017,

DISCLOSURE ON SPECIFIED BANK NOTES

PARTICULARS	SBN	OTHER DENOMINATIONS NOTES	TOTAL (Rs.)
Opening cash in hand as on November 8,2016	464,000.00	52,413.00	516,413.00
Add: Permitted Receipts (New currency)	-	1,218,692.00	1,218,692.00
Less: Permitted Payments	-	961,959.00	961,959.00
Less : Amount deposited in banks	464,000.00	-	464,000.00
Closing cash in hand as on December 30,2016	-	309,146.00	309,146.00

h. Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements. Actual results could differ from those estimated. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized

i. Investments

Long term investments are stated at cost. Provision for diminution in value is made if the decline is other than temporary in nature. Current Investments are stated at lower of cost and fair value determined on the basis of each category of investments. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

3. Capital Commitments

A) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for NIL .(Previous year Rs. lakhs)

4. Secured Loans:

4.1 Banks

a) Cash Credit facilities:

For Cash credit facilities primarily are secured by hypothecation of stock and Receivables of the company (present and future). Hypothecation of moveable fixed assets except those funded by other banks/ financial institutions and personal property of Mr.S Ramesh situated at Adyar, Chennai – 20 is given as collateral security. Personal guarantee also given in addition to the above of Mr. Ramesh and Mrs. Usha Ramesh

b) Bank Guarantee:

Bank Guarantee facilities primarily secured by way of Counter guarantee of the borrower 10% of cash margin. Hypothecation of moveable fixed assets except those funded by other banks/ financial institutions and personal property of Mr. S.Ramesh situated at Adyar, Chennai – 20 is given as collateral security. Personal guarantee also given in addition to the above of Mr. Ramesh and Mrs. Usha Ramesh

4.2 Term Loans:

Axis Bank Limited:

Term Loan has been availed for Rs.2.10 crores @ 11.15 interest rate towards Working Capital of the Company and the run down liability is Rs.0.74 crores as on 31.03.2017. Hypothecation of moveable fixed assets except those funded by other banks/ financial institutions and personal property of Mr.S. Ramesh situated at Adyar, Chennai – 20 is given as collateral security. Personal guarantee also given in addition to the above of Mr. S.Ramesh and Mrs. Usha Ramesh.



4.3 Hire Purchase Finance:

Hire Purchase Finance is secured by hypothecation of the Assets acquired under Hire Purchase Agreement.

5. Related party disclosures:

i) Names of related parties where control exists irrespective of whether transaction have occurred or not:

Key Managerial Personnel : Mr.S.Ramesh and Mr.R.Sudarshan

Enterprises owned or significantly

Influenced by key managerial

Personnel or their relatives : M/s.Pacific Supplies Private Limited

M/s.Pacific Technical Services India Private Limited

ii) Related Party Disclosures:

Particulars of transaction during the year	March 31, 2017	March 31, 2016
Sales: - Electricity sold to M/s.South Ganga Waters Technologies Pvt Limited	NIL	Rs.19,81,349/-
Rent Payments – S.Ramesh	Rs.65,31,600/-	Rs.65,31,600/-
Rent payments –R.Sudarshan –Son of Mr. Ramesh	Rs.6,00,000/-	Rs.6,00,000/-
Salary Payments – S.Ramesh	Rs.31,98,706/-	Rs.30,40,860/-
Salary payments –R.Sudarshan	Rs.12,39,960/-	Rs.12,39,960/-

3. Contingent Liabilities:

(A) Claim against the company in respect of Service Tax:

	Particulars	March 31'2017	March 31'2016
1.	The Company has received a Show Cause notice dated 9 th August 2007 from the Commissioner of Service tax, Chennai amounting to Rs.81, 75,034/- towards payment of Service tax and Education Cess under Operation Service for the period from 16 th June 2005 to 31 st March 2007. The Company has preferred an appeal with the Customs, Excise and Service Tax Appellate Tribunal (CESAT) which is currently pending with that authority. The demanded amount has come down from Rs.81, 75,034/- to Rs.73, 20,717/-.CESTAT has already granted a stay of recovery and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.73,20,717/-	Rs.73,20,717/-
2.	The Company has received a Show Cause notice dated 24 th March 2008 from the Commissioner of Service tax, Chennai amounting to Rs.33, 50,510/- towards payment of Service tax and Education Cess under Operation Service for the period from 1 st April 2007 to 31 st October 2007. The Company preferred an appeal with The Commissioner of Central Excise and call booking done with The Joint Commissioner of Service Tax. As similar case is pending with CESTAT as detailed in Sl.no.1, no provision is considered necessary in respect of the above.	Rs.33,50,510/-	Rs.33,50,510/-
3.	The Company has received a Show Cause notice dated 17 th February 2009 from the Commissioner of Service tax, Chennai amounting to Rs.34, 08,031/- towards payment of Service tax and Education Cess under Operation Service for the period from November 2007 to May 2008. The Company has done call booking .and received an order		

	demanding Rs.30,33,136/- which has come down from Rs.34,08,031/-.As a similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.30,33,136/-	Rs.30,33,136/-
4.	The Company has received a Show Cause notice dated 1 st June 2009 from the Commissioner of Service tax, Chennai amounting to Rs.40, 71,233/- towards payment of Service tax and Education Cess under Operation Service for the period from June 2008 to March 2009 The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.40,57,230/-	Rs.40,57,230/-
5	The Company has received a Show Cause notice dated 30 th September 2010 from the Commissioner of Service tax, Chennai amounting to Rs.74, 26,186/- towards payment of Service tax and Education Cess under Operation Service for the period from April 2009 to March 2010 The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.74,26,186/-	Rs.74,26,186/-
6	The Company has received a Show Cause notice dated 8 th February 2011 from the Additional Commissioner of Service tax, Chennai amounting to Rs.26,37,118/- towards payment of Service tax and Education Cess under Operation Service for the period from April 2010 to September 2010 The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.26,37,118/-	Rs.26,37,118/-
7	The Company has received a Show Cause notice dated 8 th September 2011 from the		

	Additional Commissioner of Service tax, Chennai amounting to Rs.42,93,302/- towards payment of Service tax and Education Cess under Operation Service for the period from October 2010 to March 2011. The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.42,93,302/-	Rs.42,93,302/-
8	The Company has received a Show Cause notice from the Additional Commissioner of Service tax, Chennai amounting to Rs.1,20,72,760/- towards payment of Service tax and Education Cess under Operation Service for the period from April 11 to March 2012. The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.1,20,72,760/-	Rs.1,20,72,760/-
9	The Company has received a Show Cause notices from the Additional Commissioner of Service tax, Chennai amounting to Rs.93,58,618/- towards payment of Service tax and Education Cess under Consumables for the period from January 2009 to September 2011. The Appeal Was allowed in our favour.	Rs.93,58,618/-	Rs.93,58,618/-
10	The Company has received a Show Cause notices from the Additional Commissioner of Service tax, Chennai amounting to Rs.59,70,569/- towards payment of Service tax and Education Cess under Consumables for the period from October 2011 to June 2012. The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.59,70,569/-	Rs.59,70,569/-

The Company has won the First case at CESTAT and hence there is no requirement of contingent liability for this in the future period. The other cases are similar in nature and hence it is expected to be in favour of the company.

(B) Bank Guarantees:

Bank Guarantee / Performance Guarantee from Axis Bank Limited in respect of contracts accepted, endorsed and obligated – Rs.8.00 crores

6. There are no amounts due to small scale industrial undertakings outstanding for more than 30 days, based on the information available with the Company as at March 31, 2017 and March 31, 2016. There are no dues outstanding to any enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the Company as at 31st March 2017 and 31st March 2016.

7. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly the Company has complied with the Accounting Standards as applicable to Small and Medium Sized Company. Accordingly no disclosures are made in the financial statements with respect to the following matters:

a) Disclosure as per Accounting Standard 19 regarding the total future minimum lease payments under non cancelable operating leases, for each of the following periods:

- Not later than one year
- Later than one year and not later than five years
- Later than five years

b) Disclosure of diluted earnings per share as per AS-20 Earnings per Share

8. Additional information pursuant to the provisions of Part II – 5 of Schedule III of the Companies Act, 2013

a) Remuneration to Auditors (included in legal and professional charges) (excluding service tax)

Particulars	March 2017	March 2016
Statutory and Tax audit	5,40,250	3,25,000
Total	5,40,250	3,25,000

- b) **Dividend remitted in foreign currency - NIL**
 c) **CIF Value of Imports – Rs.8,94,83,306/-**
 d) **Consumption of stores, spares and consumables**

	March ,31, 2017		March ,31, 2016	
	%	Value	%	Value
Imported	45%	8,94,83,306	66%	10,47,27,965
Indigenous	55%	11,21,99,492	34%	5,44,15,214
Total	100%	20,16,82,798	100%	15,91,43,179

9. The prior period comparatives have been reclassified to conform to current year's presentation, wherever applicable.

For and on behalf of the Board of Directors

M/s Sri & Co

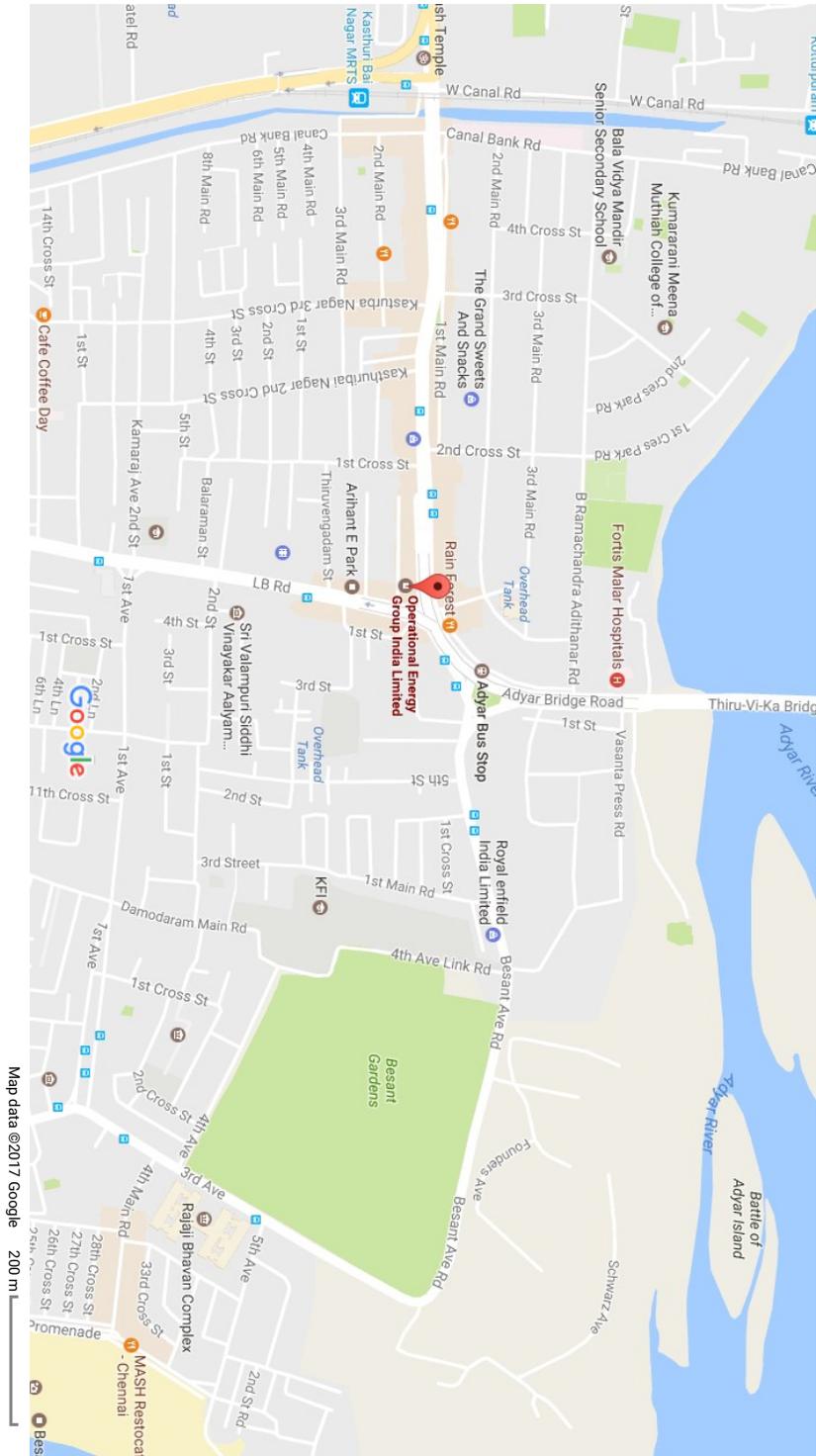
Chartered
Accountants

	S.RAMESH	USHA RAMESH	B. VISWANATHAN
M.B.Srinivasan	EXECUTIVE CHAIRMAN &	DIRECTOR	DIRECTOR
Partner	MANAGING DIRECTOR	DIN NO:	DIN NO: 00702802
Membership No: 027630	DIN NO:00052842	00053451	

V.RAMABHADRAN	S.V.	S.SRINATH
CHIEF FINANCIAL OFFICER	NATARAJAN	COMPANY
GEORGE JAMEIDAS	CHIEF	SECRETARY
DIRECTOR	EXECUTIVE	
DIN NO: 06777068	OFFICER	

PLACE:CHENNAI

DATE: 15.06.2017



PROXY FORM (Form No. MGT-11)

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

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

I/We, being member(s) ofof shares of the above named company, hereby appoint:

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

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

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

As my/our proxy to attend and vote (on a poll) for rise/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, 22ND September,2017 at 2.00 PM A, 5th floor, Gokul Arcade – East Wing, No.2& 2A, Sardar Patel Road, Chennai – 600020 in the state of Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1. Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors thereon for the year ended 31st March, 2017
2. To appoint a Director in place of Mrs. Usha Ramesh who retires by rotation and being eligible, offers herself for re -appointment.
3. Appointment of Mr. Srinivasalu Chartered Accountant as Auditor of the Company and fixing their remuneration.

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

NOTE :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

(To be presented at the entrance duly signed)

OPERATIONAL ENERGY GROUP INDIA LIMITED

(CIN: U40100TN1994FLC028309)

Regd. Office: A, 5th Floor, Gokul Arcade – East Wing, No. 2 & 2A, Sardar Patel Road, Adyar, Chennai – 600020.

Website: www.oegindia.com

23rd ANNUAL GENERAL MEETING	
Regd. Folio/DP ID & Client ID	
Name and Address of the Shareholder	

- 1) I/We hereby record my/our presence at the 23rd Annual General Meeting of the Company being held on Friday, 22nd September, 2017 at 2.00 p.m. at A 5th Floor, Gokul Arcade – East Wing, No. 2 & 2A, Sardar Patel Road, Adyar, Chennai – 600020.

- 2) Signature of the shareholder/Proxy present
- 3) Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

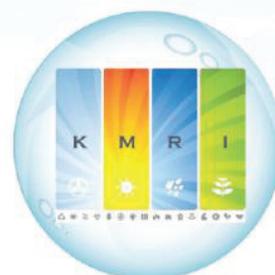
ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	User ID	Password/PIN
170818026	Please enter your DPID/CL ID/ Folio	Use your existing password or enter your pan with Bank A/c. No. / Date of Birth

Note: Please refer to the instructions printed under Notes to the Notice of 23rd Annual General Meeting. The Voting period starts from 09.00 a.m. (IST) on 19th September 2017 and ends at 5.00 p.m. 21st September 2017. The Voting module shall be disabled by CDSL for voting thereafter.



MAJOR CLIENTS



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OEG
OPERATIONAL EXCELLENCE

OPERATIONAL ENERGY GROUP INDIA LIMITED

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Fax : +91 44 24424156