



**OEG INDIA**  
OPERATIONAL EXCELLENCE

# **OPERATIONAL ENERGY GROUP INDIA LIMITED**

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**TWENTY - FIFTH  
ANNUAL REPORT  
2018 - 2019**

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A, GokulArcade, EastWing, 5thFloor, No.2&2A,  
Sardar Patel Road, Adyar, Chennai, Tamil Nadu 600 020.  
CIN: L40100TN1994FLC028309  
Telephone : +91 44 4394 9300 - 49 (50 Lines)  
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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

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

### **CHIEF FINANCIAL OFFICER**

S. V. Natarajan

### **COMPANY SECRETARY**

Krithika D Thakkar

### **STATUTORY AUDITORS**

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

### **SECRETARIAL AUDITOR**

VKS & Associates

### **BANKERS**

Axis Bank Limited  
Indian Overseas Bank  
HDFC Bank

### **REGISTERED OFFICE**

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

### **CORPORATE IDENTITY NUMBER**

L40100TN1994FLC028309

### **WEBSITE**

[www.oegindia.com](http://www.oegindia.com)

### **LISTING OF SHARES AT**

Metropolitan Stock Exchange of India limited, Mumbai

### **REGISTRAR AND SHARE TRANSFER AGENTS**

Cameo Corporate service Limited,  
“Subramanian building “  
No. 1, Club House Road, Chennai – 600002.  
Tel.: 044-28460390  
Email. investor@cameoindia.com

**OPERATIONAL ENERGY GROUP INDIA LIMITED**

CIN: L40100TN1994FLC028309  
A, 5TH FLOOR, GOKUL ARCADE – EAST WING,  
NO.2 & 2A, SARDAR PATEL ROAD,  
ADYAR, CHENNAI – 600 020

**NOTICE**

NOTICE is hereby given that the Twenty Fifth 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 on Thursday, 26th day of September 2019 at 11.00 A.M. to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt: a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, 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, 2019 together with the Report of Auditors thereon.
2. To appoint a Director in place of Mrs. Usha Ramesh who retires by rotation and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:**

3. Re-Appointment of Mr. S. Ramesh as the Managing Director  
To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Mr. S Ramesh (DIN: 00052842), as Executive Chairman and Managing Director (designated as “Executive Chairman”) of the Company for a period of 3 years with effect from 16.09.2019 to 15.09.2022, whose office will not be liable to retire by rotation and upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority given to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. S.Ramesh”.

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

“RESOLVED FURTHER THAT pursuant to Section II of Part III of Schedule V and other applicable provisions, if any, of the Companies Act 2013 (Including any amendments/modifications thereof), the consent of the members of the company be and is hereby accorded to pay minimum remuneration to Mr. S.Ramesh, Executive Chairman and Managing Director for the financial year in which there is no profits or profits are inadequate, during the period commencing from 16th September 2019 to 15th September 2022”.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required including filing of e-forms with the Registrar of Companies to give effect to the aforesaid resolution”.

/By Order of the Board/

For Operational Energy Group India Limited

Place : Chennai

Date : 09.08.2019

S. Ramesh  
DIN: 00052842  
Executive Chairman & Managing Director

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing proxy, in order to be effective should be duly completed, stamped, signed and must be received at the registered office of the company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the Companies, Societies, etc., must be supported by an appropriate resolution/ authority, as applicable. A blank proxy form is enclosed with this notice.

A person can act as a proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent (10%) 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. Corporate members intending to send their authorized representatives to attend the meeting are required to send a certified copy of the Board resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the meeting.
3. Members, proxies and authorized representatives are requested to bring to the meeting the attendance slip enclosed herewith, duly completed and signed mentioning therein the details of their DP ID and Client ID/ Folio No.
4. Explanatory statement under section 102 of the Companies Act, 2013, is enclosed herewith.
5. 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 (10AM-5PM) from Monday to Friday up to the date of meeting.
6. The registered members and share transfer books of the company will remain closed from Thursday, 19th September, 2019 to Thursday, 26th September, 2019 (both days inclusive)

7. 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.
8. 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/bankaccount 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.

**9. Voting through electronic means:**

- 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 is pleased to provide to its 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. S. SUDHARSAN Practicing Chartered Accountant, Chennai 600033 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 Wednesday, 18th September, 2019. The e-voting period commences on Monday, 23rd September 2019 at 9.00 a.m. IST and ends at 5.00 p.m. IST on Wednesday, 25th September 2019. 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 (either in physical form or in dematerialized form), as on the cut-off date, i.e., Wednesday, 18th September 2019, 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 Monday, 23rd September 2019 at 9.00 A.M. (IST) and ends at 5.00 P.M. (IST) on Wednesday, 25th September 2019. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 18th September 2019 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](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"> <li>• 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. E.g. If your name is Ramesh Kumar with sequence no 1 then enter RA00000001 in PAN Field (sequence number has been providing as SI. NO in the address label).</li> </ul>
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 & entering 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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  
Date : 09.082019

S. Ramesh  
Executive Chairman & Managing Director  
DIN: 00052842

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013****Item No. 2:**

## Brief Particulars of Mrs. Usha Ramesh

Name	Mrs. Usha Ramesh
Date of Birth	16-03-1954
DIN	00053451
Nationality	Indian
Date of appointment on Board	16-07-1963
Qualification	B.com
Expertise in area	Business
No. of shares held in the Company	9,25,200
Directorship held in other public companies	Nil
Memberships / Chairmanship of committees of all public companies	Nil

Except Mrs.UshaRamesh, being an appointee and herhusband Mr. S. Ramesh, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.2. The Board recommends the resolution as set out at Item no.2 of the accompanying notice for approval of members.

## Item No.3:

**APPOINTMENT OF MR. S. RAMESH AS EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR**

## Brief Particulars of Mr. S. Ramesh

Name	Mr. S. Ramesh
Date of Birth	16-03-1954
DIN	00052842
Nationality	Indian
Date of appointment on Board	16-09-2016
Qualification	IIM (A), A.C.S.
Expertise in area	Business
No. of shares held in the Company	5,081,800
Directorship held in other public companies	Nil
Memberships / Chairmanship of committees of all public companies	Nil

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

**TERMS OF APPOINTMENT:**

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

**a) Salary comprising**

(i) Basic salary: At the rate not exceeding Rs.5,00,000 per month; and Increments as may be decided by the Audit Committee of the Company from time to time, (following April to March year) over the existing Basic salary and Allowances, as on 1st April every year, commencing from 1st April 2020

**b) Commission and Performance linked incentive:**

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

**II) PERQUISITES:**

1. In addition to the Remuneration as stated above, Mr. S.Ramesh shall be entitled, as per Rules of the Company, to perquisites like:
  - a. Rent-free furnished residential accommodation with free use of all the facilities and amenities, such as air conditioners, geysers etc. In case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance as per policy of the Company.
  - b. Reimbursement of all medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization.
  - c. Personal Accident Insurance Premium.
  - d. Air passage and/or leave travel allowance for self and members of his family residing in India and for visit to India of the members of his family not residing in India.
  - e. Subscription to Clubs.
  - f. Use of Company maintained cars with drivers for business and personal use.
  - g. Use of communication devices such as telephones, audio and video conference facilities etc., at the residence. Personal long-distance telephone calls shall be borne by Mr. S.Ramesh.
  - h. Encashment of leave at the end of his tenure as per policy of the Company.
  - i. Contributions to provident fund, superannuation fund or annuity fund and any other retirement benefits.
  - j. Terminal benefits: Air/Sea passage together with cost of transportation of household belongings to such places as may be approved by the Board of Directors at the time of leaving the service of the Company.
  - k. Expenses on shifting of residence.
  - l. Participation in any/ all employee stock option schemes/ plans of the Company
  - m. Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Ramesh.

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

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

### III) **MINIMUM REMUNERATION:**

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

Further as per the effective capital of the audited balance sheet of the company the appointee is eligible to get the overall remuneration twice the limit as allowed under this schedule if it is passed by the shareholders by way of Special Resolution.

### IV) **OTHER TERMS:**

Subject to the superintendence, control and direction of the Board of Directors, Mr.S.Ramesh shall manage and conduct the business and affairs of the Company. He shall not be paid any sitting fee for attending the meetings of the Board or Committee thereof. The appointment can be terminated by Mr.S.Ramesh or the Company, by one party giving to the other six calendar months' notice in writing or by payment of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Ordinary Resolution set out at item no. 3 of the accompanying Notice for the approval of the Members. Copy of the Draft Agreement referred to in

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

Except Mr.S.Ramesh, being an appointee and his wife Mrs. Usha Ramesh, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.3. The Board recommends the resolution as set out at Item no.3 of the accompanying notice for approval of members.

/By Order of the Board/

For OPERATIONAL ENERGY GROUP INDIA LIMITED

Place: Chennai  
Date:09.08.2019

S. Ramesh  
Executive Chairman & Managing Director  
DIN: 00052842

ANNEXURE (AS PER SCHEDULE XIII) TO THE EXPLANATORY STATEMENT TO THE NOTICE OF ANNUAL GENERAL MEETING TO BE HELD ON 26th SEPTEMBER 2019

**RE-APPOINTMENT & PAYMENT OF REMUNERATION TO MR. S. RAMESH**

**I. GENERAL INFORMATION**

1. Nature of Industry : Operation and maintenance of power plants
2. Financial performance based on given indicators:  
for the period 1st April 2018 to 31st March 2019 (In Rs.)
  - a. Sales : Rs. 15,24,230,570.72/-
  - b. Profit before tax : Rs. 17,139,603.03/-
  - c. Profit margin : 1.1%
3. Export Performance and Net Foreign Exchange Collaborations:  
for the period 1st April 2018 to 31st March 2019 (In Rs.)
  - Earnings in Foreign Exchange : Rs. 8,51,635/-
  - Expenditure in Foreign Currency : Rs. 25,363/-
  1. Foreign investments or collaborators, if any : NIL

**II. INFORMATION ABOUT THE APPOINTEE**

1. Background details : S. Ramesh aged 65 years is a graduate from Indian Institute of Management, Ahmedabad in 1979. After a brief stint at a major automobile company in India he went to Southeast Asia where he spent 14 years where his responsibilities included Project Management, funds Management and Corporate Planning. He was instrumental in formulating an innovative and pioneering BO. In 1994 he returned to India for personal reasons. He promoted a textile mill and a software Company. In 2002 he prompted Operational Energy Group [OEG], an group involved in operating and maintain power plants in India. The group now operates power plants in India with capacity adding up to 4000 MW.
2. Past Remuneration : Rs. 33,30,321/- per annum
3. Remuneration Proposed : Rs. 6,000,000/- per annum (maximum ceiling)
4. Pecuniary relationship directly or indirectly with the company or relationship with the Managerial personnel, if any : Nil

### **III DISCLOSURES**

- (a) The shareholders of the company have been informed of the remuneration package of the managerial person: Informed
- (b) The following disclosures are mentioned in the Board of Director's Report under the heading "Corporate Governance" attached to the annual report : Yes

### **IV REASON AND JUSTIFICATION FOR PAYMENT OF REMUNERATION BEYOND THE SOAID LIMIT:**

The existing remuneration payable to Mr. S. Ramesh has been fixed three years ago when the Company was doing a turnover of Rs. 138.96 crores. Since the turnover has increased to Rs. 154.42 (11.12% rise). Increase in the maximum remuneration is proposed based on the increase in turnover of the Company and is in line with industry standards.

## 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 Fifth Board's Directors Report of your Company together with the audited financial statements for the financial year ended, 31st March 2019 and auditors report thereon.

### FINANCIAL HIGHLIGHTS:

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

(Rs. In Lakhs)

Particulars	Stand Alone 2018-19	Consolidated 2018-19	Stand Alone 2017-18	Consolidated 2017-18
Revenue from Operations	15242.30	19795.93	10967.66	15563.18
Profit Before Interest and Depreciation	474.81	864.37	492.03	1,103.38
Less: Finance Charges	218.30	221.56	280.02	294.94
Profit before depreciation and taxes	256.51	642.81	212.01	808.44
Less: Depreciation	85.11	96.33	72.27	79.40
Net Profit Before Tax	171.40	546.48	139.74	729.05
Less: Tax Expenses	99.51	99.51	36.10	53.44
Net Profit After Tax	71.89	446.97	103.65	675.61
Other Comprehensive Income	-	10.17	-	(11.94)
Total Comprehensive Income	71.89	457.14	103.65	663.67
Balance of Profit brought forward	1,264.13	2006.28	1,160.48	1,319.47
Balance available for appropriation	-	-	-	-
Proposed Dividend on Equity Shares	-	-	-	-
Tax on proposed Dividend	-	-	-	-
Transfer to General Reserve	-	-	-	-
Surplus carried to Balance Sheet	1,336.02	2,463.42	1,264.13	1,983.14

**DIVIDEND:**

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

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

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

**TRANSFER TO RESERVES:**

Your company proposes to transfer Rs. 71.89 lakhs for the year 2018-19 to general reserve for future expansions and projects.

**PERFORMANCE REVIEW:**

Consolidated:

The consolidated net revenue from operations increased from Rs.15242.30 to Rs.19795.83 lakhs an increase of 29.87% over the previous year. Earnings before interest, depreciation, tax and amortization (EBITDA) was lower at Rs.864.37 lakhs as compared to Rs.1103.38 lakhs in the previous year. Profit before tax was less by 25.04% at Rs.546.48 lakhs against Rs.729.05 lakhs in the previous year. Profit after tax was at Rs.446.97 lakhs against Rs.675.61 lakhs in the previous year less by 33.84%

**Standalone:**

The net revenue from the operations of the Company increased from Rs.10967.66 lakhs to Rs.15242.30 lakhs, registering an increase of 38.97% over the previous year. EBITDA was down at Rs.474.81 lakhs compared to Rs.492.03 lakhs earned in the previous year. Profit before tax was Rs.171.40 lakhs against Rs.139.74 lakhs in the previous year, up by 22.65%. Profit after tax was at Rs.71.89 lakhs against Rs.103.65 lakhs in the previous year, down by 30.64%.

**PERFORMANCE REVIEW OF BUSINESS OPERATIONS IS AS UNDER:**

The Company continued to face challenges in getting new O&M contracts and also renewing the existing contracts due to the subdued demand in the power industry. Also, competition from localized players pose a stiff challenge. However, the Company has taken active steps to reduce its cost of operations and thereby could increase the profit before tax during the previous year. In order to overcome the challenge of the local players and also to compete with the large and international players wherein the profitability will be better, the Company has underwritten a maintenance contract with KSK Mahanadhi Power Limited with a very minimum margin. Due to the addition of this contract income, the revenues of the company have increased substantially whereas the profitability has not increased proportionately to the increase in turnover.

Also, the company has diversified its business portfolio by adding one more segment "Projects". Your directors take pleasure in reporting that the Company has been awarded mechanical, electrical and plumbing contracts from TVS group as well as a subcontract from Andhra Pradesh Gas Distribution Corporation Limited (a subsidiary of GAIL). The execution of these contracts is being undertaken during the current financial year 2019-20.

On our Middle East Operations handled from our subsidiary in Dubai, we have concluded the three year O&M contract in Bangladesh and handed over the plant. The Lebanon operations are yielding expected results. Middle East Operations have added significantly to the profitability of the group on a consolidated basis. Your company is also pursuing other opportunities in Lebanon and have



ted with a reputed group in Oman and are prequalified for building up the tank farm in Lebanon.

**STATE OF COMPANY'S AFFAIRS AND OUTLOOK:**

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

**GROWTH IN TERMS OF MW (Mega Watts)**

Period	MWs In Domestic	Growth %	MWs In Overseas	Growth %
As on 31st March 2019	4903.51	46.30	523.00	-13.69
As on 31st March 2018	3351.61		606.00	

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

**FINANCE:**

During the year under review, the company has arranged with Axis bank for renewal of existing working capital facilities amounting to 24.50 crores.

**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 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:**

Pursuant to Section 134(3) of the Companies Act, 2013 and Regulation 17(9) of SEBI (LODR) Regulation, 2015, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and mitigation thereof.

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

There were nil frauds reported by auditors under Section 143 (12) of the Companies Act, 2013.

**DEPOSITS:**

The company has not accepted any deposits from public 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, your Company has constituted a Corporate Social Responsibility Committee and supports educational cause in rural areas through giving donations to Yashas English School Foundation in Malli village, Srivilliputhur, Virudhunagar district, Tamil Nadu. The school has earned a good reputation in the local area. The School has applied for obtaining approval from the Educational Authorities. Operational Energy Group India limited has contributed Rs. 12,74,000/- during the year under review.

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

**WHISTLEBLOWER POLICY AND VIGIL MECHANISM:**

Your Company has established whistle blower policy as per to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations. The Board of Directors of the Company have formulated and adopted Whistle Blower Policy which aims to provide a channel to the Stake holders (Including directors and employees) to report unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The mechanism provides adequate safeguards against victimization of Directors and employees to avail the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

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

**PREVENTION OF SEXUAL HARASSMENT (POSH):**

Your Company has zero tolerance for sexual harassment at workplace and has adopted an anti-sexual harassment policy and implemented an effective mechanism for the prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

No complaint of sexual harassment was received during the year.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

The Company has following Loans, guarantee given and Investments made under section 186 of the Companies Act, 2013 as on 31st March, 2019:

**GROWTH IN TERMS OF MW (Mega Watts)**

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 185 of Companies Act 2013.

**CONSOLIDATED FINANCIAL STATEMENTS:**

A separate statement containing the salient features of the Audited financial statement of all the Subsidiary and Associate Companies is also enclosed in Form AOC-1 in Annexure 3 as prescribed under the Companies Act, 2013 and the Rules made thereunder.

**SUBSIDIARY COMPANIES, ASSOCIATE AND JOINT VENTURES:****SUBSIDIARY:**

The company's policy on material subsidiaries, as approved by the Board, is uploaded on the Company's website at the [www.oegindia.com](http://www.oegindia.com). The brief summary of the performance of the subsidiaries is as follows:

(Rs. in Lakhs)

Particulars	Consolidated amount	OEG India Limited	Maxitech Engineering Pvt. Ltd.	Pacific Technical Service India (P) Ltd. (consolidated)
Share Capital	1304.18	1304.18	80.00	1.00
Reserves & Surplus	2463.42	1336.04	-182.88	1235.80
Net-worth	3767.60	2640.19	-102.88	1236.80
Revenue from operation	19795.83	15242.30	204.80	4348.71
Percentage	100	76.99	1.04	21.97

**1. M/s. Pacific Technical Services India Private Limited:** The Company has been exploring the possibilities of various business opportunities overseas. Pacific Technical Services India Private Limited has a subsidiary company incorporated in Dubai named as Operational Energy Generation FZE, which had obtained O&M contracts in Bangladesh and has not handed over the plant. Based on the consolidated financial results for the year ended 31.03.2019, Pacific Technical Services India Private Limited's income stands at 21.97% of the consolidated income. Hence Pacific Technical Services has become a material Subsidiary as per regulation 16(1) (c) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

**Financial Overview:**

The consolidated Revenue for the year ended 31st March, 2019 was Rs.434.87lakhs as against Rs.459.55 lakhs for the previous year with a consolidated Net Profit after Tax of Rs.438.19 lakhs as against Rs.571.96 lakhs of the previous year. The Standalone Revenue from operations for the year ended 31st March, 2019 was nil this year as against Rs.64.10 Lakhs for the previous year. The loss for the period was Rs. (-2.78) lakhs as against Profit of Rs.41.68 lakhs of the previous year.

**2. M/s. Maxitech Engineering Private Limited:** Maxitech Engineering Pvt. Ltd. with its third year of partnering with M/s Operational Energy Group India Ltd. has gained notable presence & reputation in the market by securing Rs. 5.3 Crores worth MEP work order with M/s TVS Emerald Haven Realty Ltd "Lighthouse" at Chennai and 15 Lakhs worth with M/s Larsen & Toubro Ltd Substation at, Chennai. Further the company has extended our vendor registration with M/s. C.R.N Consultant, M/s. FL Smidth, and M/s. Texvalley etc

With its widened footprints in the engineering services market the Company is currently negotiating with various prospective clients for service contracts worth Rs.18.48 Crores.

The company has become subsidiary of operational Energy Group India Limited with 70% holding as on 29.06.2018.

**Financial Overview:**

The company has recorded a revenue of Rs.204.81lakhs from operations for the year ended 31.03.2019 as against Rs.18.45 lakhs in the previous year. The Company has recorded a loss of Rs.63.11 lakhs for the year as against a loss of Rs.33.62lakhs for the previous financial year.

**ASSOCIATES:**

M/s. Thoothukudi Renew Waters Private Limited:

M/s. Thoothukudi Renew Waters Private Limited could not secure the firm water supply agreements from the prospective customer.Hence, the construction activities did not commence even during the Financial Year 2018-19.

**Financial Overview:**

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

**JOINT VENTURE:**

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

The Company engaged in carrying on the business of Operation and Maintaining electricity generating station and other industrial establishment of all types and their ancillary facilities like; waste & water treatment facilities, distribution systems, sub-stations and switchgears, associated coal mines, roads, highways, airlines, bridges, airports, seaports, water supply projects, project for providing telecommunication services or other infrastructure facilities.

At present there is no significant activity and the company is confident of making a turn around. The Company's management is in the process of making strategic investments in certain assets / projects, when fructified, would result in turnaround of the Company.

**Financial Overview:**

The operations of the Company are 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.

**SHARES:**

- a. Buy Back: The Company has not bought back any of its securities during the year under review.
- b. Sweat Equity:The Company has not issued any Sweat Equity Shares during the year under review.
- c. Bonus Shares:No Bonus Shares were issued during the year under review.
- d. 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:**

The Company has put in place adequate system of internal controls commensurate with its size and the nature of its operations. The Company's internal control system covers the following aspects:

1. Financial Propriety of business transactions.
2. Safeguarding the assets of the company.
3. Compliance with prevalent statutes, regulations, management authorisation, policies and procedures.

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

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

##### **Directors:**

##### **Appointment/Re-appointment:**

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

##### **Key Managerial Personnel:**

##### **Resignation:**

During the year under review, the Company Secretary Mr. S. Srinanth resigned with effect from 17/08/2018 during due to personal reasons. The Chief Financial Officer, Mr. V. Ramabhadran resigned with effect from 31/08/2018 due to personal reasons. The Chief Executive Officer, Mr. S. V. Natarajan resigned with effect from 04/10/2018.

##### **Appointments:**

Subsequently, Ms. Krithika D Thakkar was appointed as the Company Secretary with effect from 01/10/2018 and Mr. S. V. Natarajan was appointed as the Chief Financial Officer with effect from 04/10/2018.

#### **INDEPENDENT DIRECTORS:**

A declaration given by Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 has been received by the Company. The details of familiarization programme for independent directors can be had from the Company's website [www.oegindia.com](http://www.oegindia.com).

#### **FAMILIARIZATION PROCESS:**

Senior management personnel of the Company, on a structured basis, interact with directors from time to time to enable them to understand the Company's strategy, business model, operations, service product offerings markets, organization structure, finance, human resources, technology and risk management and such other areas.

Senior management personnel of the Company, on a structured basis, interact with directors from time to time to enable them to understand the Company's strategy, business model, operations, service product offerings markets, organization structure, finance, human resources, technology and risk management and such other areas.

#### **GOVERNANCE GUIDELINES:**

The Company has adopted Governance Guidelines on Board Effectiveness. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term, retirement age and Committees of

Act and the Listing Regulations. The Remuneration policy of the Company covers the criteria for selection, appointments and remuneration of the Directors, Key Managerial Personnel and Senior Managerial Personnel of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters. The Nomination and Remuneration Policy adopted by the Board is available on the website of the company at [www.oegindia.com](http://www.oegindia.com).

#### **BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 and SEBI (Listing Obligations Disclosure Requirement) Regulations 2015, the Board of Directors during the year carried out an annual performance evaluation of its own performance, the directors including independent directors individually (without participation of the executive directors) and the Chairman was held on 29/03/2019.

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

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) for the financial year ended March 31, 2019, such accounting policies as mentioned in the Notes to the financial statements have applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the Company at the end of the financial year and of the profit of the Company for the financial year ended March 31, 2019.
- (c) that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual financial statements have been prepared on a going concern basis;
- (e) that proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on the Management Discussion

and Analysis and corporate Governance is enclosed as a part of this Annual Report.

**INFORMATION TECHNOLOGY (IT):**

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

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

**Conservation of Energy, Technology Absorption:**

As per Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 and Company's policy to conserve energy the Company has been actively involved with the clients for reducing the heat rate and auxiliary consumption of the power generating stations of the clients. Measures such as introduction of VFD, blending of fuel etc. are being constantly pursued by your Company, thereby contributing towards energy conservation and reducing carbon footprint. The Company also encourages the client energy audit to identify potential areas and scans the environment for innovative and reliable solutions. Efforts are continuously being taken to reduce energy consumption in the plants. The Company is in active discussion with the technology providers for reducing the emission from the power generating stations.

**Foreign Exchange Earnings and Outgo:**

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

Foreign exchange earnings	Rs. 8,51,635/-
Foreign exchange outgo	Rs. 25,636/-

**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 4 to this Report.

**STATUTORY AUDITORS:**

M/s Padmanabhan Ramani & Ramanujam, Chartered Accountants, Chennai, were appointed as Statutory Auditors for a period of 5 years at the Annual General Meeting held on 21st September, 2018 to hold office from the conclusion of the said Annual General Meeting till the conclusion of the Annual General Meeting for the FY ended 31.03.2023.

No ratification of their appointment is required as per notified dated May 7, 2018 issued by the Ministry of Corporate Affairs.

**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, Practising Company Secretaries has been appointed as Secretarial Auditor of the Company for the financial year ended 31.03.2019. The report of the Secretarial Auditor is enclosed as Annexure 6 to this Report. The report is self-explanatory and do not call for any further comments.

**OTHER DISCLOSURES:****NUMBER OF BOARD MEETINGS:**

During the year, 5 (Five) Board meetings were held, the details of which are provided in the Corporate Governance Report.

**COMPOSITION OF COMMITTEE OF DIRECTORS**

The Board has constituted the following Committees of Directors:

- (a) Audit Committee,
- (b) Nomination & Remuneration Committee,
- (c) Stakeholder Relationship Committee
- (d) Vigil Mechanism Committee
- (e) Corporate Social Responsibility Committee
- (f) Risk Management Committee
- (g) Share Transfer Committee

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

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

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year (31st March 2019) and the date of the report.

**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 5 to this Report.

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

**ACKNOWLEDGEMENT:**

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

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

**S. Ramesh**

DIN: 00052842

Executive Chairman & Managing Director

Place: Chennai

Date: 09.08.2019



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

Sl. No	Particulars	Details
a)	Name(s) of the related party and nature of relationship	During the financial year 2018-19, 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

Sl.No	Particulars	Detail	
a	Name(s) of the related party and nature of relationship	Mr. S. Ramesh (Executive Chairman & Managing Director)	Mr. R. Sudarshan (Son of Executive Chairman & 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
c	Duration of the contracts/ arrangements/ transactions	Five Years from 01.01.2017	Until retirement / resignation/ termination/ whichever is earlier
d	Salient terms of the contracts or arrangements or transactions including the value, if any:	As per Lease Agreement	Formal Letter of Employment
e	Date(s) of approval by the Board, if any:	16/09/2016	16/09/2016
f	Amount paid as advances, if any:	Nil	N.A.

The above transaction are within the limit 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.

Place: Chennai  
Date: 09.08.2019

For and on Behalf of the Board  
S. Ramesh  
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)

Sl.No	Particulars	Details
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	Even though non-mandatory, the Company has constituted a Corporate Social Responsibility Committee and has evolved a principle to promote English based Education at Malli Village where the Company started its corporate activities.
2	The Composition of the CSR Committee.	i. Mr. S. Ramesh (Chairman) ii. Mrs. Usha Ramesh
3	Average net profit of the Company for last three financial years	Rs. 52,063,571.24/-
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	N.A. (As not mandatory)
5	Details of CSR spent for the financial year:	
	a. Total amount spent for the financial year	Rs. 12,74,000/-
	b. Amount unspent, if any:	N.A.
	c. Manner in which the amount spent during the financial year is detailed below:	Donation
6	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	The Company is not obliged to carry out CSR activities. However, we have undertaken CSR activity voluntarily and reported thereon.
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Place: Chennai  
Date: 09.08.2019

For and on Behalf of the Board  
S. Ramesh  
Executive Chairman & Managing Director

## 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)

Sl.No	Particulars	Details		
1	Name of the subsidiary	PacificTechnical Service India Private Limited (PTSIPL)	Maxitech Engineering Private Limited	Operational EnergyGeneration FZE (Subsidiary of PTSIPL)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2018-19	2018-19	2018-19
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees	Rupees	U.S. Dollars
4	Share capital	1,00,000	8,000,000	22,870
5	Reserves & Surplus	55,79,288.00	(18,288,362.21)	1,705,665
6	Total Assets (excluding investments)	9,008,082	23,045,558.33	1,890,135
7	Total Liabilities	4,909,133	33,333,921	1,252,827
8	Investments	15,80,336.00	-	1,108,693
9	Turnover	-	20,480,833.80	6,262,265
10	Profit/(Loss) Before Taxation	(2,78,249.00)	(6,310,326.21)	(32,280)
11	Tax Expenses	4,86,099.00	-	-
12	Profit/(Loss) After Taxation	(2,78,249.00)	(6,310,326.21)	(32,280)
13	Proposed Dividend	-	-	-
14	% of Shareholding	98%	70%	-

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

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

Place: Chennai  
Date: 09.08.2019

For and on Behalf of the Board  
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**

Sl.No	Particulars	Joint Venture	Associate Company
1	Name	Shapoorji Pallonji & O E G Services Private Limited	Thoothukudi Renew Waters Private Limited
2	Latest Audited Balance Sheet Date	31.03.2019	31.03.2019
3	Shares of Associate/Joint Ventures held by the Company on the year end		
	No. of shares	82,500	4,800
	Amount of Investment in Associates / Joint Venture (Rs.)	9,81,000	48,000
	Extending of Holding	50%	48%
4	Description of how there is significant influence	Represented on Board	Represented on Board
5	Reason why the associate/joint venture is not consolidated	N.A.	N.A.
6	Net Worth attributable to shareholding as per latest audited Balance Sheet (Rs.)	91,885	-51,027
7	Profit/Loss for the year		
	i. Considered in Consolidation (Rs.)	-22,048	-17,349
	ii. Not Considered in Consolidation		

Place: Chennai  
Date: 09.08.2019

For and on Behalf of the Board  
S. Ramesh  
Executive Chairman & Managing Director

Annexure 4 to the Board's Report

**Particulars of employees**

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

Remuneration to Directors									
Sl. No	Directors	Designation	Nature of earning	2018-19 Rs	Ratio to Median Salary	2017-18 Rs	Ratio to Median Salary	% Inc	
	Mr. S.Ramesh	Executive Chairman and Managing Director	Salary	33,30,321	16.29	33,30,321	17.35	-	
Remuneration to Key Managerial Personnel									
1	Mr. S.V.Natarajan*	Chief Executive	Salary	1184354	5.80	25,00,369	13.02	-	
2	Mr. V. Ramabhadran*	Chief Financial Officer	Salary	396000	1.93	12,91,973	6.73	-	
3	Mr. S. Srinath*	Company Secretary	Salary	220000	1.07	6,68,159	3.48	-	
4	Mr. S. V. Natarajan*	Chief Financial Officer	Salary	1184353	5.79	-	-	-	
5	Ms. Krithika. D. Thakkar*	aCompany Secretary	Salary	360000	1.76	-	-	-	

Notes:

- \* Salary for the part of the year – up to the date of resignation/ from the date of appointment, as the case may be.
- \* Mr. S. Srinath resigned as the Company Secretary with effect from 17/08/2018.
- \* Mr. V. Ramabhadran resigned as the Chief Financial Officer with effect from 31/08/2018.
- \* Mr. S. V. Natarajan resigned as the Chief Executive Officer with effect from 04/10/2018
- \* Mr. S. V. Natarajan was appointed as the Financial Officer with effect from 04/10/2018
- \* Ms. Krithika. D. Thakkar was appointed as the Company Secretary with effect from 01/10/2018

Place: Chennai  
Date : 09.08.2019

For and on Behalf of the Board  
S. Ramesh  
Executive Chairman & Managing Director

**Annexure 5 to the Board's Report****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

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

**As on financial year ended on 31st March 2019****I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L40100TN1994FLC028309
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 / IndianNon- Govt company
5.	Address of the Registered office & contact details	A, 5th Floor, Gokul Arcade – East Wing, No. 2 & 2A, Sardar 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, 'Subramaniyan Building', 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):**

Sl. 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 -**

Sl. 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	Subsidiary	70%	2(87)
3	ShapoorjiPallonji& 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 of the year			Number of shares held at the beginning of the year			% change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
(A)									
<b>(1)</b>	<b>Promoters (including Promoter Group)</b>								
(a)	Individuals/Hindu Undivided Family	56,98,100	-	56,98,100	43.69	56,98,100	-	56,98,100	43.69
(b)	Central Government	-	-	-	-	-	-	-	-
(c)	State Government	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	-	-	-	-	-	-	-
(e)	Banks/Financial Institutions	-	-	-	-	-	-	-	-
(f)	Any Other (Specify)	-	-	-	-	-	-	-	-
	SUB TOTAL:(A) (1)	56,98,100	-	56,98,100	43.69	56,98,100	-	56,98,100	43.69
(2)	Foreign								
(a)	NRI - Individuals	12,500	-	12,500	0.10	12,500	-	12,500	0.10
(b)	Other Individuals	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-
(d)	Banks/Fl	-	-	-	-	-	-	-	-
(e)	Any other...	-	-	-	-	-	-	-	-
	SUB TOTAL (A) (2)	12,500	-	12,500	0.10	12,500	-	12,500	0.10
	Total Shareholding of Promoter								
	(A)= (A)(1)+(A)(2)	57,10,600	-	57,10,600	43.79	57,10,600	-	57,10,600	43.79
(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)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Sub - total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Non - Institutions Bodies Corp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Indian	26,05,200	53,400	26,58,600	20.39	26,05,200	53,400	26,58,600	20.39	26,05,200	53,400	26,58,600	20.39	26,05,200	53,400	26,58,600	20.39	26,05,200	53,400	26,58,600	20.39
ii	Overseas	-	14,91,800	14,91,800	11.44	-	14,91,800	14,91,800	11.44	-	14,91,800	14,91,800	11.44	-	14,91,800	14,91,800	11.44	-	14,91,800	14,91,800	11.44
(b)	Individuals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Individual shareholders holding nominal share capital upto Rs.1 lakh	500	3,25,100	3,25,600	2.50	2,960	3,22,140	3,25,100	2.49	2,960	3,22,140	3,25,100	2.49	2,960	3,22,140	3,25,100	2.49	2,960	3,22,140	3,25,100	2.49
ii	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2,797,300	-	2,797,300	21.44	2,797,800	-	2,797,300	21.44	2,797,800	-	2,797,800	21.45	2,797,800	-	2,797,800	21.45	2,797,800	-	2,797,800	21.45
(c)	Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Non-Resident Indians	57,900	-	57,900	0.44	57,900	-	57,900	0.44	57,900	-	57,900	0.44	57,900	-	57,900	0.44	57,900	-	57,900	0.44
	Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Foreign Nationals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Clearing Members	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Foreign Bodies - D R	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Shareholding (B)=(B)(1)+ (B)(2)	5,460,900	1,870,300	7,331,200	56.21	5,463,860	1,867,340	7,331,200	56.21	5,463,860	1,867,340	7,331,200	56.21	5,463,860	1,867,340	7,331,200	56.21	5,463,860	1,867,340	7,331,200	56.21
(C)	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	11,171,500	1,870,300	13,041,800	100	11,174,460	1,867,340	13,041,800	100	11,174,460	1,867,340	13,041,800	100	11,174,460	1,867,340	13,041,800	100	11,174,460	1,867,340	13,041,800	100



**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 share holding 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.	Mr. S.Ramesh	50,81,800	38.97	NIL	50,81,800	38.97	NIL	-
2.	Mr. R. Sudarshan	6,16,300	4.73	NIL	6,16,300	4.73	NIL	-
3.	Mr. S. Swaminathan	12,500	0.10	NIL	12,500	0.10	NIL	-

**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		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	S. Ramesh	50,81,800	38.97	01.04.2017	No Change	-	-	5,081,800	38.97
				31.03.2018	At the end of the year	-	-	5,081,800	38.97
2	R. Sudarshan	616300	4.73	01.04.2017	No Change	-	-	616,300	4.73
				31.03.2018	At the end of the year	-	-	616,300	4.73
3	S. Swaminathan	12500	0.10	01.04.2017	No Change	-	-	12,500	0.10
				31.03.2018	At the end of the year	-	-	12,500	0.10

**D) Shareholding Pattern of Top Ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs): No Change**

Sl. No.	Name of 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
1	<b>M/s. South Ganga Waters Technologies Private Limited</b>				
	At the beginning of the year	26,05,200	19.98	26,05,200	19.98
	Bought during the year	-	-	26,05,200	19.98
	Sold during the year	-	-	26,05,200	19.98
	At the end of the year	26,05,200	19.98	26,05,200	19.98
2	<b>M/s. Premier International Limited</b>				
	At the beginning of the year	14,91,800	11.44	14,91,800	11.44
	Bought during the year	-	-	14,91,800	11.44
	Sold during the year	-	-	14,91,800	11.44
	At the end of the year	14,91,800	11.44	14,91,800	11.44
3	<b>Mrs. Usha Ramesh</b>				
	At the beginning of the year	9,25,200	7.09	9,25,200	7.09
	Bought during the year	-	-	9,25,200	7.09
	Sold during the year	-	-	9,25,200	7.09
	At the end of the year	9,25,200	7.09	9,25,200	7.09
4	<b>Mr. R. Surendar</b>				
	At the beginning of the year	1,50,600	1.15	1,50,600	1.15
	Bought during the year	-	-	1,50,600	1.15
	Sold during the year	-	-	1,50,600	1.15
	At the end of the year	1,50,600	1.15	1,50,600	1.15
5.	<b>Mr. R. Vijay</b>				
	At the beginning of the year	2,02,680	1.55	2,02,680	1.55
	Bought during the year	500	-	2,03,180	1.56
	Sold during the year	-	-	2,03,180	1.56
	At the end of the year	2,03,180	1.56	2,03,180	1.56
6.	<b>Mr. K. Balaguru</b>				
	At the beginning of the year	1,50,000	1.15	1,50,000	1.15
	Bought during the year	-	-	1,50,000	1.15
	Sold during the year	-	-	1,50,000	1.15
	At the end of the year	1,50,000	1.15	1,50,000	1.15

7	<b>Mr. M. Subramanian</b>				
	At the beginning of the year	1,50,000	1.15	1,50,000	1.15
	Bought during the year	-	-	1,50,000	1.15
	Sold during the year	-	-	1,50,000	1.15
	At the end of the year	1,50,000	1.15	1,50,000	1.15
8	<b>Mr. P. Muruganatham</b>				
	At the beginning of the year	1,50,000	1.15	1,50,000	1.15
	Bought during the year	-	-	1,50,000	1.15
	Sold during the year	-	-	1,50,000	1.15
	At the end of the year	1,50,000	1.15	1,50,000	1.15
9	<b>Mr. S. Saravanan</b>				
	At the beginning of the year	1,50,160	1.15	1,50,160	1.15
	Bought during the year	-	-	1,50,160	1.15
	Sold during the year	-	-	1,50,160	1.15
	At the end of the year	1,50,160	1.15	1,50,160	1.15
10	<b>Mr. R. Rangarajan</b>				
	At the beginning of the year	1,49,600	1.15	1,49,600	1.15
	Bought during the year	-	-	1,49,600	1.15
	Sold during the year	-	-	1,49,600	1.15
	At the end of the year	1,49,600	1.15	1,49,600	1.15
	At the end of the year	2,03,180	1.56	2,03,180	1.56

**E) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of Directors/KMP	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
1	<b>Mr. S. Ramesh (Executive Chairman &amp; Managing Director)</b>				
	At the beginning of the year	50,81,800	38.97	50,81,800	38.97
	Bought during the year	-	-	50,81,800	38.97
	Sold during the year	-	-	50,81,800	38.97
	At the end of the year	50,81,800	38.97	50,81,800	38.97

<b>2.</b>	<b>Mrs. Usha Ramesh (Non - Executive Director)</b>				
	At the beginning of the year	9,25,200	7.09	9,25,200	7.09
	Bought during the year	-	-	9,25,200	7.09
	Sold during the year	-	-	9,25,200	7.09
	At the end of the year	9,25,200	7.09	9,25,200	7.09
<b>3.</b>	<b>Mr.S. V. Natarajan (Chief Financial Officer)</b>				
	At the beginning of the year	1,260	0.01	1,260	0.01
	Bought during the year	-	-	1,260	0.01
	Sold during the year	-	-	1,260	0.01
	At the end of the year	1,260	0.01	1,260	0.01
<b>4</b>	<b>Mr. V. Ramabhadran* (Chief Financial Officer)</b>				
	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. P. Swaminathan and B. Viswanathan did not hold any share of the Company during 2018-19
2. Mr. V. Ramabhadran resigned as the Chief Financial Officer with effect from 30/08/2018
3. Ms. Krithika. D. Thakkar, Company Secretary did not hold any share of the company during 2018-19

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	16,54,16,781	6,82,22,307	-	23,36,39,089
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>16,54,16,781</b>	<b>6,82,22,307</b>	<b>-</b>	<b>23,36,39,089</b>
Change in Indebtedness during the financial Year				
• Addition				
• Reduction	8,79,54,439	56,59,098	-	9,36,13,537
<b>Net Change</b>	<b>(8,79,54,439)</b>	<b>(56,59,098)</b>	<b>-</b>	<b>(9,36,13,537)</b>
Indebtedness at the end of the financial Year				
i) Principal Amount	7,74,62,343	6,25,63,209	-	14,00,25,552
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>7,74,62,343</b>	<b>6,25,63,209</b>	<b>-</b>	<b>14,00,25,552</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	Mr.S. Ramesh Executive Chairman & Managing Director	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,30,321	33,30,321
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify	0	0
5	Others, please specify	0	0
	Total (A)	33,30,321	33,30,321
	Ceiling as per the Act		33,30,321

**B. REMUNERATION TO OTHER DIRECTORS:**

Sl. No.	Particulars	Fee for attending Board / Committee Meetings	Commission	Others, Please Specify	Total Amount
I)	Independent Directors				
1	Mr. B. Viswanathan	90,000	-	-	90,000
2	Mr. P. Swaminathan	95,000	-	-	95,000
	Total (1)	1,85,000	-	-	1,85,000
II)	Other Non-Executive Directors				
1	Mrs. Usha Ramesh	60,000	-	-	60,000
	Total (2)	60,000	-	-	60,000
	Total (B) = (1+2)	2,45,000	-	-	2,45,000
	Ceiling as per Act				2,45,000

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		CEO	CFO	CFO	CS	CS	
1	Gross salary	Mr. S.V. Natarajan*	Mr. V. Ramabhadran*	Mr. S.V. Natarajan*	Mr. S. Srinath*	Ms. Krithika D. Thakkar*	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,73,554	3,96,000	11,73,554	2,20,000	3,60,000	33,23,108
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10,800	-	10,800		-	21,600.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-			-	-
	Stock Option	-	-			-	-
	Sweat Equity	-	-			-	-
	Commission	N.A.	N.A.			N.A.	N.A.
	- as % of profit						
	others, specify...						
	Others, please specify	0	0			0	0
	Total	11,84,364	3,96,000	11,84,364	2,20,000	3,60,000	33,44,708

Notes:

- \* Salary for the part of the year – up to the date of resignation/ from the date of appointment, as the case may be.
- \* Mr. S. Srinath resigned as the Company Secretary with effect from 17/08/2018.
- \* Mr. V. Ramabhadran resigned as the Chief Financial Officer with effect from 31/08/2018.
- \* Mr. S. V. Natarajan resigned as the Chief Executive Officer with effect from 04/10/2018
- \* Mr. S. V. Natarajan was appointed as the Financial Officer with effect from 04/10/2018
- \* Ms. Krithika. D. Thakkar was appointed as the Company Secretary with effect from 01/10/2018

**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)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

For and on Behalf of the Board

**S. Ramesh**

DIN: 00052842

Executive Chairman & Managing Director

Place: Chennai

Date: 09.08.2019

**Annexure No. 6**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 109 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 2019, 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 thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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;
- (iii) SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned 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 5 times in the financial year 2018-19 Viz., on

28/05/2018
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10/08/2018
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04/10/2018
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09/11/2018
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12/02/2019
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Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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.

The company has 2 subsidiaries

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

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

I further report that during the audit period the company has: KMP's V Ramabadrans – CFO, S Srinath- Company Secretary has resigned, for which S V Natarajan has been appointed as CFO, previously he was CEO of the company and Krithika D Thakkar has been appointed as Company Secretary of the company.

FOR VKS & ASSOCIATES

Company Secretaries

Place: Chennai

Date: 31.07.2019

V K Shankararamann

F.C.S No. 5592

C.P. No. 5255

## MANAGEMENT DISCUSSION AND ANALYSIS

### GLOBAL ECONOMIC REVIEW:

Global economy is expected to grow at 3.3% in 2019, according to the International Monetary Fund. The growth softened to 3.6% in 2019, after peaking nearly 4% in 2017. The US economy, however, bucked the trend, as tax cuts and spending increases stimulated demand.

The reciprocal tariffs imposed by the world's two biggest economies – US and China – and a sluggish Eurozone weighed heavily on the global growth momentum. The heightened protectionist rhetoric elevated uncertainty over trade policy, which negatively impacted future investment decisions.

Crude oil prices dropped from four-year high of \$81 a barrel in October 2018 to \$71 in May 2019. The temporary relaxation and record-high US production pushed prices lower, while the weakening growth added to the downward pressure. Inflation remains below target in major economies, though it has shown an uptick since March 2019. Geopolitical tensions in the Middle East pose an upside risk to global crude prices and inflation.

### GLOBAL OUTLOOK:

The global economy is expected to pick up in the second half of 2019 and stabilise at 3.6% in 2020, although the forecast may be at risk if the US-China trade dispute escalates further. China has ramped up its policy stimulus to counter the negative impact of trade tariffs. Meanwhile, central banks of most major economies are likely to adopt an accommodative policy stance to boost growth, amid downward adjustments to inflation expectations.

### INDIAN ECONOMIC REVIEW:

The Indian economy grew 6.8% in FY19 (Source: CSO). The RBI expects India's GDP growth to pick up to 7.0% in FY20 and further 7.4% in FY21, supported by the ongoing recovery in investments, robust consumption and the government's continued reforms.

The share of Gross Fixed Formation (GFCF) in GDP improved to 32.3% in FY19 from 31.4% a year ago, indicating strengthening of investment demand. The GFCF growth for FY19 was close to 10%. The pickup in fixed investment was supported by higher construction activity, led by the government's drive to boost spending on the road sector and affordable housing. The farm sector grew by 3.8% in FY19 versus 3.4% in FY18. The mining sector grew by 0.8% in FY19 versus 2.9%. Manufacturing grew by 8.3% versus 5.7%. The financing, real estate and insurance segment grew by 6.8% versus 6.6%. Private final consumption expenditure, reflecting consumer spending, rose 6.4% compared with 6.6%. Average retail inflation in FY19 was at 2.85% compared to 4.28% in FY18.

### INDIAN OUTLOOK:

India's GDP is expected to reach \$6 trillion by FY27 driven by digitisation, globalisation, favourable demographics and reforms. Expenditure-side data suggests that investment in the economy has picked up while consumption growth has been flat. The growth of real GFCF is likely to remain at 9.2% in FY20 and improve to 9.7% in FY21. Investment pickup, however, continues to be driven by government spending.

Growth in government final consumption expenditure is pegged at 9.2% in FY20 compared with 10.9% in FY19. Several foreign companies are setting facilities in India owing to various government initiatives such as 'Make in India' aimed at boosting the domestic manufacturing sector. These initiatives will not only boost manufacturing, but will also create employment

opportunities, thereby increasing the purchasing power of an average Indian consumer translating into higher consumption demand.

#### **COMPANY OVERVIEW:**

Operational Energy Group India Limited (OEGIL) operates and maintains about 5000MW of power plants in India. Its power plant operations are spread across India. Through its subsidiary in Dubai the Company executes power plant operations in Lebanon and Philippines. The company's operations in Bangladesh through its Dubai subsidiary has been completed after the contract term in Feb 19. The Company has signed up an O&M contract in Bangladesh for a 225Mw gas based combined cycle power plant which is expected to be in operation in the last quarter of this current financial year.

Apart from the power plant operations, the Company is diversifying into execution of turnkey projects and has been successful in getting awarded few contracts and the execution of these contracts underway in the current financial year.

#### **INDIAN POWER SECTOR REVIEW:**

Power plays a crucial role in the economic growth and welfare of India. The country's power sector is one of the most diversified in the world with the thermal power contributing 63.5% of installed capacity, while hydro, nuclear, RES accounting for 12.8%, 1.9%, 21.8% respectively. Coal continues to be the mainstay for the power sector, primarily due to its abundant domestic availability and the predominance of coal-based plants in the power generation base.

India is the fifth largest in the world by power generation capacity and is the third largest producer of electricity. Electricity production reached 1.37 Trillion Units (TU) during FY19. Installed capacity stood at 356.1 GW, as of March 2019 with a net capacity addition of 12.1 GW during the year.

FY19 witnessed the net addition of 3.4 GW of thermal power capacity. Total thermal power capacity stood at 226.3 GW, as of March 2019. Electricity demand in the country has increased rapidly and is expected to accelerate over the next decade. In order to meet the increasing demand, massive capacity addition will be required going forwards.

Overall capacity utilization of coal-based plants stood at 61.1% as of March 2019, up from 60.7% in the year earlier period, due to improved domestic coal availability and higher imports. Gas-based power plants continued to witness a PLF of 22.2% due to paucity of domestic natural gas.

The government of India has identified the power sector as a key sector of focus for sustained industrial growth. In September 2018, a draft amendment to the Electricity Act, 2003 was introduced which calls for separation of content and carriage, direct benefit transfer of subsidy, 24x7 power supply as an obligation, penal action on PPA violations, Smart Meters and Prepaid Meters.

- Ujwal Discoms Assurance Yojanan (UDAY) was launched by the Government of India to encourage operational and financial turnaround of state-owned power distribution companies (Discoms), with an aim to reduce aggregate Technical & Commercial (AT&C) losses to 15% by FY19. However, AT&c losses stood at 19.8% in March 2019, which remains a concern. A few major Subhagya beneficiary states – Jammu & Kashmir, Uttar Pradesh, Madhya Pradesh, Bihar and Rajasthan recorded AT&c losses above 25%. Rajasthan has recently raised tariffs to cover additional power cost of Discoms, owing to regulatory claims arising from power generating companies.
- The Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) was launched with the aim of achieving universal household electrification by March 2019. By 2018, 25 states had achieved

100% household electrification comprising 23.1 million rural and 8,44,670 urban households.

- The Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) was launched with the aim to electrify 1,21,225 un-electrified villages, intense electrification of 5,92,979 partially electrified villages and provide free electricity connections to 397.45 lakh below poverty line (BPL) rural households.
- The Ministry of Power, through the Bureau of Energy Efficiency (BEE) has initiated a number of energy efficiency initiatives in household lighting, commercial building, standards and labelling of appliances, demand-size management in agriculture/ municipalities. The scheme covers 21 equipment/ appliances of which 8 are mandatory and the remaining 13 are voluntary. The energy efficiency labelling programmes under the BEE intends to reduce energy Consumption of appliances without compromising on the quality.

#### **SWOT ANALYSIS:**

##### **Strengths**

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

##### **Weaknesses**

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

##### **Opportunities**

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

##### **Threats**

- Increasing preference globally and in India for renewable power, especially Solar power could constrain growth prospects for thermal power generation in the long run
- Increasing labour costs

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

<b>OEG PROJECTS LIST for 2018-2019</b>					
<b>OEG - DOMESTIC PROJECTS 31st March 2019</b>					
Sl.No.	Type of Plants	No of Plants	in MW	No of Plants	in MW
1	Thermal Projects (TPP)	20	4550.50	23	3095.2
2	Diesel Generators (DGPP)	3	122.56	2	115.66
3	Combined Cycle Power Plants (CCPP)	2	110.75	2	110.75
4	Solar PV Power Plants (SPVPP)	3	120.00	1	30

<b>OEG PROJECTS LIST for 2018-2019</b>		31st March 2019		31st March 2018	
Sl.No.	Type of Plants	No of Plants	in MW	No of Plants	in MW
1	Thermal Projects (TPP)	1	25	1	25
2	Diesel Generators (DGPP)	0	0	1	200
3	Combined Cycle Power Plants (CCPP)	3	498	2	381

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

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

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

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

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

The net revenue from the operations of the Company increased from Rs.10967.66 lakhs to Rs.15242.30 lakhs, registering an increase of 38.97% over the previous year. EBITDA was down at Rs.474.81 lakhs compared to Rs.492.05 lakhs earned in the previous year. Profit before tax was Rs.171.40 lakhs against Rs.139.74 lakhs in the previous year, up by 22.65%. Profit after tax was at Rs.71.89 lakhs against Rs.103.65 lakhs in the previous year, down by 30.64%. The Company continued to face challenges in getting new O&M contracts and also renewing the existing contracts due to the subdued demand in the power industry. Also, competition from localized players also pose a stiff challenge. However, the Company has taken active steps to reduce its cost of operations and thereby could increase the profit before tax during the previous year.

#### **KEY FINANCIAL RATIOS ANALYSIS:**

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Current Ratio	1.01	1.38
Liquid Ratio	1.01	1.37
Debt Equity Ratio	0.44	0.50
Net Profit Ratio	0.47%	0.94%
Return on Shareholders' funds	5.51%	7.95%

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

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

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

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

The Company has in place “BUILD SUPER FAST” BSF a HR software package for enabling efficient and cost-effective HR system to provide a platform for quality analysis of data to guide a sound decision making.

Focus on right manpower in overseas operations to spread organizations global HR activity footprint is the prime aim of the company. The company had a total of 1476 workforce in March 2019.

**CAUTIONARY STATEMENT:**

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

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

Place: Chennai

Date: 09.08.2019

For and on behalf of the Board

S. Ramesh  
Executive Chairman & Managing Director  
DIN: 00052842

## CORPORATE GOVERNANCE REPORT

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

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

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

### 2. BOARD OF DIRECTORS:

The Company has a judicious combination of Executive and Non- Executive Directors. as on March 31, 2019 which is in compliance with the Listing Regulations and Companies Act, 2013. The Board comprised of 4 Directors out of which one is an Executive Director and two are Independent Directors and one is Non-Executive Director. Board of Directors meet at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board members possess requisite skills, experience and expertise that are required to take decisions, which are in the best interest of the Company. Board meetings are generally Chaired by Mr. S. Ramesh, who is an Executive Director.

### MEETINGS OF THE BOARD:

All statutory and other significant material information are placed before the Board of Directors to enable it to discharge its responsibility of superintendence, control and direction of management of strategic and day to day affairs of the Company. The Meetings of the Board are regularly held at the Chennai Office. There is constant endeavor to improve the practices with regard to the Board Meetings. The agenda and the relevant papers are circulated in advance to facilitate the members of the Board to take informed decisions and discharge their responsibility effectively. During the financial year 2018-19, 5 (Five) Board meetings were held on 28th May 2018, 10th August 2018, 04th November 2018, 09th November 2018 and 12th February 2019.

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

Name of the Director	Category of the Director	Number of Board Meeting attended during the year	Whether Attended AGM Held on 21st September 2018	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 Dir.	05	Yes	-	-	-	-
Mrs. Usha Ramesh DIN: 00053451	Non-Executive Director	05	Yes	-	-	-	-
Mr. P. Swaminathan DIN: 02603984	Independent Director	05	Yes	-	-	-	-
Mr. B. Viswanathan DIN: 00702802	Independent Director	05	Yes	-	-	-	-

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

a. SHAREHOLDING OF DIRECTORS AS ON 31ST MARCH 2019 IS AS UNDER:

Name of the Director	Category of the Director	No of Ordinary Shares Held	% of Paid-Up Capital
Mr. S. Ramesh	Executive Chairman & Managing Director	5,081,800	38.97
Mrs. Usha Ramesh	Non-Executive Director	9,25,200	7.09

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

#### **BOARD PROCEDURES**

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

#### **CODE OF CONDUCT :**

The Board of directors of the Company have laid down Code of Conduct for the Directors and senior Management Personnel of the Company. The Code is available on the website of the Company at [www.oegindia.com](http://www.oegindia.com). All the Directors and senior managerial Personnel have re-affirmed compliance with the Code of Conduct on March 31, 2019. A declaration to this effect signed by the Executive Chairman & Managing Director forms part of this report.

#### **3. COMMITTEES OF THE BOARD:**

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These



Committees play an important role in the overall management of day to day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

**The Board currently has the following Committees:**

**i. AUDIT COMMITTEE:**

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

Brief description of terms of reference:

The terms of Reference of Audit Committee cover the matters specified for Audit Committee under Regulation 18 of the SEBI Listing Regulations as well as in Section 177 of the Companies Act, 2013. The role of Audit Committee is as prescribed under Part C of Schedule II of the SEBI (LODR) Regulations.

**Composition, Names of Members and Chairman**

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

**Meetings and the attendance during the year**

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

Si. No	Date	Attendance of Mr. Viswanathan	Attendance of Mr. P. Swaminathan	Attendance of Mr. S. Ramesh
1	28-05-2018	Yes	Yes	Yes
2	10-08-2018	Yes	Yes	Yes
3	04-10-2018	Yes	Yes	Yes
4	09-11-2018	Yes	Yes	Yes
5	12-02-2018	Yes	Yes	Yes
Total		5	5	5

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

Brief description of terms of reference:

The Committee identifies persons who are qualified to become directors and who may be appointed in senior management, recommend to the Board their appointment and removal. The terms of reference of Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013. The role of the Nomination and Remuneration Committee is as prescribed under part D of the Schedule II of the Listing Regulations.

### Composition, Names of Members and Chairman

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

### Meetings and the attendance during the year

Two Meetings of the Nomination & Remuneration Committee were held during the year. The attendance and other details of the Committee are as follows:

Si. No	Date	Attendance of Mr. Viswanathan	Attendance of Mr. P. Swaminathan	Attendance of Mrs. Usha Ramesh
1.	10-08-2019	Yes	Yes	Yes
2.	04-10-2018	Yes	Yes	Yes
Total		2	2	2

- Performance evaluation criteria for independent directors:

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

### iii. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Brief description of terms of reference:

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

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

### Composition, Names of Members and Chairman

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

### Meetings and the attendance during the year

No Meeting of the Stakeholders' Relationship Committee was held during the year

- The status of Investor Complaints as on 31.03.2019 are as under:

No. of complaints pending at the beginning of the year	-	Nil
No. of complaints received during the year	-	Nil
No. of complaints redressed during the year	-	Nil
No. of complaints pending at the end of the year	-	Nil

**iv. SHARE TRANSFER COMMITTEE:**

Brief description of terms of reference:

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

**Composition, Names of Members and Chairman**

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

**Meetings and the attendance during the year**

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

Si. No	Date	Attendance of Mr. S. Ramesh	Attendance of Mrs. Usha Ramesh
1.	20-04-2018	Yes	Yes
	Total	1	1

**v. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Brief description of terms of reference:

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

**Composition, Names of Members and Chairman**

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

**Meetings and the attendance during the year**

No Meeting of the Corporate Social Responsibility Committee was held during the year

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

**Brief description of terms of reference:**

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

**Composition, Names of Members and Chairman**

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

**Meetings and the attendance during the year**

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

Si. No	Date	Attendance of Mr. S. Ramesh	Attendance of Mr. Viswanathan	Attendance of Mr. P. Swaminathan	Attendance of Mr. S.V. Natarajan
1.	12-02-2018	Yes	Yes	Yes	Yes
Total		1	1	1	1

**vii. VIGIL MECHANISM COMMITTEE:**

Brief description of terms of reference:

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

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

**Composition, Names of Members and Chairman**

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

**Meetings and the attendance during the year**

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

Si. No	Date	Attendance of Mr. S. Ramesh	Attendance of Mr. P. Swaminathan
1.	10-08-2018	Yes	Yes
Total		1	1

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

Name of the Director	Salary & Perquisites (Rs)	Special Allowance Paid/Payable (Rs)	Performance Pay (Rs)	Sitting Fee (Rs)	Total Remuneration (Rs)
Mr. S. Ramesh Executive Chairman & Managing Director	33,30,321.00	-	-	-	33,30,321.00
Mrs.Usha Ramesh Non-Executive Director	-	-	-	60,000.00	60,000.00
Mr. B. Viswanathan Independent Director	-	-	-	90,000.00	90,000.00
Mr. P. Swaminathan Independent Director	-	-	-	95,000.00	95,000.00

The Non – Executive Directors are paid sitting fees for attending meeting of the Board.

Mr. S. Ramesh, Executive Chairman & Managing Director is under contract employment with the Company which stipulates a notice period of six Month from either side for early separation. No severance fee is payable to Executive Directors.

There was no pecuniary relationship or transactions of the Non-Executive Director vis-à-vis the Company. The criteria for making payment to the Non-executive Directors is disclosed in the website of the Company at [www.oegindia.com](http://www.oegindia.com)

The Company does not have a scheme for grant of stock options either to the Directors or to its employees.

#### 5. SUBSIDIARY COMPANIES:

Regulation 16 (1) (c) of the Listing Regulations defines a ‘material subsidiary’ as subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Accordingly, Operational Energy Generation, FZE which is a subsidiary of Pacific Technical Services India Private Limited, is the material subsidiary of the Company.

The subsidiary of the Company functions independently, with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the Minutes of Board Meetings of subsidiaries of the Company are placed before the Board of the Company for its review on quarterly basis and a statement of all significant transactions and arrangements entered into by the subsidiary companies are also placed before the Board.

Pursuant to the explanation under Regulation 16 (1) (c) of the Listing Regulations, the Company has formulated a policy for determining material subsidiaries which is disclosed on the Company’s website at [www.oegindia.com](http://www.oegindia.com)

#### 6. GENERAL BODY MEETINGS:

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

YEAR	LOCATION	DAY, DATE AND TIME
2017-18	A, 5th Floor, Gokul Arcade - East Wing, No. 2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020.	Friday, 21st September 2018 at 2.00 P.M.
2016-17	A, 5th Floor, Gokul Arcade - East Wing, No. 2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020.	Friday, 22nd September 2017 at 2.00 P.M.
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.

## 7. RECONCILIATION OF SHARE CAPITAL AUDIT

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

## 8. MEANS OF COMMUNICATION:

**Quarterly Results:** As stipulated under Regulation 33 read with Regulation 47, the Quarterly Results are intimated to the Stock Exchanges within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year and published in one English Newspaper in 'Trinity Mirror' and in vernacular language, i.e., Tamil Newspaper 'Makkal Kural'. The results are also displayed in the website of the company at [www.oegindia.com](http://www.oegindia.com).

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

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

**Website:** The Company's website ([www.oegindia.com](http://www.oegindia.com)) contains a separate dedicated section where shareholders information is available.

## 9. GENERAL SHAREHOLDER INFORMATION ON ANNUAL GENERAL MEETING

Date and Time	26th September, 2019 at 11.00 am
Venue	A, 5th Floor Gokul Arcade – East Wing, No. 2 & 2A Sardar Patel Road, Adyar, Chennai – 600020
Financial Year	01.04.2018 – 31.03.2019
Dividend payment date	Not Applicable
Listing Details	Metropolitan Stock Exchange India Limited 4th Floor, Vibgyor Tower, Plot No. C-62, OPP Trident Hotel, BKC, Bandra East Mumbai – 400098
Stock Code	OEGIL
ISIN	INE239V01012 (Listed Shares: 33,00,000 Unlisted Shares: 97,41,800)
Corporate Identification Number (CIN)	L40100TN1994FLC028309
Address for Correspondence	A, 5th Floor Gokul Arcade – East Wing, No. 2 & 2A Sardar Patel Road, Adyar, Chennai – 600020

#### 10. PAYMENT OF LISTING FEE

The Company's Securities are listed with MSE Ltd. Annual Listing Fees for the year 2018– 2019 has been paid by the Company to MSE.

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

Trading in shares had not taken place during the year 2018-19.

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

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

#### 13. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2019

Range of Holdings	Number of Shares		Number of Shareholders	
	Number	% to total	Number	% to total
1 to 500	99,700	0.76	329	65.27
501 to 1000	82,300	0.63	90	17.86
1001 to 2000	46,700	0.36	30	5.95
2001 to 3000	66,100	0.51	27	5.36
3001 to 4000	17,400	0.13	5	0.99
4001 to 5000	4,300	0.03	1	0.20
5001 to 10000	8,600	0.07	1	0.20
10001 and Above	1,27,16,700	97.51	21	4.17
Total	1,30,41,800	100.00	504	100.00

#### 13. CATEGORY WISE SHAREHOLDING PATTERN AS ON MARCH 31, 2019

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

#### 14. DEMATERIALIZATION OF SHARES:

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

Sl. No.	Particulars	No. of Shares	Percentage
1.	CDSL	11009660	84.41
2.	NSDL	164800	1.27
3.	Physical	1867340	14.32
<b>Total</b>		<b>13401800</b>	<b>100</b>

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

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

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

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

SEBI has initiated SCORES for processing the investor complaints in a centralised web-based redress system and onlineredressal of all the shareholders complaints. No Shareholders' complaint has been received through SCORES during the year.

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

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

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

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

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

The Company is primarily engaged in service industry and hence is not subject to commodity price risk. There were no foreign exchange risks/ hedging activities during the year 2018-19.

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

Name : Ms. Krithika D Thakkar

Designation : Company Secretary

Address for correspondence : Operational Energy Group India Limited, A 5th Floor Gokul Arcade No. 2 & 2A Sardar Patel Road Adyar Chennai - 600 020.

**22. OTHER DISCLOSURES:**

- a. There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions in the ordinary course of business with the related parties are disclosed in the Notes to Financial Statements.
- b. The Company has complied with all the requirements of regulatory authorities and no penalties / strictures were imposed on the Company by the Stock Exchanges or SEBI, or any Statutory Authority on any matter related to capital Markets, during the last three years.



c. The Company has adopted a Vigil Mechanism and Whistle Blower Policy and has not denied access to any personnel to approach the Management or the Audit Committee on any issue.

d. **Details of compliance with Mandatory Requirements:**

Code of Conduct: The Company has laid down procedure to be followed by Member of the Board and Senior Management Personnel for ethical professional conduct. The members of the Board and Management Personnel affirmed that they have complied with the Code of Conduct for the financial year 2018-19.

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

**Certificate from Practicing Company Secretary:** A Certificate from Practicing Company secretary confirming compliance with the conditions of Corporate Governance as stipulated in 34(3) of SEBI (LODR) Regulations, 2015 forms part of this Report.

e. The internal auditor of the Company directly submit his report to the Audit Committee every quarter.

f. The Company has duly complied with the requirements of Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulation, 2015.

23. The details of adoption of discretionary requirements as stipulated in Part E of Schedule II are as follows:

- a) the Company does not have non-executive Chairman.
- b) There have been no modified opinions on the financial statements

**CONFIRMATION ON CODE OF CONDUCT**

I, S. Ramesh, Executive Chairman & Managing Director of Operational Energy Group India Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors, in terms of Regulation 26(3) of the Listing Regulations for the year ended 31st March 2019.

Place: Chennai  
Date: 09.08.2019

For Operational Energy group India limited

S. Ramesh  
DIN: 0052842  
Executive Chairman & Managing Director

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

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

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

S. Ramesh  
Executive Chairman & Managing Director

Place : Chennai

Date : 09.08.2019

## **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, 2019, 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, 2019.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Padmanabhan Ramani & Ramanujam  
Chartered Accounts  
FRN: 002510S

Place: Chennai  
Date: 19.08.2019

G. Vivekanathan  
Partner  
Membership No: 028339

## INDEPENDENT AUDITORS' REPORT

To

The Members of Operational Energy Group India Limited

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

We have audited the accompanying standalone financial statements of Operational Energy Group India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

Recognition of revenue is complex due to several types of customer contracts including Operation and maintenance contracts of power plants and process plants.

We have tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognition, including controls over the decree of completion of service contracts.

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

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

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

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

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities selection and application of appropriate accounting policies making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of sub section 11 of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, 2013, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the statement of cash flow dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the Directors as on March, 2019 taken on record, by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Clauses referred to section 164(2) of the Act.
  - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, referred to our separate report in "Annexure B".
  - g) In our opinion and according to the information and explanations given to us, the Company has paid /provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Companies Act, 2013.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

For Padmanabhan Ramani & Ramanujam  
Chartered Accountants  
FRN: 002510S

G. Vivekananthan  
Partner  
Membership No: 28339

Place: Chennai  
Date: 24th May 2019

### **Annexure- A to Independent Auditors' Report**

**The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement' of our report of even date to the members of Operational Energy Group India Limited on the standalone financial statements of the Company for the year ended March 31, 2019.**

- (i) On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) These Fixed Assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were observed by the management on such verification.
- (ii) According to the information and explanations given to us, physical verification of inventory except goods in transit and goods held by outsider on behalf of the company has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, the provisions of clauses 3(a) and 3(b) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and extending guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public and hence the provisions of clause 5 are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act.
- (vii) According to the information and explanations given to us, and in our opinion, the Company has been regular in depositing with the appropriate authorities the undisputed statutory dues in the case of Provident Fund, Employees' State Insurance, Income-Tax, Goods Service Tax, Customs Duty, Sales Tax and Value Added Tax, Cess and any other material statutory dues applicable to it. To the best of our knowledge and according to the information and explanations given to us, there are no arrears of outstanding statutory dues as at March 31, 2019 for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions, banks, governments or debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, term loans have been applied by the company during the year for the purpose for which they were



raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) nor availed any term loans.

- (x) To the best of our knowledge and according to the information and explanations given to us by the Company, no material fraud by the company or any fraud on the company by its officers and employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid /provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V of the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company. Hence, provisions of clause 3(xii) of the Order, are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with section 177 and section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standard.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year under review. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- (xv) The Company has not entered into any non-cash transactions with the Directors or any persons connected with him. Accordingly, provisions of clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Hence, provisions of clause 3(xvi) of the Order, are not applicable.

For Padmanabhan Ramani & Ramanujam  
Chartered Accountants  
FRN: 002510S

G Vivekananthan  
Partner  
Membership No: 028339

Place: Chennai  
Date: 24th May 2019

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

**The Annexure referred to paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Operational Energy Group India Limited on the standalone financial statements of the Company for the year ended March 31, 2019.**

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

We have audited the internal financial controls over financial reporting of Operational Energy Group India Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Financial Statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Padmanabhan Ramani & Ramanujam

Chartered Accountants

FRN: 002510S

G. Vivekananthan

Partner

Membership No: 028339

Place: Chennai

Date: 24th May 2019

**BALANCE SHEET AS AT 31-03-2019**

Particulars	Note	As at 31-03-2019	As at 31-03-2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property Plant and Equipment	2	3,86,46,183.19	3,97,33,958.40
Investment Property	2(A)	56,70,732.35	65,50,010.60
Intangible Assets	2(B)	4,34,060.50	20,05,703.00
Financial Assets			
Non-Current Investments	3	11,40,65,397.00	11,39,61,328.00
Loans and Advances	4	1,08,73,412.00	1,13,30,118.00
Other Long Term Loans and Advances	4(A)	15,38,22,090.81	1,10,01,193.00
Deferred Tax Assets (Net)	5	59,23,000.00	71,10,000.00
Other Non-Current Assets	6	42,80,710.00	42,80,710.00
<b>Current Assets</b>			
Financial Assets			
Trade Receivables	7	63,00,20,875.63	36,37,13,276.46
Cash and Cash Equivalents	8	5,69,64,675.06	6,83,04,216.85
Loans and Advances	9	42,84,335.45	1,22,00,819.37
Other Loans and Advances	9(A)	98,96,220.00	1,11,45,206.32
Current Tax Asset	10	6,92,02,821.54	5,62,22,376.95
Other Current Assets	10(A)	-	50,38,324.00
Inventories	10(B)	634091.68	0
<b>TOTAL</b>		<b>1,10,47,18,606.22</b>	<b>71,25,97,240.95</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Fund</b>			
Share Capital	11	13,04,18,000.00	13,04,18,000.00
Reserves and Surplus	12	13,36,01,441.73	12,64,12,838.64
<b>Share Application Money pending Allotment</b>	13	-	-
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Long Term Borrowings	14	5,72,69,229.12	6,52,92,830.46
Other Long Term Liabilities	15	-	-
Long Term Provisions	16	1,71,11,233.00	1,74,53,969.00
<b>Current Liabilities</b>			
Financial Liabilities			
Short Term Borrowings	17	7,33,60,302.53	16,04,43,218.28
Trade Payables	18	14,34,06,905.96	6,16,06,757.22
Current Liabilities	19	93,96,020.45	79,03,040.90
Other Current Liabilities	19(A)	51,89,81,995.43	12,30,68,315.45
Short Term Provisions	20	2,11,73,478.00	1,99,98,271.00
<b>TOTAL</b>		<b>1,10,47,18,606.22</b>	<b>71,25,97,240.95</b>
Significant Accounting Policies			
Notes on Financial Statements			
The notes are an integral part of these financial statements.		For Padmanabhan Ramani & Ramanujam	
For Operational Energy Group India Limited		Chartered Accountants	
		FRN : 002510S	
S.RAMESH	B.VISWANATHAN	P. SWAMINATHAN	G.VIVEKANANTHAN
EXECUTIVE CHAIRMAN & MD	INDEPENDENT DIRECTOR	INDEPENDENT DIRECTOR	PARTNER
DIN NO:00052842	DIN NO: 00702802	DIN NO: 02603984	MEMBERSHIP NO : 028339
S.V. NATARAJAN	KRITHIKA D THAKKAR		
Chief Financial Officer	Company Secretary		
CHENNAI			
24.05.2019			

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2019**

Particulars	Note	Year ended 31-03-2019	Year ended 31-03-2018
<b>Income</b>			
Revenue from Operations	21	1,52,42,30,570.72	1,09,67,66,221.81
Other Income	22	70,06,759.34	1,12,28,951.49
<b>Total Revenue</b>		<b>1,53,12,37,330.06</b>	<b>1,10,79,95,173.30</b>
<b>Expenses</b>			
Cost of Materials /Services	23	85,63,21,797.75	16,66,39,913.39
Changes in Stock in Trade	24	-	-
Employee Benefit Expenses	25	56,50,11,850.77	78,28,06,264.46
Finance Cost	26	2,18,30,588.19	2,80,02,183.68
Depreciation and Amotisation Expenses	27	85,10,664.50	72,27,106.87
Other Expenses	28	6,24,22,825.76	10,93,45,356.39
<b>Total Expenses</b>		<b>1,51,40,97,726.97</b>	<b>1,09,40,20,824.79</b>
<b>Profit before Exceptional and Extraordinary items and Tax</b>		<b>1,71,39,603.09</b>	<b>1,39,74,348.51</b>
Exceptional Items			
<b>Profit after Exceptional and Extraordinary items and Tax</b>		<b>1,71,39,603.09</b>	<b>1,39,74,348.51</b>
Excess Provision revesed during the year		-	-
Profit Before Tax		1,71,39,603.09	1,39,74,348.51
Tax Expenses			
(1) Current Tax		87,64,000.00	20,00,000.00
(2) Deferred Tax		11,87,000.00	16,10,000.00
<b>Profit for the Year</b>		<b>71,88,603.09</b>	<b>1,03,64,348.51</b>
<b>Other Comprehensive Income</b>			
A i) Items that will not be reclassified to Profit or Loss			
ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
B i) Items that will be reclassified to Profit or Loss			
ii) Income Tax relating to items that will reclassified to Profit or Loss			
<b>Total Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the Year</b>		<b>71,88,603.09</b>	<b>1,03,64,348.51</b>
Earning Per equity Share of face value of Rs.10/- each Basic & Diluted	29	0.55	0.79

Significant Accounting Policies

Notes on Financial Statements

The notes are an integral part of these financial statements.

For Operational Energy Group India Limited

For Padmanabhan Ramani & Ramanujam

Chartered Accountants

FRN : 002510S

S.RAMESH  
EXECUTIVE CHAIRMAN & MD  
DIN NO:00052842

B.VISWANATHAN  
INDEPENDENT DIRECTOR  
DIN NO: 00702802

P. SWAMINATHAN  
INDEPENDENT DIRECTOR  
DIN NO: 02603984

G.VIVEKANANTHAN  
PARTNER  
MEMBERSHIP NO : 028339

S.V. NATARAJAN  
Chief Financial Officer

KRITHIKA D THAKKAR  
Company Secretary

CHENNAI  
24.05.2019

**CASH FLOW STATEMENT-STAND ALONE**

	<b>2018-19</b>	<b>2017-18</b>
<b>Annexure to Clause 32 of the listing Agreement</b>		
<b>CASH FLOW STATEMENT</b>		
<b>A.CASH FLOW FROM OPERATIONS</b>		
Profit before Tax	1,71,39,603	1,39,74,349.00
Less:- Provision for Taxation	99,51,000	36,10,000.00
Net Profit after Tax and extra ordinary items.	71,88,603	1,03,64,349
Adjustments for		
Depreciation	85,10,665	72,27,107
Profit on sale of fixed assets		
Interest/Dividend		
Operating profit before working capital	1,56,99,268	1,75,91,456
Increase/(Decrease) in Sundry Debtors	-26,63,07,599	-24,15,292
Increase/(Decrease) in Inventories and other current assets	-73,89,212	88,09,487
Increase/(Decrease) in Loans and Advances	91,65,470	2,93,36,991.00
Decrease in preoperation expenses		
(Increase)/Decrease in current liabilities	39,29,56,363.52	-5,38,03,669.53
<b>SUB TOTAL</b>	<b>12,84,25,022</b>	<b>-1,80,72,484</b>
Cash generated from Operating activities	14,41,24,290	-4,81,028
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-49,71,966.54	-39,75,547.00
Sale of Fixed Assets		
Purchase/Sale of Investments	-1,04,069	51,924
Long term Loans and Advances	-14,23,64,192	19,68,222
Net cash generated/Used from/in Investing Activities	-14,74,40,227	-19,55,401
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital		
Proceeds from long term borrowings (net)	-80,23,601	-1,00,13,984
Proceeds from working capital Loan		
Repayment of finance lease liabilities		
Dividend paid		
Net cash generated/used in Financing activities	-80,23,601	-1,00,13,984
Net increase in cash and cash equivalents	-1,13,39,539	-1,24,50,413
Cash and cash Equivalents (Opening Balance)	6,83,04,216	8,07,54,629
Cash and cash Equivalents (Closing Balance)	5,69,64,675	6,83,04,216

For Operational Energy Group India Limited

For Padmanabhan Ramani & Ramanujam  
Chartered Accountants  
FRN : 002510S

S.RAMESH  
EXECUTIVE CHAIRMAN & MD  
DIN NO:00052842

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Chief Financial Officer

KRITHIKA D THAKKAR  
Company Secretary

CHENNAI  
24.05.2019

**PART- I****ABRIDGED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**

<b>A. Equity Share Capital</b>								
Particulars	As at 01.04.2018			Movement during the year		As as 31-03-219		Equity Share Capital par Value (₹ in crore)
	No. of Shares	Equity Share Capital par Value (₹ in crore)	No. of Shares	Equity Share Capital par Value (₹ in crore)	No. of Shares	Equity Share Capital par Value (₹ in crore)		
Equity Share Capital	13041800	13.0418					13041800	13.0418
<b>B. Other Equity</b>								
Particulars	Retained earnings and other Reserves							Total
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Bond Redemption Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earnings	
Balance as at 01.04.2018	-	-	-	-	-	-	126412838.64	126412838.64
Charges in accounting policy or prior period errors							-	0.00
Total Comprehensive Income for the year								
Profit or Loss							7188603.09	7188603.09
Other Comprehensive income							-	0.00
Total Comprehensive Income							133601441.73	133601441.73
Dividend including dividend Tax							-	0.00
Appropriations							-	0.00
Any other changes (Remeasurement Loss)							-	0.00
Other changes							-	0.00
Balance as at 31.03.2019	0.00	0.00	0.00	0.00	0.00	0.00	133601441.73	133601441.73

For Operational Energy Group India Limited

For Padmanabhan Ramani & Ramanujam  
Chartered Accountants  
FRN : 0025105S.RAMESH  
EXECUTIVE CHAIRMAN & MD  
DIN NO:00052842B.VISWANATHAN  
INDEPENDENT DIRECTOR  
DIN NO: 00702802P. SWAMINATHAN  
INDEPENDENT DIRECTOR  
DIN NO: 02603984G.VIVEKANANTHAN  
PARTNER  
MEMBERSHIP NO : 028339S.V. NATARAJAN  
Chief Financial OfficerKRITHIKA D THAKKAR  
Company SecretaryCHENNAI  
24.05.2019

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended 31st March 2019

### 1. A - GENERAL INFORMATION:

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

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

### 1. B - Statement of compliance:

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

### 1. C - Significant accounting policies:

- a). Basis of preparation of financial statements

- i). In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act (the Act), 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016 and other relevant provisions of the Act.
- ii). Pursuant to the above said requirements, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements"). The figures for the year ended 31st March, 2017 have also been restated by the Management as per the requirements of Ind AS.
- iii). The financial statements of the Company are prepared on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.
- iv). The financial statements are presented in Indian Rupees ('INR') and all values are reported in full value without rounding off except otherwise indicated.

### b). Use of estimates and judgements

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



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

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

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

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

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

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

The significant accounting policies are detailed below.

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

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

- ii). The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any non-refundable import duties and other taxes, any directly attributable expenditure on making the asset ready for its intended use by the Management, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.
- iii). Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred.
- iv). An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.
- v). Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the financial statements at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Lease hold land is stated historical cost.

**d). Intangible Assets**

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

**e). Depreciation/Amortisation**

- i). Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The useful life of an asset is the period over which an asset is expected to be available for use by an entity.
- ii). Amortisation is recognised on a straight- line basis over the estimated useful lives.

- iii). Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.
- iv). Depreciation and amortization methods, useful lives and residual values are reviewed periodically as appropriate in the views of the management and also at the end of each reporting period and adjusted if required.
- v). Operating Software are amortised over a period of 3 years being their estimated useful life.
- vi). There are no assets under Financial Lease during the Financial year
- vii). Estimated useful lives of the assets, based on technical assessment by the Management, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

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

Class of Property, Plant and Equipment	Useful Life Estimated by Management	Useful Life as per Schedule II
Buildings	5-60 years	60 Years
Plant and Equipment	15 years	15 Years
Furniture and Fixtures	1-10 years	10 Years
Motor Cars and Scooters	4-10 years	8 Years
Office Equipment	2 -10 years	5 Years
Computers		
Servers & Networks	6 Years	6 Years
End Users Devices	3 Years	3 Years

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

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

- iii). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to

the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised immediately in Statement of Profit and Loss.

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

**g). Borrowing Cost**

- i). Borrowing costs comprises of interest and other costs that are incurred by the Company in connection with the borrowing of funds and also includes exchange differences to the extent regarded as an adjustment to the finance costs.
- ii). Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Qualifying Asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised as an expenses in the Statement of Profit and Loss in the period in which they are incurred.

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

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

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

**i). Inventories**

- i). Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- ii). Inventories of stores, spare parts and loose tools are stated at the lower of cost under FIFO method and net realizable value.
- iii). Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

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

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

**k). Revenue Recognition**

- i). Revenue is measured at the fair value of the consideration received or receivable.
- ii). The Company is engaged in the business of providing Operations and Maintenance

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

- iii). Revenue from sale of spares and consumables relevant for the O&M services are being incidental to the O&M Services and are recognised on delivery of the same to the customers and no significant uncertainty exists as to its realization.
- iv). Other revenues from ancillary activities incidental to the main operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.
- v). Dividend and interest income

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

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

#### **l). Foreign currency transactions**

- i). The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR). The Financial Statements are presented in INR.
- ii). In preparing the financial statements of the Company transactions in currencies other than the entity's functional currency (i.e, foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.
- iii). At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date (closing rate). Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iv). Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.
- v). Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

#### **m). Employee Benefits**

##### **i) Defined Contribution Plan**

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company as the employer makes monthly contributions at a specified percentage of the covered employees' salary. The contributions are made to the provident fund and pension fund set up by the Government. The Contributions to the Provident fund by the Company are

recognized as expenses and included in "Contribution to Provident and Other Fund" under employee benefit expenses in the Statement of Profit and Loss.

**ii) Defined Benefit Plan**

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

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

The principal assumption used for Actuarial valuations of gratuity obligations are:

	31st March, 2019	31st March, 2018
Discount Rate	6.88%	6.88 %
Expected Salary Increment rate	5%	5%
Average longevity at retirement age- Past services	3.14	2.92
Average longevity at retirement age- Future services	4.20	1.58

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

	31st March, 2019	31st March, 2018
Defined Contribution Plan	Rs. 58,52,552	Rs. 61,58,173
Defined Benefit Plan	Rs. 1,71,11,233	Rs. 1,74,53,969

**n). Taxation**

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

**i) Current Tax**

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

**ii) Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax

assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

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

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

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

### **iii). Minimum Alternative Tax**

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

### **o). Earning Per Share**

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

Diluted earnings per share is computed by dividing the profit/ (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Potential equity

shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

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

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

- i). Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- ii). The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).
- iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- iv) A disclosure for contingent liabilities is made where there is-
  - a. a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity
  - or
  - b. a present obligation that arises from past events but is not recognized because 1). it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or 2). the amount of the obligation cannot be measured with sufficient reliability.
- v). A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
- vi). Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- vii). Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.
- vii). Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.



## **q). Financial Instruments**

### **i. Recognition and initial measurement**

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

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

### **ii. Classification and subsequent measurement**

#### **a. Financial assets:**

On initial recognition, a financial asset is classified as measured at: - amortised cost; or - Fair value through other comprehensive income (FVOCI)

- Fair value through profit and Loss (FVTPL)

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

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

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

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

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

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial

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

### **iii. Derecognition**

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

### **iv. Offsetting**

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

### **v. Share capital**

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

### **r). Leases**

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

A lease is classified at the inception date as an operating lease. The Company does not have financial lease.

#### **The Company as lessor:**

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

#### **The Company as lessee:**

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

Lease payments under an operating lease shall be recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected

general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

#### s) Operating segments

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

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

The O&M operations of the Company were carried out both at Domestic and Foreign countries during the previous year. The CODM for the purpose of allocation of resources, operating performance assessment and for efficient control purposes has identified the O&M services at the domicile of the Company and at foreign locations as different operating segments. In line with the decision of the CODM, the following information regarding the segments are furnished.

(Rs. in lakhs)

S. No.	Particulars	As at 31-03-2019	As at 31-03-2018
1.	Revenue from segments Domestic Overseas	-NA-	8265.65 2814.30
	Revenue from Operation		11079.95
2.	Profit before Interest and Taxes Segment Results Domestic Overseas	-NA-	516.71 -96.95
	Total Segment Profit before Interest and Taxes	-NA-	419.76
	Interest Expenses		280.02
	Profit Before Tax (PBT)	-NA-	139.74
	Tax Expenses		36.10
	Profit after Tax		103.64
3. Assets	Segment Assets Domestic Overseas	-NA-	6351.85 774.11
	Total Segment Assets		7125.96
4. Liabilities	Segment Liabilities Domestic Overseas	-NA-	3448.38 202.79
	Total Segment Liabilities		3651.17

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

### **Key sources of estimation uncertainties:**

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

### **Impairment of property plant and equipment:**

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

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

### **Contingent Liabilities:**

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

### **Fair value measurements:**

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

### **Defined benefit plans:**

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

**Lease:**

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

**Tax:**

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2019

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

Description of Property, Plant and Equipments	Gross Carrying Amount			Depreciations			Net Carrying Amount as at 31-03-2019	Net Carrying Amount as at 31-03-2018
	01-04-2018	Additions	Disposals	31-03-2019	01-04-2018	Charged for the Year		
Land	1,78,413.00			1,78,413.00	-	-	-	1,78,413.00
Buildings	2,71,99,768.00			2,71,99,768.00	1,15,90,070.03	13,27,802.28	1,29,17,872.31	1,42,81,895.69
Investment Properties (Ref. Note 12.2)								
Land	94,954.00			94,954.00	-	-	-	94,954.00
Buildings	1,80,11,837.00			1,80,11,837.00	1,15,56,780.50	8,79,278.15	1,24,36,058.65	55,75,778.35
Plant and Machinery	4,18,63,762.40	4,16,988.00		4,22,80,750.40	2,65,78,905.53	19,04,942.93	2,84,83,848.46	1,37,96,901.94
Tools & Equipment								
(Ref. Note 12.1)	34,73,566.01	3,17,036.28		37,90,602.29	29,35,290.82	4,35,181.94	33,70,472.76	4,20,129.53
Furniture and Fittings	52,81,474.00	23,200.00		53,04,674.00	48,49,187.16	60,052.58	49,09,239.74	3,95,434.26
Office Equipment	64,09,101.80	4,01,241.64	1,32,199.00	66,78,144.44	55,08,448.76	5,94,083.26	59,96,148.29	6,81,996.15
Computers and Peripherals	1,43,34,775.10	61,271.19		1,43,96,046.29	1,21,44,882.41	6,60,133.29	1,28,05,015.70	15,91,030.59
Motor Vehicles	1,82,59,159.00	37,28,047.00	41,26,049.00	1,78,61,157.00	1,38,63,129.10	9,82,735.33	1,07,19,815.43	71,41,341.57
Genset	3,22,157.00			3,22,157.00	1,18,305.00	44,812.04	1,63,117.04	1,59,039.96
Solar Power Hybrid with Batteries	98,018.00			98,018.00	98,018.00	-	98,018.00	-
Gym Equipment	64,012.00			64,012.00	64,011.00	-	64,011.00	1.00
<b>Total</b>	<b>13,55,90,997.31</b>	<b>49,47,784.11</b>	<b>42,58,248.00</b>	<b>13,62,80,533.42</b>	<b>8,93,07,028.31</b>	<b>68,89,021.80</b>	<b>9,19,63,617.38</b>	<b>4,43,16,916.04</b>

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

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

### 2(B) Intangible Assets

Description of Intangible Assets	Gross Carrying Amount			Depreciations			Net Carrying Amount as at 31-03-2019	Net Carrying Amount as at 31-03-2018
	01-04-2018	Additions	Disposals	31-03-2019	01-04-2018	Charged for the Year		
Application Softwares	27,99,144.00	50,000.00		28,49,144.00	7,93,441.00	16,21,642.50	-	4,34,060.50
ERP Software	27,99,144.00	50,000.00	-	28,49,144.00	7,93,441.00	16,21,642.50	-	4,34,060.50
<b>Total</b>	<b>27,99,144.00</b>	<b>50,000.00</b>	<b>-</b>	<b>28,49,144.00</b>	<b>7,93,441.00</b>	<b>16,21,642.50</b>	<b>-</b>	<b>20,05,703.00</b>

**Notes to Financial Statements for the Year ended 31-03-2019**

	As at 31-03-2019	As at 31-03-2018
<b>3 Non-Current Investments</b>		
<b>Investments in Equity Instruments -Unquoted</b>		
<b>Subsidiary</b>		
9,800 Nos. (FY: 2017-18-9,800; 2018-19-9,800) Equity Shares of Pacific Technical Service India Limited of Rs.10/- each	98,000.00	98,000.00
Share Application Money with OEG International FZE, Dubai		-
5,60,000 Nos. (2017-18: 3,20,000, 2018-19-5,60,000) Equity Shares of Investment in Maxitech Engineering Private Ltd of Rs.10/- each	2,53,500.00	2,53,500.00
<b>Associates</b>		
4,800 Nos. (FY: 2016-17-4,800; 2017-18-4,800) Equity Shares of Thoothukudi Renew Waters Private Limited of Rs.10/- each	48,000.00	48,000.00
<b>Joint Venture</b>		
82,500 Nos. (FY: 2017-18-72,500; 2018-19-82,500) Equity Shares of Shapoorji Pallonji and OEG Services Private Limited of Rs.12.30/- each	9,81,000.00	8,81,000.00
<b>Others</b>		
1 No. (2018-19 and 2017-18) Equity Share of OEG Singapore... Ltd of SGD 44 each	44.00	44.00
9,999 Nos. (FY: 2017-18-9,999; 2018-19-9,999) Equity Shares of OEG Solar Energy Private Limited of Rs.10/- each	99,990.00	99,990.00
<b>Investments in Preference Shares -Unquoted (FVTOCI)</b>		
1,12,50,000 Nos. Non-Cumulative Preference Shares of South Ganga Waters Technologies Private Limited of Rs.10/- each	11,25,00,000.00	11,25,00,000.00
<b>Investments in Government Securities (At Amortised Cost)</b>		
National Savings Certificate (Ref.Note 3.1)	84,863.00	80,794.00
<b>Total</b>	<b>11,40,65,397.00</b>	<b>11,39,61,328.00</b>
* Investment waiting for allotment of shares		
3.1 Investments in Government Securities are offered as Security Deposit for Labour License and Sales Tax Department		
3.2		
Aggregate Book Value of Un-Quoted Investments	11,40,65,397.00	11,39,61,328.00
Aggregate Impairment in value of Investments		-
3.3 Investments are fully paid-up unless otherwise stated		
3.4 In respect of the Investments in Subsidiary, Associate and Joint Venture, the cost as per previous GAAP has been considered as Deemed Cost as per the option provided in Ind AS 101. Aggregate cost of those Investments for which the cost as per previous GAAP has been considered as Deemed Cost comes to Rs.1,21,31,345.07		
<b>4 Long Term Loans and Advances -Financial Assets</b>		
<b>Related Parties</b>		
Refundable Rental Advance	52,00,000.00	52,00,000.00
Loans & Advance	56,73,412.00	61,30,118.00
<b>Total</b>	<b>1,08,73,412.00</b>	<b>1,13,30,118.00</b>

4(A) Long Term Loans and Advances		
Unsecured considered Good		
Others		
Security Deposits	14,74,66,885.81	40,34,581.00
Rental Advance	10,50,000.00	16,61,407.00
Other Advance	53,05,205.00	53,05,205.00
<b>Total</b>	<b>15,38,22,090.81</b>	<b>1,10,01,193.00</b>
<b>5 Deferred Tax Assets (Net)</b>		
Deferred Tax Assets		
On Provision for Gratuity & Other Employee Benefits	75,19,000.00	86,32,000.00
	75,19,000.00	86,32,000.00
<b>Deferred Tax Liabilities</b>		
On Depreciation	15,96,000.00	15,22,000.00
	15,96,000.00	15,22,000.00
<b>Deferred Tax Assets (Net)</b>	<b>59,23,000.00</b>	<b>71,10,000.00</b>
5.1. Deferred Taxes are computed to the nearest '000		
<b>6 Other Non-Current Assets</b>		
Bank Deposits for a maturity period greater than 12 months (Ref.Note 6.1)	-	-
Service Tax stay deposit (Ref.Note Contingent Liabilities)	42,80,710.00	42,80,710.00
<b>Total</b>	<b>42,80,710.00</b>	<b>42,80,710.00</b>
6.1 The Fixed Deposits is offered as Security Deposit to Sale Tax Department		
<b>7 Trade Receivables (Financial Asset)</b>		
<b>Unsecured Considered Good</b>		
Outstanding for more than 180 days from the date they are due		
Related Parties	-	-
Others	-	-
Outstanding for less than 180 days from the date they are due		
Related Parties	1,05,23,138.22	1,05,87,070.42
Others	60,71,58,938.41	35,31,26,206.04
Unsecured Considered Doubtful		
Related Parties		-
Others	1,23,38,799.00	-
	63,00,20,875.63	36,37,13,276.46
Less: Allowance for Impairment		
<b>Total</b>	<b>63,00,20,875.63</b>	<b>36,37,13,276.46</b>
<b>8 Cash and Cash Equivalents (Financial Asset)</b>		
Balance with Banks	14,07,871.31	1,02,55,764.10
Cash on Hand	2,62,057.00	2,71,413.00
Cheques on Hand	-	-
Bank Fixed Deposit with maturity of period less than 3 months (Ref.Note 8.1)	5,52,94,747.00	5,77,77,040.00
<b>Total</b>	<b>5,69,64,675.31</b>	<b>6,83,04,217.10</b>
8.1 Fixed Deposits with Banks are as margin money for the Bank Guarantee and Working Capital facilities availed from Banks. The balance includes accrued interest		
<b>9. Loans and Advances - Financial Assets</b>		
Unsecured considered Good		
Security Deposits and EMD	-	-
Retention money and other Job Advances	42,84,335.45	1,22,00,819.37
<b>Total</b>	<b>42,84,335.45</b>	<b>1,22,00,819.37</b>



9(A). Other Loans and Advances Unsecured considered Good Advances to Related Parties Advance to Suppliers		
	80,24,151.00	80,78,284.09
	18,72,069.00	30,66,922.23
<b>Total</b>	<b>98,96,220.00</b>	<b>1,11,45,206.32</b>
10 Current Tax Assets Income Tax (Net of Provision)		
	6,92,02,821.54	5,62,22,376.95
<b>Total</b>	<b>6,92,02,821.54</b>	<b>5,62,22,376.95</b>
<b>10(A) Other Current Assets</b>		
Prepaid Value Added Taxes	-	50,38,324.00
<b>Total</b>	-	<b>50,38,324.00</b>
<b>10(B) Inventories</b>		
Prepaid Value Added Taxes	-	-
Inventories	6,34,091.68	-
Advance Payment to Credit Cards	-	-
<b>Total</b>	<b>6,34,091.68</b>	-
<b>11. Share Capital</b>		
Equity Share Capital		
<b>Authorised</b>		
1,40,00,000/- (2017:1,40,00,000 and 2016 : 40,00,000) Equity Shares of Rs.10/- each	14,00,00,000.00	14,00,00,000.00
<b>Issued</b>		
1,30,41,800 (2017 : 1,30,41,800 and 2016 :33,00,000) Equity Shares of Rs.10/- each		
<b>"Subscribed and fully paid up"</b>		
1,30,41,800 (2017 : 1,30,41,800 and 2016 :33,00,000) Equity Shares of Rs.10/- each	13,04,18,000.00	13,04,18,000.00
<b>Total</b>	<b>13,04,18,000.00</b>	<b>13,04,18,000.00</b>
11.1 Reconciliation of number of Equity Shares subscribed		
Balance at the beginning of the year	1,30,41,800	1,30,41,800
Add: Shares issued during the year for cash	-	-
<b>Balance at the end of the year</b>	<b>1,30,41,800</b>	<b>1,30,41,800</b>

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

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

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

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

Equity Shares of Rs.10/- each fully paid:

Ramesh.S : 50,81,800 (2019-50,81,800 shares and 2018-3,37000 Shares)

shares aggregating to 38.97% (2019-38.97% and 2018-38.97%)

Sudarshan.R : 6,16,300 (2019-6,16,300 shares and 2018- 616300 Shares)

shares aggregating to 4.73% (2019- 4.73% and 2018-4.73%)

Usha Ramesh : 9,25,200 (2019-9,25,200 shares and 2018- 25200..Shares)

shares aggregating to 7.09% (2019- 7.09% and 2018- 7.09)

Premier International Limited : 14,91,800 (2019-14,91,800 shares and 2017-14,91,800.Shares)

shares aggregating to 11.44% (2019- 11.44% and 2018-11.44.%)

South Ganga Waters Technology Private Limited :26,05,200 (2019-26,05,200 shares and 2018 26,05,200.Shares)

shares aggregating to 19.98% (2019- 19.98% and 2018-19.98%)

<b>12 Reserves and Surplus</b>		
<b>Retained Earnings</b>		
Opening Balance	12,64,12,838.64	11,60,48,490.13
Ind AS Adjustments	-	-
Add : Net Profit for the Year	71,88,603.09	1,03,64,348.51
<b>Closing Balance</b>	<b>13,36,01,441.73</b>	<b>12,64,12,838.64</b>
13. Share Application money pending allotment		
Share Application money Pending Allotment (Ref.Note 13.1)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
13.1 Share Application money pending allotment represents shares to be allotted to the shareholders of Transferor company in the scheme of demerger		
<b>14 Long Term Borrowings (Financial Liabilities)</b>		
<b>Secured</b>		
Term Loan from Banks (Ref.Note 14.1 & 14.5)	-	2,07,393.00
Vehicle Loan from Banks (Ref.Note 14.2 & 14.6)	-	-
Vehicle Loan from Financial Institutions (Ref.Note 14.2&14.6)	41,02,039.72	31,15,818.95
<b>Unsecured</b>		
From Related Parties (Ref.Note 14.5)	15,15,346.00	23,00,000.00
Term Loans from Banks (Ref.Note 14.6)	2,53,35,400.26	2,81,14,758.18
Term Loans from Financial Institutions (Ref.Note 14.6)	2,63,16,443.14	3,15,54,860.33
<b>Total</b>	<b>5,72,69,229.12</b>	<b>6,52,92,830.46</b>
<b>Nature of Security Offered</b>		
14.1 Secured Term Loan from Bank represents Working Capital Term Loan availed from Axis Bank and is secured by hypothecation of lien free movable assets of the Company and by Equitable Mortgage of the immovable property of Mr.S.Ramesh situated at Adyar, Chennai-20 offered by him as collateral security and also Personal Gurantee by Mr.S.Ramesh and Mrs.Usha Ramesh.		
14.2 Secured Vehicles loans from Banks and Financial institutions are secured by Hypothecation of the Vehicles bought with the loan proceeds.		
<b>Repayment Terms</b>		
14.3 Working Capital Term Loan from Axis Bank is repayable at 11.15% interest rate in Equated Monthly Installments (EMI).		
14.4 Vehicle Loans from Financial Institutions are repayable at 10.25% interest rate (Average) in Equated Monthly Installments (EMI).		
14.5 Unsecured Loan from Related Parties are repayable Nil And the applicable interest rate is Nil		
14.6 Unsecured Loan from Financial Institutions are repayable at 12.25% interest rate (Average) in Equated Monthly Installments (EMI)		
<b>15 Other Long Term Liabilities</b>		
<b>Total</b>		<b>-</b>

16	Long Term Provisions Provision for Gartyuity Liabilities (Ref.Note 16.1)	1,71,11,233.00	1,74,53,969.00
<b>Total</b>		<b>1,71,11,233.00</b>	<b>1,74,53,969.00</b>
16.1	The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.		
<b>17</b>	<b>Short Term Borrowings - Financial Liabilities</b> Over Draft facilities from Banks (Ref.Note 17.1)	7,33,60,302.53	16,04,43,218.28
<b>Total</b>		<b>7,33,60,302.53</b>	<b>16,04,43,218.28</b>
17.1	Over Draft from Banks Represents Overdraft facilities availed from Axis Bank for a limit of Rs 18 Crores (Eighteen Crores Rupees Only), Indian Overseas Bank for a limit of Rs 2 Crore (Two Crores Rupees only) and are secured by hypothecation charge on stocks and receivables of the company and secured by hypothecation of lien free movable assets of the Company and by Equitable Mortgage of the immovable property of Mr.S.Ramesh situated at Adyar, Chennai-20 offered by him as collateral security and also Personal Gurantee by Mr.S.Ramesh and Mrs.Usha Ramesh.		
<b>18</b>	<b>Trade Payables</b> Total outstanding dues of micro enterprises and small enterprises (Ref.Note 18.1) Total outstanding dues of creditors other than micro enterprises and small enterprises Related Parties Others	- - - 14,34,06,905.96	- - - 6,16,06,757.22
<b>Total</b>		<b>14,34,06,905.96</b>	<b>6,16,06,757.22</b>
18.1	Based on the review of the Company, there are no Trade Payables to Micro and Small Enterprises		
19	Other Current Liabilities - Financial Liabilities Current Maturities of Long Term Borrowings (Ref.Note 14)	93,96,020.45	79,03,040.90
<b>Total</b>		<b>93,96,020.45</b>	<b>79,03,040.90</b>
19(A)	Other Current Liabilities Statutory Liabilities Salary, Bonus & Expenses Payable Retention Money, Deposits & Advances	2,69,53,946.43 33,30,51,116.30 15,89,76,932.70	2,51,95,173.08 9,78,73,142.37 -
<b>Total</b>		<b>51,89,81,995.43</b>	<b>12,30,68,315.45</b>
20	Short Term Provisions Provision for Bonus and Leave Salary	2,11,73,478.00	1,99,98,271.00
<b>Total</b>		<b>2,11,73,478.00</b>	<b>1,99,98,271.00</b>

**Notes to Financial Statements for the Year ended 31-03-2019**

	As at 31-03-2019	As at 31-03-2018
<b>21 Revenue from Operations</b>		
<b>From Sales</b>		
Sale of Maintenance Spares & Components	1,08,78,323.50	17,18,45,112.45
<b>From Services</b>		
Operation and Maintenance Fees	1,19,17,88,632.22	83,88,37,839.36
Accrued Income	32,15,63,615.00	8,60,83,270.00
<b>Total</b>	<b>1,52,42,30,570.72</b>	<b>1,09,67,66,221.81</b>
<b>22 Other Income</b>		
<b>Interest Income from</b>		
Bank Deposits	40,64,087.00	37,10,429.00
Other Income	6,81,780.00	7,14,943.00
Others		-
<b>Other non-operating Income</b>		
Profit on Sale of Fixed Assets	78,127.00	41,69,430.63
Foreign Exchange Fluctuation Gain	21,82,765.34	26,34,148.86
Miscellaneous Income		-
<b>Total</b>	<b>70,06,759.34</b>	<b>1,12,28,951.49</b>
23 Cost of Materials/ Services		
Cost of materials /Service	85,63,21,797.75	16,66,39,913.39
<b>Total</b>	<b>85,63,21,797.75</b>	<b>16,66,39,913.39</b>
<b>24 Changes in Stock in Trade</b>		
<b>Opening Stock</b>		
Maintenance Spares & Components	-	-
<b>Closing Stock</b>		
Maintenance Spares & Components	-	-
<b>Total</b>		-
<b>25 Employee Benefit Expenses</b>		
Salaries and Wages	48,73,84,983.80	66,74,05,125.22
Contribution to Provident and Other Funds	3,81,82,693.00	4,60,81,387.00
Staff Welfare Expenses	3,94,44,173.97	6,93,19,752.24
<b>Total</b>	<b>56,50,11,850.77</b>	<b>78,28,06,264.46</b>
26 Finance Charges		
Interest Expenses	2,18,30,588.19	2,80,02,183.68
Interest on Income Tax Demand		-
<b>TOTAL</b>	<b>2,18,30,588.19</b>	<b>2,80,02,183.68</b>
27 Depreciation and Amortisation		
Depreciation	85,10,664.50	72,27,106.87
Amortisation		
<b>TOTAL</b>	<b>85,10,664.50</b>	<b>72,27,106.87</b>
28 Other Expenses		
Operating Expenses (A)		
Consumables & Tools	-	-
Diesel Expenses	-	3,25,94,065.00
Testing, Inspection and Calibration Charges	-	5,085.00
Other Operating Expenses	-	-

<b>Other Expenses (B)</b>		
Power and Fuel Charges	14,41,729.84	27,41,058.00
Rent Paid	40,38,600.00	60,96,750.00
Rates and Taxes	89,61,664.11	33,30,229.86
Insurance Charges	9,77,021.43	5,15,966.00
Bad Debts	1,27,07,010.50	-
Repairs & Maintenance		
-Buildings	10,50,928.82	13,87,081.75
-Equipments	14,68,024.04	86,63,827.66
-Others	-	-
Security Service Charges	26,85,920.00	26,29,798.08
Communication Expenses	20,32,020.18	46,66,046.29
Directors' Sitting Fee	2,45,000.00	2,95,000.00
Printing & Stationery	15,78,394.73	23,25,162.25
Professional Charges	14,46,448.53	37,81,867.00
Payments to Auditors (Ref. note 28.1)	1079917.00	916250.00
Subscriptions	1,49,330.00	2,73,718.00
Books and Periodicals	18,293.00	70,371.00
Business Promotion Expenses	11,72,105.60	33,44,236.99
Advertisement Expenses	3,45,445.40	7,05,418.00
Bank Charges	2,05,676.97	4,57,006.86
Donation	-	-
CSR Expenses (Ref.Note 28.2)	12,74,000.00	10,90,410.00
Travelling and Conveyance Expenses	1,12,80,610.93	2,40,14,280.27
Vehicle Repairs and Maintenance Expenses	29,79,393.62	39,92,681.35
Pooja Expenses	7,60,894.00	8,84,111.81
Miscellaneous Expenses	11,20,530.79	12,22,734.28
Loss on Sale of Fixed Assets	1,842.27	27,676.94
Director remuneration	34,02,024.00	33,14,524.00
<b>TOTAL</b>	<b>6,24,22,825.76</b>	<b>10,93,45,356.39</b>

28.1 Payment to Auditors represents fee for Statutory audits

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

<b>CSR Spending</b>	<b>31-03-2019</b>	<b>31-03-2018</b>
Amount required to be spent during the year as per Section 135		-
Amount Spent during the year on:		
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above	12,74,000.00	10,90,410.00

<b>29. Earning Per Share</b>	<b>31-03-2019</b>	<b>31-03-2018</b>
Profit After Tax (PAT)	71,88,603.09	1,03,64,348.51
Weighted average number of shares	1,30,41,800	1,30,41,800
Earning Per Share (Face value Rs.10/- each )		
Basic	0.55	0.79
Dilluted	0.55	0.79

### 30. Operating Lease

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

**Note No.31- Inventories as at the reporting date:**

Normally the Company procures inventories and other consumables for rendering its O&M services and for sales, being incidental activity in connection with the O&M service contracts, as and when the requirements arises. No inventory was lying with the Company at the year end.

**Note No.32- Business Combinations:**

The company does not have any Business Combinations.

**Note No.33 – Scheme of Arrangements:**

There has been no Scheme of Arrangements entered into between the Company and its Subsidiaries.

**Note No. 34 - Capital management & Risk Management Strategies:**

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**i) Capital management**

The Company being in O&M service industry which requires huge working capital for its operation, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its working capital, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding through borrowings from Banks & Financial Institutions.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the asset and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

**Financial risk management**

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company. These risks include (i) Credit risk, (ii) Liquidity risk and (iii) Market risk

The Company seeks to minimize the effects of these risks by using periodic monitoring and action plans to cover up risk exposures, wherever required. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**Credit risk management**

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

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

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

**Trade receivables**

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

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

Particulars	As at 31st March 2019	As at 31st March 2018
Within credit period		
1-30 days past due	4409.88	2105.76
31-60 days past due	579.34	170.30
61-90 days past due	444.83	101.28
91-180 days past due	866.21	1259.79
<b>Total</b>	<b>6300.26</b>	<b>3637.13</b>

**Liquidity risk management**

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

## Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

As of now, the Company have not entered into any sort of derivative contracts, in order to manage market risks.

## Note No.35- Finance Lease Receivable

The Company does not have any finance lease receivable.

## Note No.36 – Related Party Disclosure

### a). List of Related Parties and nature of relationship

Related Party	Nature of Relationship
Usha Ramesh	Wife of Mr.S.Ramesh
Sudarshan Ramesh	Son of Mr.S.Ramesh

### b). Transaction with related parties

Related Party	Nature of Transaction	31-03-2019	31-03-2018
S.Ramesh - KMP	Remuneration	Rs. 34,02,024	Rs. 33,14,524
S.Ramesh - KMP	Rent Payment	Rs. 41,58,600	Rs. 58,10,600
Sudarshan Ramesh – KMP	Remuneration	Rs. 12,00,000	Rs. 12,39,960
Sudarshan Ramesh – KMP	Rent Payment	-	Rs. 2,50,000

## Note

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

## Note No. 37 - Approval of financial statements :

The financial statements were approved for issue by the board of directors 24.05.2019.

For Operational Energy Group India Limited

For Padmanabha Ramani & Ramanujam  
Chartered Accountants  
FRN: 002510S

S RAMESH  
EXECUTIVE CHAIRMAN &  
MANAGING DIRECTOR

B. VISWANATHAN  
INDEPENDENT DIRECTOR  
DIN NO: 00702802

P. SWAMINATHAN  
INDEPENDENT DIRECTOR  
DIN NO: 02603984

G. VIVEKANANTHAN  
PARTNER  
MEMBERSHIP No. 028339

S. V. NATARAJA  
CHIEF FINANCIAL OFFICER

KRITHIKA D THAKKAR  
COMPANY SECRETARY

CHENNAI  
24.05.2019



## INDEPENDENT AUDITORS' REPORT

### To the Members of Operational Energy Group India Limited, Chennai REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

#### OPINION

We have audited the accompanying consolidated financial statements of Operational Energy Group India Limited (hereinafter referred to as the 'Holding Company') and its Joint Controlled Companies, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss, (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements"), and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Holding Company and Jointly Controlled Companies as at March 31, 2019, of consolidated Profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### BASIS FOR OPINION

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

#### KEY AUDIT MATTERS

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

Recognition of revenue is complex due to several types of customer contracts including Operation and maintenance contracts of power plants and process plants.	We have tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognition, including controls over the degree of completion of service contracts.
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#### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the consolidated financial statements does not cover the other information and we

do not express any form of assurance conclusion thereon.

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

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

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

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

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

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

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

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

the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

#### **OTHER MATTERS**

We did not audit the financial statements / financial information of, jointly controlled companies, whose financial statements / financial information reflect total assets of Rs. 1,315,153,716.09 as at 31st March, 2019, total revenues of Rs. 2,070,776,227.73 and net cash inflows amounting to Rs. 76,49,776.89 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Holding Company's share of net profit of Rs. 7,188,603.09 for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of jointly controlled companies, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled companies, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled companies, is based solely on the reports of the other auditors.

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

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of written representation received from the Directors of the parent company and on the basis of the reports of the statutory auditors of the jointly controlled company incorporated in India, none of the directors of the jointly controlled company is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its Jointly Controlled Companies and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (g) In our opinion and according to the information and explanations given to us and on the basis of the reports of the statutory auditors of the jointly controlled company incorporated in India, the remuneration paid/provided by the Holding Company and Jointly controlled companies to its director during the current year is in accordance with the section 197 of the Act and the remuneration paid to any director is not in excess of the limit laid down under sec 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company - Refer Note 33 to the Consolidated Financial statements.
  - (ii) The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Jointly Controlled Companies.

For Padmanabhan Ramani & Ramanujam  
Chartered Accountants  
FRN: 002510S

G. Vivekananthan  
Partner  
Membership No: 028339

Place: Chennai  
Date: 24th May 2019

## **Annexure A to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Operational Energy Group India Limited ("the Holding Company") as of March 31, 2019 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted

accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

**Other Matters**

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

For Padmanabhan Ramani & Ramanujam  
Chartered Accountants  
FRN: 002510S

G. Vivekananthan  
Partner  
Membership No: 028339

Place: Chennai  
Date: 24th May 2019

**CONSOLIDATED BALANCE SHEET AS AT 31-03-2019**

Particulars	Note	As at 31-03-2019	As at 31-03-2018
<b>ASSETS</b>			
Non-Current Assets			
Property Plant and Equipment	2	4,49,27,326.19	4,65,90,664.40
Investment Property	2(A)	56,70,732.35	65,50,010.60
Intangible Assets	2(B)	4,34,060.50	20,05,703.00
Financial Assets			
Non-Current Investments	3	11,27,40,976.47	11,25,82,828.00
Loans and Advances	4	1,08,73,412.00	1,13,30,118.00
Other Long Term Loans and Advances	4(A)	15,38,22,090.81	1,10,01,193.00
Deferred Tax Assets (Net)	5	59,23,000.00	71,10,000.00
Other Non-Current Assets	6	42,80,710.00	42,80,710.00
<b>Current Assets</b>			
Financial Assets			
Trade Receivables	7	63,32,15,581.63	50,89,03,455.46
Cash and Cash Equivalents	8	19,82,49,318.74	19,05,99,541.60
Loans and Advances	9	2,90,03,844.45	1,22,00,819.37
Other Loans and Advances	9(A)	98,96,220.00	1,55,48,220.32
Current Tax Asset	10	6,95,11,799.54	5,62,22,376.95
Other Current Assets	10(A)	3,21,47,551.65	3,10,10,016.00
Inventories	10(B)	44,57,086.68	-
<b>TOTAL</b>		<b>1,31,51,53,716.09</b>	<b>1,01,59,35,657.49</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholder's Fund			
Share Capital	11	13,04,18,000.00	13,04,18,000.00
Reserves and Surplus	12	24,63,42,429.00	19,83,13,901.54
Non-Controlling Interests	13	-730975.40	1859228.34
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Long Term Borrowings	14	9,68,64,237.12	12,25,28,455.46
Other Long Term Liabilities	15	-	-
Long Term Provisions	16	1,71,11,233.00	1,74,53,969.00
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Short Term Borrowings	17	9,62,44,713.53	22,01,32,893.28
Trade Payables	18	16,47,23,588.96	15,15,28,878.22
Current Liabilities	19	1,17,20,954.45	79,03,040.90
Other Current Liabilities	19(A)	53,12,86,057.43	12,27,08,606.11
Short Term Provisions	20	2,11,73,478.00	4,30,88,684.64
<b>TOTAL</b>		<b>1,31,51,53,716.09</b>	<b>1,01,59,35,657.49</b>
Significant Accounting Policies			
Notes on Financial Statements			
The notes are an integral part of these financial statements.		For Padmanabhan Ramani & Ramanujam	
<b>For Operational Energy Group India Limited</b>		Chartered Accountants	
		FRN : 002510S	
S.RAMESH	B.VISWANATHAN	P. SWAMINATHAN	G.VIVEKANANTHAN
EXECUTIVE CHAIRMAN & MD	INDEPENDENT DIRECTOR	INDEPENDENT DIRECTOR	PARTNER
DIN NO:00052842	DIN NO: 00702802	DIN NO: 02603984	MEMBERSHIP NO : 028339
S.V. NATARAJAN	KRITHIKA D THAKKAR		
Chief Financial Officer	Company Secretary		
CHENNAI			
24.05.2019			



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2019**

Particulars	Note	Year ended 31-03-2019	Year ended 31-03-2018
Income			
Revenue from Operations	21	1,97,95,82,506.52	1,55,63,18,139.81
Other Income	22	9,11,93,721.21	1,12,80,915.49
<b>Total Revenue</b>		<b>2,07,07,76,227.73</b>	<b>1,56,75,99,055.30</b>
<b>Expenses</b>			
Cost of Materials /Services	23	93,08,44,937.33	16,66,39,913.39
Changes in Stock in Trade	24	-	-
Employee Benefit Expenses	25	67,01,55,988.93	88,38,06,046.46
Finance Cost	26	2,21,56,330.64	2,94,94,006.68
Depreciation and Amotisation Expenses	27	96,33,973.13	79,40,075.87
Other Expenses	28	38,33,37,511.76	40,68,14,358.39
<b>Total Expenses</b>		<b>2,01,61,28,741.79</b>	<b>1,49,46,94,400.79</b>
<b>Profit before Exceptional and Extraordinary items and Tax</b>		<b>5,46,47,485.94</b>	<b>7,29,04,654.51</b>
Exceptional Items			
<b>Profit after Exceptional and Extraordinary items and Tax</b>		<b>5,46,47,485.94</b>	<b>7,29,04,654.51</b>
Excess Provision reversed during the year		-	-
<b>Profit Before Tax</b>		<b>5,46,47,485.94</b>	<b>7,29,04,654.51</b>
<b>Tax Expenses</b>			
(1) Current Tax		87,64,000.00	37,33,739.00
(2) Deferred Tax		11,87,000.00	16,10,000.00
<b>Profit for the Year</b>		<b>4,46,96,485.94</b>	<b>6,75,60,915.51</b>
<b>Other Comprehensive Income</b>			
A i) Items that will not be reclassified to Profit or Loss		1017034.94	1193931.34
ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
B i) Items that will be reclassified to Profit or Loss			
ii) Income Tax relating to items that will reclassified to Profit or Loss			
<b>Total Other Comprehensive Income</b>		<b>10,17,034.94</b>	<b>11,93,931.34</b>
<b>Total Comprehensive Income for the Year</b>		<b>4,57,13,520.88</b>	<b>6,63,66,984.17</b>
Earning Per equity Share of face value of Rs.10/- each			
Basic & Diluted	29	3.51	5.09

Significant Accounting Policies

Notes on Financial Statements

The notes are an integral part of these financial statements.

For Operational Energy Group India Limited

For Padmanabhan Ramani & Ramanujam

Chartered Accountants

FRN : 002510S

S.RAMESH  
EXECUTIVE CHAIRMAN & MD  
DIN NO:00052842

B.VISWANATHAN  
INDEPENDENT DIRECTOR  
DIN NO: 00702802

P. SWAMINATHAN  
INDEPENDENT DIRECTOR  
DIN NO: 02603984

G.VIVEKANANTHAN  
PARTNER  
MEMBERSHIP NO : 028339

S.V. NATARAJAN  
Chief Financial Officer

KRITHIKA D THAKKAR  
Company Secretary

CHENNAI  
24.05.2019

**CASH FLOW STATEMENT - CONSOLIDATED**

	<b>2018 - 19</b>	<b>2017 - 18</b>
<b>Annexure to Clause 32 of the listing Agreement</b>		
<b>CASH FLOW STATEMENT</b>		
<b>A. CASH FLOW FROM OPERATIONS</b>		
Profit before Tax	5,46,47,486	7,29,04,655
Less:- Provision for Taxation	99,51,000	53,43,739
Net Profit after Tax and extra ordinary items.	44,69,6486	6,75,60,916
Adjustments for Fair value in inv.	0	50,000
Depreciation	96,33,973	79,40,076
Profit on sale of fixed assets		
Interest/Dividend		
Minority Interest	1017034.94	11,43,931
Operating profit before working capital	5,53,47,494	7,43,07,061
Increase/(Decrease) in Sundry Debtors	12,43,12,126.2	8,79,04,748
Increase/(Decrease) in Inventories and other current assets	1,88,84,044.92	1,34,82,084
Increase/(Decrease) in Loans and Advances	1,11,51,024.76	-3,26,62,564
Decrease in preoperation expenses		
(Increase)/Decrease in current liabilities	27,97,86,689.20	8,37,14,047.66
SUB TOTAL	-12,54,39,493	-1,49,89,780
Cash generated from Operating activities	18,07,86,987	8,92,96,841
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	41,14,258.96	1,01,60,555.00
Sale of Fixed Assets		
Purchase/Sale of Investments	158148.47	-1,99,924
Long term Loans and Advances	14,23,64,191.8	-19,68,222
Net cash generated/Used from/in Investing Activities	14,66,36,599	79,92,409
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital		
Proceeds from long term borrowings (net)	2,56,64,218.34	-2,88,72,810
Proceeds from working capital Loan		-
Repayment of finance lease liabilities		
Changes in subsidiaries		0
Dividend paid		
Net cash generated/used in Financing activities	-2,56,64,218	-2,88,72,810
Net increase in cash and cash equivalents	76,49,776.89	4,70,40,323.85
Cash and cash Equivalents (Opening Balance)	19,05,99,542	14,35,59,218
Cash and cash Equivalents (Closing Balance)	19,82,49,318.7	19,05,99,541.9

For Operational Energy Group India Limited

For Padmanabhan Ramani & Ramanujam  
Chartered Accountants  
FRN : 002510S

S.RAMESH  
EXECUTIVE CHAIRMAN & MD  
DIN NO:00052842

B.VISWANATHAN  
INDEPENDENT DIRECTOR  
DIN NO: 00702802

P. SWAMINATHAN  
INDEPENDENT DIRECTOR  
DIN NO: 02603984

G.VIVEKANANTHAN  
PARTNER  
MEMBERSHIP NO : 028339

S.V. NATARAJAN  
Chief Financial Officer

KRITHIKA D THAKKAR  
Company Secretary

CHENNAI  
24.05.2019

**PART- I****ABRIDGED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**

<b>A. Equity Share Capital</b>								
Particulars	As at 01.04.2018			Movement during the year		As as 31-03-219		
	No. of Shares	Equity Share Capital par Value (₹ in crore)	No. of Shares	Equity Share Capital par Value (₹ in crore)	No. of Shares	Equity Share Capital par Value (₹ in crore)		
Equity Share Capital	13041800	13.0418			13041800	13.0418		
<b>B. Other Equity</b>								
Particulars	Retained earnings and other Reserves							Total
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Bond Redemption Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earnings	
Balance as at 01.04.2018	-	-	-	-	-	-	198313901.54	198313901.54
Charges in accounting policy or prior period errors							-	0.00
Total Comprehensive Income for the year								
Profit or Loss							48028527.46	48028527.46
Other Comprehensive income							-	0.00
Total Comprehensive Income							246342429.00	246342429.00
Dividend including dividend Tax							-	0.00
Appropriations							-	0.00
Any other changes (Remeasurement Loss)							-	0.00
Other changes							-	0.00
Balance as at 31.03.2019	0.00	0.00	0.00	0.00	0.00	0.00	246342429.00	246342429.00

For Operational Energy Group India Limited

For Padmanabhan Ramani & Ramanujam  
Chartered Accountants  
FRN : 0025105S.RAMESH  
EXECUTIVE CHAIRMAN & MD  
DIN NO:00052842B.VISWANATHAN  
INDEPENDENT DIRECTOR  
DIN NO: 00702802P. SWAMINATHAN  
INDEPENDENT DIRECTOR  
DIN NO: 02603984G.VIVEKANANTHAN  
PARTNER  
MEMBERSHIP NO : 028339S.V. NATARAJAN  
Chief Financial OfficerKRITHIKA D THAKKAR  
Company SecretaryCHENNAI  
24.05.2019

**1.A - General Information:**

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

The Company has two subsidiaries, one joint ventures and two associates.

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

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

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

- a). Basis of preparation of financial statements
  - i). In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act (the Act), 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016 and other relevant provisions of the Act.
  - ii). Pursuant to the above said requirements, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").
  - iii). The financial statements of the Company are prepared on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.
  - iv). The financial statements are presented in Indian Rupees ('INR') and all values are reported in full value without rounding off except otherwise indicated.

**b). Basis of consolidation**

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

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

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

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

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

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

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

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

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

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

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

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

capital reserve in the period in which the investment is acquired.

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

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

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

- i). The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements are made relying on these estimates.
- ii). The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on past experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. The critical accounting judgements and key estimates followed by the Company for preparation of financial statements is described in Note 1(C ) (w) herein.

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of Ind AS-17, and measurements that have some

similarities to fair value but are not fair value, such as net realisable value in Ind AS-2 or value in use in Ind AS-36.

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

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

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

**The significant accounting policies are detailed below.**

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

- i). Cost model is adopted for Property, Plant and Equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if (a) it is probable that future economic benefits associated with the item will flow to the entity and (b) the cost of the item can be measured reliably.
- ii). The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any non-refundable import duties and other taxes, any directly attributable expenditure on making the asset ready for its intended use by the Management, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.
- iii). Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred.
- iv). An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.
- iii). Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the financial statements at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold or Lease hold land is stated historical cost.

#### **f). Intangible Assets**

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

#### **g). Depreciation/Amortisation**

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

Class of Property, Plant and Equipment	Useful Life Estimated by Management	Useful Life as per Schedule II
Buildings	5-60 years	60 Years
Plant and Equipment	15 years	15 Years
Furniture and Fixtures	1-10 years	10 Years
Motor Cars and Scooters	4-10 years	8 Years
Office Equipment	2 -10 years	5 Years
Computers		
Servers & Networks	6 Years	6 Years
End Users Devices	3 Years	3 YearS



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

- i). At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.
- ii). There are no Intangible Assets with indefinite useful lives.
- iii). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised immediately in Statement of Profit and Loss.
- iv). When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

**i). Borrowing Cost**

- i). Borrowing costs comprises of interest and other costs that are incurred by the Company in connection with the borrowing of funds and also includes exchange differences to the extent regarded as an adjustment to the finance costs.
- ii). Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Qualifying Asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised as an expenses in the Statement of Profit and Loss in the period in which they are incurred.

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

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

Cash flow statements are reported using indirect method and the cash flows from operating,

investing and financing activities of the Company are segregated.

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

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

**l). Inventories**

- i). Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- ii). Inventories of stores, spare parts and loose tools are stated at the lower of cost under FIFO method and net realizable value.
- iii). Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

**l). Revenue Recognition**

- i) Revenue is measured at the fair value of the consideration received or receivable.
- ii). The Company is engaged in the business of providing Operations and Maintenance ('O&M') services to various power plants and the revenues are governed by the Operations and Maintenance agreements entered with the owners of these power plants. Revenue from Operation and maintenance (O&M) services rendered by the Company to Power Plants Operators are recognised over the period of the contract on straight line method (vide Ind AS 18.25) and unrecognized revenue (received in advance) is shown as unearned revenue.
- iv). Revenue from sale of spares and consumables relevant for the O&M services are being incidental to the O&M Services and are recognised on delivery of the same to the customers and no significant uncertainty exists as to its realization.
- v). Other revenues from ancillary activities incidental to the main operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

**iii). Dividend and interest income**

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

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

**m). Foreign currency transactions**

- i). The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR). The Financial Statements are presented in INR.
- ii). In preparing the financial statements of the Company transactions in currencies other than

the entity's functional currency (i.e,foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

- iii). At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date (closing rate). Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iv). Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.
- v). Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

**n). Employee Benefits**

**i) Defined Contribution Plan**

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

**ii) Defined Benefit Plan**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The defined benefit plan for gratuity is unfunded. The liabilities for the gratuity obligations are recognized as expenses in the Statement of Profit and Loss as per the actuarial valuation at the end of the reporting period.

The principal assumption used for Actuarial valuations of gratuity obligations are :

**o). Taxation**

	31st March, 2019	31st March, 2018
Discount Rate	6.88%	6.88%
Expected Salary Increment rate	5%	5%
Average longevity at retirement age- Past services	3.14	2.92
Average longevity at retirement age- Future services	4.20	1.58
The expenses recognized towards the defined contribution and defined benefit plan, by the Company are:		
	31st March, 2019	31st March, 2018
Defined Contribution Plan	Rs. 58,52,552	Rs.61,58,173
Defined Benefit Plan	Rs. 1,71,11,233	Rs.1,74,53,969

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

income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**i) Current Tax**

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

**ii) Deferred Tax**

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

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

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

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

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

### **iii). Minimum Alternative Tax**

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

### **p). Earning Per Share**

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

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

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

### **q). Provisions, contingent liabilities and commitments**

- i). Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- ii). The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).
- iii). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- iv). A disclosure for contingent liabilities is made where there is-
  - a. a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity

or

- b. a present obligation that arises from past events but is not recognized because 1). it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or 2). the amount of the obligation cannot be measured with sufficient reliability.
- v). A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
- vi). Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- vii). Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.
- viii). Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

**r). Financial Instruments**

**i. Recognition and initial measurement**

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

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

**ii. Classification and subsequent measurement**

**a. Financial assets:**

- On initial recognition, a financial asset is classified as measured at: - amortised cost; or
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit and Loss (FVTPL)

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

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

interest on the principal amount outstanding. These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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

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

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

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

**iii. Derecognition**

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

**iv Offsetting**

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

**v. Share capital**

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

**s). Leases**

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

A lease is classified at the inception date as an operating lease. The Company does not have financial lease.

**The Company as lessor:**

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

**The Company as lessee:**

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

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

**t) Critical estimates and judgements in applying accounting policies****Key sources of estimation uncertainties:**

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

**Impairment of property plant and equipment:**

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

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

**Contingent liabilities:**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are every difficult to quantify reliably are treated as contingent liabilities.

Such liabilities are disclosed in the notes but are not recognised. The Claim against the company in respect of service tax is Rs.4,88,48,919/-. The Company has won the first case at CESTAT and hence there is no requirement of contingent liability for this in the future period. Then other cases are



similar in nature and hence it is expected to be in favour of the company.

**Fair value measurements:**

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

**Defined benefit plans:**

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

**Lease:**

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

**Tax:**

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2019

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

Description of Property, Plant and Equipments	Gross Carrying Amount			Depreciations			Net Carrying Amount as at 31-03-2019	Net Carrying Amount as at 31-03-2018
	01-04-2018	Additions	Disposals	31-03-2019	01-04-2018	Charged for the Year		
Land	1,78,413.00			1,78,413.00	-	-		1,78,413.00
Buildings	3,19,79,068.00	93,500.00		3,20,72,568.00	1,16,29,897.07	15,71,442.28	1,32,01,339.35	1,88,71,228.65
Investment Properties (Ref.Note 12.2)								
Land		94,954.00		94,954.00	-			94,954.00
Buildings	1,80,11,837.00			1,80,11,837.00	1,15,56,780.50	8,79,278.15	1,24,36,058.65	55,75,778.35
Plant and Machinery	4,18,63,762.40	4,37,398.00		4,23,01,160.40	2,65,78,905.53	19,06,398.32	2,84,85,303.85	1,38,15,856.55
Tools & Equipment (Ref.Note 12.1)	34,73,566.01	3,17,036.28		37,90,602.29	29,35,290.82	4,35,181.94	33,70,472.76	4,20,129.53
Furniture and Fittings	53,31,099.52	1,44,000.00	49,472.00	54,25,627.52	49,34,376.60	79,545.81	49,88,001.31	4,37,626.21
Office Equipment	71,58,521.60	4,78,743.26	1,86,156.29	74,51,108.57	57,48,328.88	8,71,231.81	63,43,149.28	11,07,959.29
Computers and Peripherals	1,43,34,775.10	4,14,071.19		1,47,48,846.29	1,23,15,481.41	6,81,337.99	1,29,96,819.40	17,52,026.89
Motor Vehicles	2,03,11,170.00	39,01,272.00	41,26,049.00	2,00,86,393.00	1,44,84,295.82	15,43,102.29	1,19,01,349.11	81,85,043.89
Genset	3,22,157.00			3,22,157.00	1,18,305.00	44,812.04	1,63,117.04	1,59,039.96
Solar Power Hybrid with Batteries	98,018.00			98,018.00	98,018.00		98,018.00	-
Gym Equipment	64,012.00			64,012.00	64,011.00	-	64,011.00	1.00
<b>Total</b>	<b>14,32,21,353.63</b>	<b>57,86,020.73</b>	<b>43,61,677.29</b>	<b>14,46,45,697.07</b>	<b>9,04,63,690.63</b>	<b>80,12,330.63</b>	<b>9,40,47,639.75</b>	<b>5,05,98,057.32</b>

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

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

### 2(B) Intangible Assets

Description of Intangible Assets	Gross Carrying Amount			Depreciations			Net Carrying Amount as at 31-03-2019	Net Carrying Amount as at 31-03-2018
	01-04-2018	Additions	Disposals	31-03-2019	01-04-2018	Charged for the Year		
Application Softwares	27,99,144.00	50,000.00		28,49,144.00	7,93,441.00	16,21,642.50	-	4,34,060.50
ERP Software	27,99,144.00	50,000.00	-	28,49,144.00	7,93,441.00	16,21,642.50	-	20,05,703.00
<b>Total</b>	<b>27,99,144.00</b>	<b>50,000.00</b>	<b>-</b>	<b>28,49,144.00</b>	<b>7,93,441.00</b>	<b>16,21,642.50</b>	<b>-</b>	<b>20,05,703.00</b>

**Notes to Financial Statements for the Year ended 31-03-2019**

	As at 31-03-2019	As at 31-03-2018
<b>3 Non-Current Investments</b>		
<b>Investments in Equity Instruments -Unquoted</b>		
<b>Subsidiary</b>		
9,800 Nos. (FY: 2017-18-9,800; 2018-19-9,800) Equity Shares of Pacific Technical Service India Limited of Rs.10/- each		-
Share Application Money with OEG International FZE, Dubai		
5,60,000 Nos. (2017-18: 3,20,000, 2018-19-5,60,000)		
Equity Shares of Investment in		
Maxitech Engineering Private Ltd of Rs.10/- each		
<b>Associates</b>		
4,800 Nos. (FY: 2016-17-4,800; 2017-18-4,800)		
Equity Shares of Thoothukudi Renew Waters Private Limited of Rs.10/- each		
<b>Joint Venture</b>		
82,500 Nos. (FY: 2017-18-72,500; 2018-19-82,500)		
Equity Shares of Shapoorji Pallonji and		
OEG Services Private Limited of Rs.12.30/- each		
<b>Others</b>		
1 No. (2018-19 and 2017-18)		
Equity Share of OEG Singapore... Ltd of SGD 44 each	44.00	44.00
9,999 Nos. (FY: 2017-18-9,999; 2018-19-9,999)		
Equity Shares of OEG Solar Energy Private Limited of Rs.10/- each	99,990.00	
<b>Investments in Preference Shares -Unquoted (FVTOCI)</b>		
1,12,50,000 Nos. Non-Cumulative Preference Shares of South Ganga Waters Technologies Private Limited of Rs.10/- each	11,25,00,000.00	11,25,00,000.00
<b>Investments in Government Securities (At Amortised Cost)</b>		
National Savings Certificate (Ref.Note 3.1)	84,863.00	82,784.00
<b>Investment in PowerSource OEG Services Inc.</b>		
8000 Nos. Equity Shares of Power Source OEG Services Inc.	56079.47	-
<b>Total</b>	<b>11,27,40,976.47</b>	<b>11,25,82,828.00</b>
* Investment waiting for allotment of shares		
3.1 Investments in Government Securities are offered as Security Deposit for Labour License and Sales Tax Department		
3.2		
Aggregate Book Value of Un-Quoted Investments	11,27,40,976.47	11,25,82,828.00
Aggregate Impairment in value of Investments		-
3.3 Investments are fully paid-up unless otherwise stated		
3.4 In respect of the Investments in Subsidiary, Associate and Joint Venture, the cost as per previous GAAP has been considered as Deemed Cost as per the option provided in Ind AS 101. Aggregate cost of those Investments for which the cost as per previous GAAP has been considered as Deemed Cost comes to Rs.1,21,31,345.07		
<b>4 Long Term Loans and Advances -Financial Assets</b>		
Related Parties		
Refundable Rental Advance	52,00,000.00	52,00,000.00
Loans & Advance	56,73,412.00	61,30,118.00
<b>Total</b>	<b>1,08,73,412.00</b>	<b>1,13,30,118.00</b>

4(A) Long Term Loans and Advances		
Unsecured considered Good		
Others		
Security Deposits	14,74,66,885.81	40,34,581.00
Rental Advance	10,50,000.00	16,61,407.00
Other Advance	53,05,205.00	53,05,205.00
<b>Total</b>	<b>15,38,22,090.81</b>	<b>1,10,01,193.00</b>
<b>5 Deferred Tax Assets (Net)</b>		
<b>Deferred Tax Assets</b>		
On Provision for Gratuity & Other Employee Benefits	75,19,000.00	86,32,000.00
	75,19,000.00	86,32,000.00
<b>Deferred Tax Liabilities</b>		
On Depreciation	15,96,000.00	-7,41,000.00
	15,96,000.00	-7,41,000.00
<b>Deferred Tax Assets (Net)</b>	<b>59,23,000.00</b>	<b>71,10,000.00</b>
5.1. Deferred Taxes are computed to the nearest '000		
<b>6 Other Non-Current Assets</b>		
Bank Deposits for a maturity period greater than 12 months (Ref.Note 6.1)	-	-
Service Tax stay deposit (Ref.Note Contingent Liabilities)	42,80,710.00	42,80,710.00
<b>Total</b>	<b>42,80,710.00</b>	<b>42,80,710.00</b>
6.1 The Fixed Deposits is offered as Security Deposit to Sale Tax Department		
<b>7 Trade Receivables (Financial Asset)</b>		
Unsecured Considered Good		
Outstanding for more than 180 days from the date they are due		
Related Parties	-	-
Others	-	-
Outstanding for less than 180 days from the date they are due		
Related Parties	1,67,81,099.78	1,05,87,070.42
Others	63,76,57,882.41	49,83,16,385.04
Unsecured Considered Doubtful		
Related Parties		-
Others	12338799.00	-
	63,32,15,581.63	50,89,03,455.46
Less: Allowance for Impairment		-
<b>Total</b>	<b>63,32,15,581.63</b>	<b>50,89,03,455.46</b>
<b>8 Cash and Cash Equivalents (Financial Asset)</b>		
Balance with Banks	14,26,66,363.99	13,25,27,027.85
Cash on Hand	2,88,208.00	2,95,474.00
Cheques on Hand	-	-
Bank Fixed Deposit with maturity of period less than 3 months (Ref.Note 8.1)	5,52,94,747.00	5,77,77,040.00
<b>Total</b>	<b>19,82,49,318.99</b>	<b>19,05,99,541.85</b>
8.1 Fixed Deposits with Banks are as margin money for the Bank Guarantee and Working Capital facilities availed from Banks. The balance includes accrued interest		

<b>9. Loans and Advances - Financial Assets</b>		
Unsecured considered Good		
Security Deposits and EMD	-	-
Retention money and other Job Advances	2,90,03,844.45	1,22,00,819.37
<b>Total</b>	<b>2,90,03,844.45</b>	<b>1,22,00,819.37</b>
<b>9(A).Other Loans and Advances</b>		
Unsecured considered Good		
Advances to Related Parties	80,24,151.00	80,78,284.09
Advance to Suppliers	18,72,069.00	74,69,936.23
<b>Total</b>	<b>98,96,220.00</b>	<b>1,55,48,220.32</b>
10 Current Tax Assets		
Income Tax (Net of Provision)	6,95,11,799.54	5,62,22,376.95
<b>Total</b>	<b>6,95,11,799.54</b>	<b>5,62,22,376.95</b>
<b>10(A) Other Current Assets</b>		
Prepaid Value Added Taxes	3,21,47,551.65	3,10,10,016.00
<b>Total</b>	<b>3,21,47,551.65</b>	<b>3,10,10,016.00</b>
<b>10(B) Inventories</b>		
Inventories	44,57,086.68	-
<b>Total</b>	<b>44,57,086.68</b>	<b>-</b>
<b>11. Share Capital</b>		
<b>Equity Share Capital</b>		
<b>Authorised</b>		
1,40,00,000/- (2017 : 1,40,00,000 and 2016 : 40,00,000)		
Equity Shares of Rs.10/- each	14,00,00,000.00	14,00,00,000.00
<b>Issued</b>		
1,30,41,800 (2017 : 1,30,41,800 and 2016 :33,00,000)		
Equity Shares of Rs.10/- each		
<b>"Subscribed and fully paid up"</b>		
1,30,41,800 (2017 : 1,30,41,800 and 2016 :33,00,000)		
Equity Shares of Rs.10/- each	13,04,18,000.00	13,04,18,000.00
<b>Total</b>	<b>13,04,18,000.00</b>	<b>13,04,18,000.00</b>
<b>11.1 Reconciliation of number of Equity Shares subscribed</b>		
Balance at the beginning of the year	1,30,41,800	1,30,41,800
Add: Shares issued during the year for cash	-	-
<b>Balance at the end of the year</b>	<b>1,30,41,800</b>	<b>1,30,41,800</b>
<b>11.2 Terms/Rights attached to Equity Shares</b>		
<p>The company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any for a year, is subject to the approval of the shareholders in the ensuing Annual General Meeting.</p> <p>In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>		
<p><b>11.3 Shareholders other than the Holding/Associate Company holding more than 5% of the equity share capital</b></p> <p>Equity Shares of Rs.10/- each fully paid:</p> <p>Ramesh.S : 50,81,800 (2019-50,81,800 shares and 2018-3,37,000 Shares) shares aggregating to 38.97% (2019- 38.97% and 2018-38.97%)</p>		

Sudarshan.R : 6,16,300 (2019-6,16,300 shares and 2018- 616300 Shares) shares aggregating to 4.73% (2019- 4.73% and 2018-4.73%)

Usha Ramesh : 9,25,200 (2019-9,25,200 shares and 2018- 25200..Shares) shares aggregating to 7.09% (2019- 7.09% and 2018- 7.09)

Premier International Limited : 14,91,800 (2019-14,91,800 shares and 2017-14,91,800.Shares) shares aggregating to 11.44% (2019- 11.44% and 2018-11.44.%)

South Ganga Waters Technology Private Limited :26,05,200 (2019-26,05,200 shares and 2018 26,05,200.Shares) shares aggregating to 19.98% (2019- 19.98% and 2018-19.98%)

<b>12 Reserves and Surplus</b>		
Retained Earnings		
Reserves & Surplus -Operational Energy Group India Limited	13,36,01,442.00	
Reserves & Surplus -Maxitech Engineering Private Limited	72,02,607.00	
Reserves & Surplus -Pacific Technical Services India Private Limited	12,13,24,094.00	
Total Reserves & Surplus	24,77,22,929.00	
Less -Maxitech Engineering Private Limited -Investment	2,53,500.00	
Less -Pacific Technical Services India Private Limited -Investment	98,000.00	
<b>Total</b>	<b>24,73,71,429.00</b>	
Operational Energy Group India Limited share of Investment in Shapoorji Pallonji and Oeg Services Private Limited	9,81,000.00	
Operational Energy Group India Limited share of Investment in Thoothukudi Renew Waters Private Limited	48,000.00	
<b>Total</b>	<b>24,63,42,429.00</b>	<b>19,83,13,901.54</b>
<b>13. Non-Controlling Interests</b>		
Pacific Technical Services India Private Limited	2355856.00	
Maxitech Engineering Private Limited	-3086831.40	18,59,228.34
<b>Total</b>	<b>-730975.40</b>	<b>18,59,228.34</b>
13.1 Share Application money pending allotment represents shares to be allotted to the shareholders of Transferor company in the scheme of demerger		
<b>14 Long Term Borrowings (Financial Liabilities)</b>		
<b>Secured</b>		
Term Loan from Banks (Ref.Note 14.1 & 14.5)	-	2,07,393.00
Vehicle Loan from Banks (Ref.Note 14.2 & 14.6)	-	-
Vehicle Loan from Financial Institutions (Ref.Note 14.2 & 14.6)	41,02,039.72	31,15,818.95
<b>Unsecured</b>		
From Related Parties (Ref.Note 14.5)	19,05,601.00	23,00,000.00
Term Loans from Banks (Ref.Note 14.6)	2,53,35,400.26	2,81,14,758.18
<b>Mobilisation Advance</b>	<b>3,92,04,753.00</b>	<b>5,72,35,625.00</b>
Term Loans from Financial Institutions (Ref.Note 14.6)	2,63,16,443.14	3,15,54,860.33
<b>Total</b>	<b>9,68,64,237.12</b>	<b>12,25,28,455.46</b>
<b>Nature of Security Offered</b>		
14.1 Secured Term Loan from Bank represents Working Capital Term Loan availed from Axis Bank and is secured by hypothecation of lien free movable assets of the Company and by Equitable Mortgage of the immovable property of Mr.S.Ramesh situated at Adyar, Chennai-20 offered by him as collateral security and also Personal Guarantee by Mr.S.Ramesh and Mrs.Usha Ramesh.		
14.2 Secured Vehicles loans from Banks and Financial institutions are secured by Hypothecation of the Vehicles bought with the loan proceeds.		

**Repayment Terms**

14.3 Working Capital Term Loan from Axis Bank is repayable at 11.15% interest rate in Equated Monthly Installments (EMI).

14.4 Vehicle Loans from Financial Institutions are repayable at 10.25% interest rate (Average) in Equated Monthly Installments (EMI).

14.5 Unsecured Loan from Related Parties are repayable Nil And the applicable interest rate is Nil

14.6 Unsecured Loan from Financial Institutions are repayable at 12.25% interest rate (Average) in Equated Monthly Installments (EMI)

<b>15 Other Long Term Liabilities</b>		
<b>Total</b>		-
<b>16 Long Term Provisions</b>		
Provision for Gratuity Liabilities (Ref.Note 16.1)	1,71,11,233.00	1,74,53,969.00
<b>Total</b>	<b>1,71,11,233.00</b>	<b>1,74,53,969.00</b>
16.1 The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.		
17 Short Term Borrowings - Financial Liabilities		
Over Draft facilities from Banks (Ref.Note 17.1)	7,33,60,302.53	22,01,32,893.28
Others	2,28,84,411.00	0
<b>Total</b>	<b>9,62,44,713.53</b>	<b>22,01,32,893.28</b>
17.1 Over Draft from Banks Represents Overdraft facilities availed from Axis Bank by Operational Energy Group India Limited for a limit of Rs 18 Crores (Eighteen Crores Rupees Only), Indian Overseas Bank for a limit of Rs 2 Crore (Two Crores Rupees only) and are secured by hypothecation charge on stocks and receivables of the company and secured by hypothecation of lien free movable assets of the Company and by Equitable Mortgage of the immovable property of Mr.S.Ramesh situated at Adyar, Chennai-20 offered by him as collateral security and also Personal Gurantee by Mr.S.Ramesh and Mrs.Usha Ramesh.		
<b>18 Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Ref.Note 18.1)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Related Parties	16,47,23,588.96	15,15,28,878.22
Others	-	-
<b>Total</b>	<b>16,47,23,588.96</b>	<b>15,15,28,878.22</b>
<b>18.1 Based on the review of the Company, there are no Trade Payables to Micro and Small Enterprises</b>		
19 Other Current Liabilities - Financial Liabilities		
Current Maturities of Long Term Borrowings (Ref.Note 14)	1,17,20,954.45	79,03,040.90
<b>Total</b>	<b>1,17,20,954.45</b>	<b>79,03,040.90</b>
<b>19(A) Other Current Liabilities</b>		
Statutory Liabilities	2,76,76,894.43	2,51,95,173.08
Salary & Expenses Payable	34,19,04,793.30	9,75,13,433.03
Retention Money, Deposits & Advances	16,17,04,369.70	-
<b>Total</b>	<b>53,12,86,057.43</b>	<b>12,27,08,606.11</b>
<b>20 Short Term Provisions</b>		
Provision for Bonus and Leave Salary	2,11,73,478.00	4,30,88,684.64
<b>Total</b>	<b>2,11,73,478.00</b>	<b>4,30,88,684.64</b>

**Notes to Financial Statements for the Year ended 31-03-2019**

	As at 31-03-2019	As at 31-03-2018
<b>21 Revenue from Operations</b>		
From Sales		
Sale of Maintenance Spares & Components	1,31,69,884.50	17,18,45,112.45
<b>From Services</b>		
Operation and Maintenance Fees	1,62,51,14,069.30	1,27,35,87,916.96
Accrued Income	34,12,98,552.72	11,08,85,110.40
<b>Total</b>	<b>1,97,95,82,506.52</b>	<b>1,55,63,18,139.81</b>
<b>22 Other Income</b>		
Interest Income from		
Bank Deposits	40,64,087.00	37,62,393.00
Other Income	8,48,68,741.87	7,14,943.00
Others		-
<b>Other non-operating Income</b>		
Profit on Sale of Fixed Assets	78,127.00	41,69,430.63
Foreign Exchange Fluctuation Gain	21,82,765.34	26,34,148.86
Miscellaneous Income		-
<b>Total</b>	<b>9,11,93,721.21</b>	<b>1,12,80,915.49</b>
<b>23 Cost of Materials/Services</b>		
Cost of Materials / Services	93,08,44,937.33	16,66,39,913.39
<b>Total</b>	<b>93,08,44,937.33</b>	<b>16,66,39,913.39</b>
<b>24 Changes in Stock in Trade</b>	-	-
<b>Total</b>	-	-
<b>25 Employee Benefit Expenses</b>		
Salaries and Wages	58,74,18,814.80	75,00,06,749.22
Contribution to Provident and Other Funds	3,81,82,693.00	4,60,81,387.00
Staff Welfare Expenses	4,45,54,481.13	8,77,17,910.24
<b>Total</b>	<b>67,01,55,988.93</b>	<b>88,38,06,046.46</b>
<b>26 Finance Charges</b>		
Interest Expenses	2,21,56,330.64	2,94,94,006.68
Interest on Income Tax Demand	0	-
<b>TOTAL</b>	<b>2,21,56,330.64</b>	<b>2,94,94,006.68</b>
<b>27 Depreciation and Amortisation</b>		
Depreciation	96,33,973.13	79,40,075.87
Amortisation		
<b>TOTAL</b>	<b>96,33,973.13</b>	<b>79,40,075.87</b>
<b>28 Other Expenses</b>		
Operating Expenses (A)		
Consumables & Tools	-	41,05,251.00
Diesel Expenses	-	3,27,24,806.00
Testing, Inspection and Calibration Charges	-	83,133.00
Other Operating Expenses	-	-
<b>Other Expenses (B)</b>		
Power and Fuel Charges	17,40,543.84	32,45,110.00
Rent Paid	56,58,362.00	73,43,720.00
Rates and Taxes	89,61,664.11	1,91,26,983.86
Insurance Charges	19,15,406.43	16,33,898.00
Doubtful Debts	19,49,06,746.50	8,22,23,353.00



Repairs & Maintenance		
-Buildings	10,50,928.82	13,87,211.75
-Equipments	16,05,974.04	87,39,478.66
-Others	-	-
Security Service Charges	26,85,920.00	26,29,798.08
Communication Expenses	22,97,692.18	49,69,365.29
Directors' Sitting Fee	2,45,000.00	2,95,000.00
Printing & Stationery	16,20,072.51	24,08,932.25
Professional Charges	11,95,73,168.53	16,58,57,234.00
Payments to Auditors	1094917.00	987144.00
Packing and Fowarding Charges	9000.00	0.00
Subscriptions	1,49,330.00	2,73,718.00
Books and Periodicals	18,293.00	70,371.00
Business Promtion Expenses	34,83,889.60	1,91,89,216.99
Advertisement Expenses	3,45,445.40	7,05,418.00
Bank Charges	20,87,671.15	4,57,006.86
Donation	-	-
CSR Expenses (Ref.Note 28.2)	12,74,000.00	10,90,410.00
Travelling and Conveyance Expenses	1,15,77,072.93	2,89,33,611.27
Vehicle Repairs and Maintenance Expenses	29,79,393.62	40,27,509.35
Pooja Expenses	7,60,894.00	8,84,111.81
Legal Fees	60,832.00	44,64,837.00
ROC Fees	11,918.00	-
Licenses and Permits	-	8,06,461.00
Miscellaneous Expenses	1,18,74,130.83	13,94,467.28
Financial Services - Lebanon	18,97,255.00	34,14,600.00
Loss on Sale of Fixed Assets	49,966.27	27,676.94
Director remuneration	34,02,024.00	33,14,524.00
<b>TOTAL</b>	<b>38,33,37,511.76</b>	<b>40,68,14,358.39</b>

28.1 Payment to Auditors represents fee for Statutory audits

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

<b>CSR Spending</b>	<b>31-03-2019</b>	<b>31-03-2018</b>
Amount required to be spent during the year as per Section 135		-
Amount Spent during the year on:		
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above	12,74,000.00	10,90,410.00

<b>29. Earning Per Share</b>	<b>31-03-2019</b>	<b>31-03-2018</b>
Profit After Tax (PAT)	4,57,13,520.88	6,63,66,984.17
Weighted average number of shares	1,30,41,800	1,30,41,800
Earning Per Share (Face value Rs.10/- each )		
Basic	3.51	5.09
Dilluted	3.51	5.09

### 30. Operating Lease

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

**Note No.31- Inventories as at the reporting date:**

Normally the Company procures inventories and other consumables for rendering its O&M services and for sales, being incidental activity in connection with the O&M service contracts, as and when the requirements arises. No inventory was lying with the Company at the year end.

**Note No.32- Business Combinations:**

The company does not have any Business Combinations.

**Note No.33 – Scheme of Arrangements:**

There has been no Scheme of Arrangements entered into between the Company and its Subsidiaries.

**Note No. 34 - Capital management & Risk Management Strategies:****i) Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**ii) Capital management**

The Company being in a O&M service industry which requires huge working capital for its operation, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its working capital, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding through borrowings from Banks & Financial Institutions.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the asset and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

**Financial risk management**

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company. These risks include (i) Credit risk, (ii) Liquidity risk and (iii) Market risk

The Company seeks to minimise the effects of these risks by using periodic monitoring and action plans to cover up risk exposures, wherever required. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

#### **Credit risk management**

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

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

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

#### **Trade receivables**

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

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

Particulars	Age of receivables	
	As at 31st March 2019	As at 31st March 2018
Within credit period		
1-30 days past due	4423.66	2361.54
31-60 days past due	579.34	492.48
61-90 days past due	444.83	215.54
91-180 days past due	884.32	2019.87
<b>Total</b>	<b>6332.15</b>	<b>5089.03</b>

#### **Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management

requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

As of now, the Company have not entered into any sort of derivative contracts, in order to manage market risks.

**Note No.34- Finance Lease Receivable**

The Company does not have any finance lease receivable.

**Note No.35 – Related Party Disclosure**

**a).List of Related Parties and nature of relationship**

Related Party	Nature of Relationship
Usha Ramesh	Wife of Mr.S.Ramesh
Sudarshan Ramesh	Son of Mr.S.Ramesh

**b). Transaction with related parties**

Related Party	Nature of Transaction	31-03-2019	31-03-2018
S.Ramesh - KMP	Remuneration	Rs. 34,02,024	Rs. 33,14,524
S.Ramesh - KMP	Rent Payment	Rs. 41,58,600	Rs. 58,10,600
Sudarshan Ramesh – KMP	Remuneration	Rs. 12,00,000	Rs. 12,39,960
Sudarshan Ramesh – KMP	Rent Payment	-	Rs. 2,50,000

**Note**

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

**Note No. 36 - Approval of financial statements:**

The financial statements were approved for issue by the board of directors 24.05.2019.

For Operational Energy Group India Limited

For Padmanabha Ramani & Ramanujam  
Chartered Accountants  
FRN: 002510S

S RAMESH  
EXECUTIVE CHAIRMAN &  
MANAGING DIRECTOR

B. VISWANATHAN  
INDEPENDENT DIRECTOR  
DIN NO: 00702802

P. SWAMINATHAN  
INDEPENDENT DIRECTOR  
DIN NO: 02603984

G. VIVEKANANTHAN  
PARTNER  
MEMBERSHIP No. 028339

S. V. NATARAJA  
CHIEF FINANCIAL OFFICER

KRITHIKA D THAKKAR  
COMPANY SECRETARY

CHENNAI  
24.05.2019

**OPERATIONAL ENERGY GROUP INDIA LIMITED**

(Formerly Sri Balaganapathy Mills Limited)

CIN: L40100TN1994FLC028309

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

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) of ..... of shares of the above named company, hereby appoint:

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

2. Name:..... Address:.....  
 E-Mail:.....  
 Signature:.....

As my/our proxy to attend and vote (on a poll) for rise/us and on my/our behalf at the 25thAnnual General Meeting of the Company, to be held on Thursday, 26th September,2019 at 11.00 AM at 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, 2019
2. To appoint a Director in place of Mrs. Usha Ramesh who retires by rotation and being eligible, offers herself for re-appointment.

**Special Business:**

3. To re-appoint Mr. S. Ramesh as the Executive Chairman & Managing Director

Signed this .....day of.....2018

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: L40100TN1994FLC028309

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

Website: www.oegindia.com

#### 25<sup>TH</sup> 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 25th Annual General Meeting of the Company being held on Thursday, 26th September, 2019 at 11.00a.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
190822022	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 25th Annual General Meeting. The Voting period starts from 09.00 a.m. (IST) on 23rd September, 2019 and ends at 5.00 p.m. 25th September, 2019. The Voting module shall be disabled by CDSL for voting thereafter.

# ROUTE MAP

