



**OEG**  
**OPERATIONAL EXCELLENCE**

# **OPERATIONAL ENERGY GROUP INDIA LIMITED**

**ANNUAL REPORT**



**2021-22**

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

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**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

S. V. Natarajan

**COMPANY SECRETARY**

Kartikeswar Sahoo (w.e.f 21.05.2022)

**STATUTORY AUDITORS**

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

**SECRETARIAL AUDITOR**

VKS & Associates

**BANKERS**

Axis Bank Limited

**REGISTERED OFFICE**

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

**CORPORATE IDENTITY NUMBER**

L40100TN1994PLC028309

**WEBSITE**

[www.oegglobal.com](http://www.oegglobal.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](mailto:investor@cameoindia.com)



**OPERATIONAL ENERGY GROUP INDIA LIMITED**  
**CIN: L40100TN1994PLC028309**  
**A, 5<sup>TH</sup> FLOOR, GOKUL ARCADE – EAST WING,**  
**NO.2&2A, SARDAR PATEL ROAD,**  
**ADYAR, CHENNAI – 600020**

**NOTICE**

**NOTICE** is hereby given that the Twenty Eighth Annual General Meeting of Operational Energy Group India Limited through Video Conferencing (VC) / Other Audio Visual Means (OAVM) and the deemed venue for the meeting will be Registered Office of the Company A, 5<sup>th</sup> Floor, Gokul Arcade – East Wing, No.2&2A, Sardar Patel Road, Adyar, Chennai – 600 020 on Tuesday, 13<sup>th</sup> September, 2022 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, 2022, 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, 2022 together with the Report of Auditors thereon.
- 2. To appoint a Director in place of Mrs. Usha Ramesh who retires by rotation and being eligible, offers herself for re-appointment.**

**SPECIAL BUSINESS:**

- 3. To appoint Mr. Ganesh Babu (DIN: 06846188) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors **Mr. Ganesh Babu (DIN: 06846188)**, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 who qualifies for being appointed as an Independent Director, who is not liable to retire by rotation and to hold office for One(1) year from 16.09.2022 to 15.09.2023”



**4. 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 Three(3) years with effect from 16.09.2022 to 15.09.2025, whose office will not be liable to retire by rotation on sum of Rupees not exceeding Rs. 7 Lakhs per month plus perquisites plus Commission based 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 2022 to 15<sup>th</sup> September 2025”.

**RESOLVED FURTHER THAT** the Board (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

**/By Order of the Board/**

**For Operational Energy Group India Limited**

**Place: Chennai  
Date: 10.08.2022**

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

**NOTES:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021 and No. 2/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'),. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to Section 105 of the Act and Rule 19 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), a member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote, instead of himself / herself and the proxy need not be a Member of the Company. However, pursuant to MCA Circulars and SEBI Circular, since the AGM will be held through VC / OAVM, the physical attendance of Members in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form is not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
3. The Statement as required under Section 102 of the Act relating to Special Business to be transacted at the AGM is annexed hereto.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company by email through its registered email address to [cs@oegindia.com](mailto:cs@oegindia.com)
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.oegglobal.com](http://www.oegglobal.com), website of the Stock Exchange i.e. Metropolitan Stock Exchange of India Limited at [www.msei.in](http://www.msei.in) and on the website of CSDL: [www.evotingindia.com](http://www.evotingindia.com)
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.oegglobal.com](http://www.oegglobal.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. Metropolitan Stock Exchange of India Limited at [www.msei.in](http://www.msei.in). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
11. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses with the RTA, Cameo Corporate Services Limited by using the following URL: <https://investors.cameoindia.com/> and enter the details as required. Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants.
12. The Relevant documents referred to in the accompanying Notice, Registers and all other documents will be available for inspection in electronic mode. Members can inspect the same up to the date of AGM, by sending an e-mail to the Company at [cs@oegindia.com](mailto:cs@oegindia.com)
13. The register of members and share transfer books of the company will remain closed from Tuesday, 6<sup>th</sup> September, 2022 to Tuesday, 13<sup>th</sup> September, 2022.
14. Members desiring to have any clarification on Accounts are requested to write to the Company at an early date to enable the company to keep the information ready.
15. Members are requested to notify immediately any change in their address, bank account details and email id to their respective Depository Participants (DPs) in respect of shares held in electronic (demat) mode and in respect of physical mode, to the Registrar & Share Transfer Agent (RTA) of the Company, Cameo Corporate Services Limited.
16. Pursuant to SEBI mandates (circular dated 20 April 2018), shareholders mandatorily need to provide to the Company or the Registrar & Share Transfer Agent (RTA) their PAN and Bank Account details. If you have not furnished it so far, please provide self-attested copy of PAN card, cancelled cheque with bank details. To update your current address, provide self-signed copy of latest address proof (Aadhar Card, Passport, Driving License, Voter Card or Utility Bill in the name of sole or first holder).
17. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
18. SEBI vide its notification dated 8 June 2018 has amended regulation 40 of SEBI (LODR) Regulation 2015 and accordingly as per the amended regulation transfer of shares or securities shall be mandatory in demat form w.e.f. 1 April 2019. In this regard, Members are requested to dematerialize / demat their shares or securities held in physical form.
19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**VOTING THROUGH ELECTRONIC MEANS:**

- i. Pursuant to the Listing Regulations, section 108 of the Companies Act 2013 and Companies (Management and Administration) Rules 2014, the Company is providing the facility to members to exercise their right to vote by electronic means by remote e-voting facility and accordingly business/resolutions as mentioned in the AGM Notice shall be transacted also considering e-voting. Necessary arrangements have been made by the Company with Central Securities Depository Limited (CSDL) to facilitate e-voting.
- ii. The facility for e-voting, shall be made available at the AGM and members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM. The facility for voting through ballot/ polling paper will not be available.
- iii. The Company has appointed Mr. S. SUDHARSAN, Practicing Chartered Accountant, Chennai as Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.
- iv. The Members whose names appear in the Register of Members/ list of Beneficial Owners as received from Depositories as on Monday, 5<sup>th</sup> September, 2022 (“cut-off date”) are entitled to vote on the resolutions set forth in this Notice.

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

- (i) The voting period begins on Saturday, 10<sup>th</sup> September, 2022 at 9.00 A.M. (IST) and ends on 5.00 P.M. (IST) Monday, 12<sup>th</sup> September, 2022. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 5<sup>th</sup> September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.  
Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.  
In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at</li> </ol>

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

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

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

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

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,



- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.



- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](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.

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

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

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



## Operational Energy Group India Limited

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

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

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

### **VOTING RESULTS:**

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

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

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

**/By Order of the Board/**

**For Operational Energy Group India Limited**

**Place: Chennai**  
**Date: 10.08.2022**

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

**Annual Report 2021-22**

**ANNEXURE TO THE NOTICE**
**Statement under Section 102 of the Companies Act, 2013**
**Item No. 2:**

**Re-appointment of Mrs. Usha Ramesh, Director who retires by rotation and being eligible, offers herself for re-appointment.**

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

Name	Mrs. Usha Ramesh
Date of Birth	16-07-1963
Age	59 years
DIN	00053451
Nationality	Indian
Date of appointment on Board	16-09-2016
Qualification	B.com
Expertise in area	Business & marketing
Experience	37 years
No. of shares held in the Company	9,25,200
No of meetings of the board attended during the year 2021-22	No. of board meetings held - 04 Attended - 04
Directorship held in other companies	1. Pacific Technical Service India Private Limited 2. Pacific Supplies Private Limited 3. Sujay Foundations Private Limited 4. OEG Solar Energy Private Limited 5. Yashas English School Foundation 6. Thoothukudi Renew Waters Private Limited 7. South Ganga Waters Technologies Private Limited 8. Pacific Imperial Thermal Private Limited
Membership/ Chairmanship of committees of other companies	Nil
Relationship with other Directors	Wife of Mr. S. Ramesh, Managing Director
Terms and Conditions for reappointment	Non-Executive, Non-Independent Director, liable to retire by rotation
Remuneration	No Remuneration, only sitting fee for attending Board meetings

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

**Item No. 3 & 4:**

**The following Explanatory Statements sets out all the material facts relating to the special businesses mentioned under resolution Nos. 3 and 4 of the accompanying Notice:**

**Item No. 3: Appointment of Mr. Ganesh Babu as an Independent Director**

In terms of the provisions of Section 149,150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations states that where the listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors and that the Non-Executive Independent Director of the Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation.

Mr. B. Viswanathan, Independent Director who is due to retire on September 15, 2022 (close of business hours) upon completion of his second term as an Independent Director. The resulting vacancy due to his retirement needs to be filled to comply with the above provisions. Based on the recommendation of the Nomination and Remuneration Committee's Meeting held on 10.08.2022, the Committee proposed to appoint Mr. Ganesh Babu (DIN: 06846188) as Non-Executive Independent Director of the Company for a period of One(1) year from 16.09.2022 to 15.09.2023 and who shall not be liable to retire by rotation. The Board recommends his appointment to the members for their approval.

Pursuant to amended Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (As per MCA Notification dated 22nd October 2019) effective from 1st December 2019, Mr. Ganesh Babu (DIN: 06846188) has enrolled his name in the online data bank maintained for Independent Directors with the Indian Institute of Corporate Affairs and has successfully qualified the online proficiency self-assessment test for the Independent Director's Databank.

Mr. Ganesh Babu (DIN: 06846188) has given to the Company : (i) his consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified to act as a Director under sub-section (2) of Section 164 of the Companies Act, 2013; (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

Brief profile of Mr. Ganesh Babu (DIN: 06846188) Independent Director as under:

Mr. Ganesh Babu aged 39 years is a Chartered Accountant and qualified Information Systems Auditor from the Institute of Chartered Accountants of India. Mr. Ganesh Babu has also completed his Master of Commerce from Madurai Kamaraj University. He has over more than 15 years of experience in the field of Accounting, Taxation, Auditing and Corporate Laws.

He has Proficient in the areas of Accounting, Auditing, Taxation, Corporate Laws and IFRS related to running a company. He is currently working as the Promoter and Executive Director of GBS Business Advisory Services Private Limited established and run with a motto of providing Consulting Services in Process Implementation, Financial Management, Organization Structuring and ERP Implementation. He has highly professional and experienced board director with 7 years of experience leading a Business and Process Consultancy Company.

Mr. Ganesh Babu is a Chartered Accountant Professional and established and running a professional organization with clients spanning from SMEs to Listed Corporates with servicing industries in the Field of Logistics, Media, Retail, Banking, Financial Institution, Manufacturing, Services etc., He was worked as Manager – Finance in M/s. St. John Freight Systems Limited, Tuticorin a Multi Modal Logistics Company during the year 2007 to 2009 and heading Corporate Finance Division and Operations Division including CFS, Vessel Operation, C&F and independently handled Accounting and Regulatory Compliance of Singapore WOS and Belgium WOS.

He has strong knowledge of administration and management as well as human resources, including strategic planning, leadership techniques, personnel recruitment, and compensation and benefits policies. He has an excellent track record of Handling Internal and Statutory Audit of Manufacturing, Trading and Service oriented Organizations and as a teammate and Leader of the team, did various Statutory Audits for Companies, Preparation of Internal and Management Audit Reports, Taxation of Corporate, Firm, Trust and Individual Assesses, Preparation of Returns, Inter Branch & Foreign Counterparts Reconciliation, Preparation of Financial Statements along with Notes and Addendums and Finalization of Financial Statements of the Organization.

In the opinion of the Board, Mr. Ganesh Babu (DIN: 06846188) fulfills the conditions specified in the Act for his appointment as Non-executive Independent Director of the Company and he is independent of the management. A copy of the draft letter of appointment for the appointment of Mr. Ganesh Babu (DIN: 06846188) as Non-Executive Independent Director, setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays, Sundays and intervening holidays, upto the date of the AGM and is also available on the website of the Company [www.oegglobal.com](http://www.oegglobal.com)

The Board considers that his association would be of immense benefit to Company and it is desirable to avail services of Mr. Ganesh Babu (DIN: 06846188) as Non-Executive Independent Director.

Accordingly, the Board recommends the resolution as set out at Item No. 3 of the accompanying Notice for the approval of the members.

Except Mr. Ganesh Babu (DIN: 06846188), being an appointee and his relatives, to the extent of their shareholding interest, if any, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said resolution.

The above Director have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. In terms of proviso to sub-section (5) of Section 152

The Company has also received from the above Directors:

- (i) the consent in writing to act as Director and
- (ii) intimation that they are not disqualified under section 164(2) of the Companies Act, 2013.
- (iii) a declaration to the effect that they are not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).



**Details of Director seeking appointment at the Annual General Meeting**

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and in accordance with provisions of Companies Act, 2013 and Secretarial Standards-2 General Meetings, Issued by the Institute of Company Secretary of India]

Name	Mr. Ganesh Babu
Date of Birth	30-05-1983
Age	39 years
DIN	06846188
Nationality	Indian
Date of appointment on Board	16.09.2022
Qualification	Chartered Accountant, M.Com
Expertise in area	Business, Finance, Accounting and Taxation
Experience	15 years
No. of shares held in the Company	Nil
No of meetings of the board attended during the year 2021-22	NA
Directorship held in other companies	GBU BUSINESS ADVISORY SERVICES (OPC)PRIVATE LIMITED
Membership/ Chairmanship of committees of other companies	Nil
Relationship with other Directors	Not related to any other Director / Key Managerial Personnel
Terms and Conditions for appointment	Non-Executive, Independent Director, not liable to retire by rotation
Remuneration	No Remuneration, only sitting fee for attending Board meetings and Committee meetings

The Board of Directors are of the opinion that Mr. Ganesh Babu fulfill the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management for their appointment as Independent Directors. The Board recommends the resolutions set out in the Item No. 3 of the accompanying Notice for the approval of the members.

**Item No.4:**

**Re-Appointment of Mr. S. Ramesh as Executive Chairman and Managing Director**

Mr. S. Ramesh was re-appointed as the Executive Chairman and Managing Director of the Company w.e.f. 16<sup>th</sup> September, 2019 for a period of 3 years i.e. upto 15<sup>th</sup> September, 2022 pursuant to the resolution passed by the Members at their 25<sup>th</sup> AGM of the Company held on 26<sup>th</sup> September, 2019 and his re-appointment is due for another term of three years.

Based on the strong performance of the Company under the leadership of Mr. S. Ramesh and other key factors as elaborated below, the Nomination and Remuneration Committee recommended the reappointment of Mr. S. Ramesh as Managing Director designated as (Executive Chairman and Managing Director) of the Company for a further period of 3 years i.e. from 16<sup>th</sup> September, 2022 to



## Operational Energy Group India Limited

15th September, 2025 on the terms and conditions including remuneration, as contained in this explanatory statement.

Accordingly, the Board of Directors, at its meeting held on 10<sup>th</sup> August, 2022, based on the recommendation of Nomination and Remuneration Committee and subject to approval of members, approved the re-appointment of Mr. S. Ramesh as Managing Director designated as (Executive Chairman and Managing Director) of the Company for a further period of 3 years i.e. from 16<sup>th</sup> September, 2022 to 15<sup>th</sup> September, 2025, on the terms and conditions, including the remuneration payable to Mr. S. Ramesh, as contained in this explanatory statement.

### 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. 7 Lakhs 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 2022.

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

The commission as a percentage of net profits before tax being at 5% subject to the overall remuneration payable to him (including monthly salary, perquisites) as proposed in this AGM and commission at 5% of net profits stated above not exceeding 11% of the total net profits before tax as per Section 198 in each financial year. This requires approval of the company in general meeting, by a special resolution pursuant to second proviso to section 197(1) of the Act. 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 (m) 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).

**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.

Mr. S Ramesh satisfies all the conditions set out in Part –I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for appointment. He is not disqualified from being a Director in terms of Section 164 of the Act. In compliance with the provisions of Sections 196 and 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of appointment and remuneration of Mr. S. Ramesh as specified above, are now placed before the Members for their approval.

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.4. The Board recommends the resolution as set out at Item no.4 of the accompanying notice for approval of members.

Disclosures as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India are appended to this Notice

ANNEXURE (AS PER SCHEDULE XIII) TO THE EXPLANATORY STATEMENT TO THE NOTICE OF ANNUAL GENERAL MEETING TO BE HELD ON 13<sup>th</sup> SEPTEMBER, 2022

**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 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 (In Rs.)

a. Sales	:	Rs. 25349.09 Lakhs
b. Profit before tax	:	Rs. 1385.22 Lakhs
c. Profit margin	:	5.46%

3. Export Performance and Net Foreign Exchange Collaborations:

for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 (In Rs.)

Earnings in Foreign Exchange	:	Nil
Expenditure in Foreign Currency	:	Nil

1. Foreign investments or collaborators, if any : NIL



II. INFORMATION ABOUT THE APPOINTEE

1. Background details : S. Ramesh aged 68 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. 60,00,000/- per annum (excluding perquisites and commission)
3. Remuneration Proposed : Rs. 84,00,000/- per annum (excluding perquisites and commission)
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 SAID LIMIT:

The existing remuneration payable to Mr. S. Ramesh has been fixed three years ago in 2018-19 when the Company was doing a turnover of Rs. 152.42 Crores. The turnover has increased to Rs. 253.49 Crores in the year 2021-22, registering a growth of about 66.31% over these three years. Similarly the Net profit of the Company during the year 2018-19 was Rs. 2.64 Crores as compared to Rs. 10.43 Crores during the year 2021-22, registering an increase of 295.08%. The increase in sales turnover and net profit of the Company is largely attributable to the constant efforts and leadership of Mr. S. Ramesh. Company has achieved remarkable milestones and continuous growth due to his dynamic leadership from year to year. Increase in the maximum remuneration is proposed based on the performance and is in line with industry standards.

**Information pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings, Issued by the Institute of Company Secretary of India.**



## Operational Energy Group India Limited

Name	S. Ramesh
Date of Birth	16-03-1954
Age	68 years
DIN	00052842
Nationality	Indian
Date of appointment on Board	16-09-2016
Qualification	IIM, Ahmedabad
Expertise in area	Business & Finance
Experience	42 years
Terms and Conditions for reappointment	Executive Director, not liable to retire by rotation
Remuneration to be paid	Rs. 84,00,000/- per annum + perquisites + Commission
Remuneration last drawn	Rs 60,00,000/- per Annum + perquisites + Commission
No. of shares held in the Company	50,81,800
Relationship with other Directors	Husband of Mrs. Usha Ramesh
No of meetings of the board attended during the year 2021-22	No. of board meetings held - 04 Attended - 04
Directorship held in other companies	1. Pacific Technical Service India Private Limited 2. Pacific Supplies Private Limited 3. Sujay Foundations Private Limited 4. OEG Solar Energy Private Limited 5. Yashas English School Foundation 6. Malagasy Exim House Private Limited 7. OEG Pharma Private Limited 8. Pacific Imperial Thermal Private Limited 9. OEG Medical Services Private Limited 10. Meru Consultants and Technologies Private Limited 11. Zuppa Oeg Gen5 Technology Private Limited
Membership/ Chairmanship of committees of other companies	Nil

The Board recommends the resolution set out in the Item No. 4 of the accompanying Notice for the approval of the members.

Except Mr. S. Ramesh, being an appointee and his wife, Mrs. Usha Ramesh, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said resolution.

**/By Order of the Board/**

**For Operational Energy Group India Limited**

**Place: Chennai**  
**Date: 10.08.2022**

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



## Operational Energy Group India Limited

### DIRECTORS REPORT

To  
The Members of  
Operational Energy Group India Limited  
A, 5<sup>th</sup> Floor, Gokul Arcade – East Wing,  
No.2 & 2A, Sardar Patel Road,  
Adyar, Chennai – 600 020

Your Directors have pleasure in presenting the Twenty Eighth Board of Directors Report of your Company together with the audited financial statements for the financial year ended, 31<sup>st</sup> March, 2022 and auditors report thereon.

#### FINANCIAL HIGHLIGHTS

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

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	25349.09	29031.88	28440.18	31500.93
Profit Before Interest and Depreciation	1519.33	1678.09	1232.98	1660.86
Less: Finance Charges	67.25	67.76	82.16	83.18
Profit before depreciation and taxes	1452.08	1610.33	1150.82	1577.68
Less: Depreciation	66.85	75.77	61.58	74.75
Net Profit Before Tax	1385.23	1534.56	1089.23	1502.94
Less: Tax Expenses	342.11	371.99	122.81	122.81
Net Profit After Tax	1043.12	1162.57	966.43	1380.13
Other Comprehensive Income	57.46	64.14	-124.38	-125.77
Total Comprehensive Income	1100.58	1226.71	842.05	1254.36
Balance of Profit brought forward	2449.56	3998.79	1607.51	2723.91
Proposed Dividend on Equity Shares	-	-	-	-
Surplus carried to Balance Sheet	3550.14	5225.50	2449.56	3952.33

#### DIVIDEND

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

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

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

**PERFORMANCE REVIEW**
**Standalone:**

The net revenue from the operations of the Company decreased from Rs.28440.18 lakhs to Rs. 25349.09 Lakhs, registering a decreased of 10.87% from the previous year. EBITDA was higher at Rs. 1519.33 lakhs compared to Rs. 1232.98 lakhs earned in the previous year. Profit before tax was Rs. 1385.23 lakhs against Rs. 1089.23 lakhs in the previous year, up by 27.18%. Profit after tax was at Rs. 1043.12 lakhs against Rs.966.43 lakhs in the previous year.

**Consolidated:**

The consolidated net revenue from operations decreased from Rs.31500.93 lakhs to Rs. 29031.88 lakhs a decreased of 7.84% over the previous year. Earnings before interest, depreciation, tax and amortization (EBITDA) was at Rs. 1678.09 lakhs as compared to Rs. 1660.86 lakhs in the previous year. Profit before tax at Rs. 1534.56 lakhs against Rs. 1502.94 lakhs in the previous year. Profit after tax was at Rs. 1162.57 lakhs against Rs. 1380.13 lakhs in the previous year.

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

During the year, the turnover of the company has decreased by about Rs.31 crores, mainly due to the closure of a mine O&M contract. The contract has been closed due to the takeover of the company by a new entity which is already in the business of mines O&M contract. However, the Company has secured new O&M orders from power plants and it expects to increase its turnover in the coming years. Nevertheless, the profitability of the company has gone up substantially due to the effective cost saving measures taken by the Company post the pandemic.

**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 Overseas	In Growth %
As on 31st March 2022	5125	0.94%	498	0.00%
As on 31st March 2021	5077		498	

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

**FINANCE**

During the year under review, the company has reduced its credit limits with Axis bank by Rs.2 crores from the previous sanction as the company's cash reserves are enough to meet the operational needs. The cash credit utilization by the Company is far less from the sanctioned amount.

**RELATED PARTY TRANSACTION**

All related party transactions entered into during the year were on an arm's length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. All Related Party Transactions were placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. During the year under review, there were no material



## Operational Energy Group India Limited

contracts, arrangements or transactions entered into by the Company with related parties pursuant to Section 188 of Act and accordingly Form AOC-2 is not applicable. The Company has formulated the Related Party Transaction Policy which is also available on the Company's website at [www.oegglobal.com](http://www.oegglobal.com).

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

### **RISK MANAGEMENT**

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

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

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

### **DEPOSITS**

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

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

CSR is mandatory for the financial year 2021-22 as per provisions of Section 135 of the Companies Act, 2013, your Company recognizes the responsibilities towards society and strongly intends to contribute towards development of knowledge based economy. It has therefore constituted a Corporate Social Responsibility Committee which is being now headed by an independent director and supports educational cause in rural areas by giving donations to Yashas English School Foundation in Malli village, Srivilliputhur, Virudhunagar district, Tamil Nadu. The school has earned a good reputation in the local area. The School has been accorded with ICSE Affiliation on 22nd March 2022. Operational Energy Group India limited has contributed Rs.62,55,511/- during the year under review.

Since the Company has crossed the limit of net profit of more than Rs.5 crores during the year 2020-21, CSR provisions are mandatory to the Company for the financial year 2021-22 and the Board of Directors have continue their yearly donations to M/s. Yashas English School to further the cause of education.

The Annual Report on CSR activities is attached as Annexure 1 to this Report.

### **SHARE CAPITAL**

The Paid-up Equity Share Capital of the Company is Rs.13,04,18,000/- (Rupees Thirteen Crores Four Lakhs Eighteen Thousand only).

The Authorised Share Capital of the Company is Rs.14,00,00,000/- (Rupees Fourteen Crores Only) divided into 1,40,00,000 Equity Shares of Rs. 10/- each.

During the year under review there was no allotment of shares and there was no buy back of shares.



#### **WHISTLEBLOWER POLICY AND VIGIL MECHANISM**

Your Company has established whistle blower policy as per to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations. The Board of Directors of the Company have formulated and adopted Whistle Blower Policy which aims to provide a channel to the Directors and employees to report genuine concerns or grievances, significant deviations from key management policies and report unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The mechanism provides adequate safeguards against victimization of Directors and employees to avail the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases. The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to time.

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

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

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

No complaint of sexual harassment was received during the year.

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

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

#### **CONSOLIDATED FINANCIAL STATEMENTS**

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

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

##### **SUBSIDIARY:**

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

##### **M/s. Pacific Technical Services India Private Limited**

The Company has been exploring the possibilities of various business opportunities overseas. Pacific Technical Services India Private Limited has a subsidiary company incorporated in Dubai named as Operational Energy Generation FZCO, which had obtained O&M contracts in Lebanon and Bangladesh. Bangladesh operations have been handed over after completion of the contract. The company is actively pursuing opportunities in Africa. Based on the consolidated financial results for the year ended 31.03.2022, Pacific Technical Services India Private Limited is not a material Subsidiary as per regulation 16(1) (c) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

##### **Financial Overview:**

The Company has recorded standalone revenue of 14.19 lakhs from operations for the year ended 31<sup>st</sup> March, 2022 as against nil revenue for the previous year. The loss for the period was Rs.2.15 lakhs as against loss of Rs.4.48 lakhs of the previous year. The consolidated Revenue for the year ended 31<sup>st</sup>



## Operational Energy Group India Limited

March, 2022 was Rs. 2841.77 lakhs as against Rs. 2840.02 lakhs for the previous year with a consolidated Net Profit after Tax of Rs. 62.16 lakhs as against Rs. 414.16 lakhs of the previous year.

### **M/s. Maxitech Engineering Private Limited**

All the projects taken by the Company has been completed duly Since the financial requirements and banking arrangements required for undertaking new projects are not enough with the company, the company has deferred taking new projects.

#### **Financial Overview**

The Company has recorded a revenue of Rs.65.03 lakhs from operations for the year ended 31.03.2022 as against Rs.220.72 lakhs in the previous year. The Company has recorded a profit of Rs.4.37 lakhs for the year as against profit of Rs. 2.74 lakhs for the previous financial year.

### **M/s. Pacific Imperial Thermal Private Limited**

The Company was incorporated on 24<sup>th</sup> March, 2021 as a subsidiary of your company. Your Company expands its business of operation and maintaining of electricity generating stations of all types, distribution systems, substations & switchgear, refurbishment, repair or renovation of power plants, startup/commissioning services, provision of maintenance staff, repowering, efficiency improvement services and preparation of operations & maintenance manuals for power plants of all types in India and all over the world.

#### **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.

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

OEG Bangladesh is executing O&M of a 225MW Gas turbine power plant in Bangladesh. The commercial operation has already started in June 2021 and it is running successfully.

## **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 2021-22.

#### **Financial Overview**

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

## **INTERNAL FINANCIAL CONTROLS**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate and are commensurate with its size and the nature of its operations. The Internal Financial Control procedure adopted by the Company are adequate for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. It also ensures compliance with prevalent statues, regulations, management authorisation, policies and procedures of the Company.

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

The Audit committee of the Board periodically reviews audit plans, observations and recommendations of the internal and external auditors, with reference to the significant risk areas and adequacy of

internal controls and keeps the Board of Directors informed of their observations, if any, from time to time.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **Board's Composition**

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

### **Director Appointment/Re-appointment**

During the year Mrs. Usha Ramesh who retired by rotation was re-appointed as a Non-Executive Women Director and re-appointment of Mr. P. Swaminathan for the second term for a period of five years and Mr. B. Viswanathan for the second term for a period of one year, as the Independent Directors of the Company, at the Annual General Meeting.

### **Changes in Key Managerial Personnel**

During the reporting period resignation of Ms. Krithika D Thakkar as the Company Secretary on the closing of business hours 20<sup>th</sup> May 2022 and appointment of Mr. Kartikeswar Sahoo (Membership Number A67641) as the Company Secretary of the Company w.e.f 21<sup>st</sup> May 2022.

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

The details of the Meetings of the Board and Committee(s) of the Company held during financial year are disclosed in the Report on Corporate Governance forming part of Annual Report of the Company. The Composition of Board and Committee(s) as on March 31, 2022 are disclosed in the Report on Corporate Governance.

## **DECLARATION BY INDEPENDENT DIRECTORS**

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

## **FAMILIARIZATION PROCESS**

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

## **CODE OF CONDUCT**

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

### **GOVERNANCE GUIDELINES**

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

### **NOMINATION AND REMUNERATION POLICY**

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

### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 and SEBI (Listing Obligations Disclosure Requirement) Regulations 2015, the Board of Directors during the year carried out an annual performance evaluation of its own performance, the Directors including Independent Directors (without the participation of the Executive Director) and the Chairman was held on 10/02/2022.

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 have expressed their satisfaction on the performance and effectiveness of the Board.

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) for the financial year ended March 31, 2022, 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, 2022.
- (c) that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual financial statements have been prepared on a going concern basis;

- (e) that proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

#### **INFORMATION TECHNOLOGY (IT)**

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

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

##### **Conservation of Energy, Technology Absorption**

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

##### **Foreign Exchange Earnings and Outgo**

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

Foreign exchange earnings	Nil
Foreign exchange outgo	Nil

#### **PARTICULARS OF EMPLOYEES**

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

#### **ANNUAL RETURN**

Pursuant to Section 93 of the Companies Act, 2013, the Annual Return of the Company for the year ended March 31, 2021 is available on the Company's website and can be accessed at <https://www.oegglobal.com/pdf/si/MGT-7-for-the-year-2020-21.pdf>. The Annual Return of the Company as on March 31, 2022 will be uploaded on the website of the Company after it is filed with the Registrar of Companies.

### **STATUTORY AUDITORS**

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

### **STATUTORY AUDITORS' REPORT**

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

### **COST AUDIT**

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

### **SECRETARIAL AUDIT**

Pursuant to provisions of Section 204 of the Act and Rules made there under, Mr. V. K. Shankaramann of VKS & Associates, Practicing Company Secretaries has been appointed as Secretarial Auditor of the Company for the financial year ended 31.03.2022. The report of the Secretarial Auditor is enclosed as **Annexure 4** to this Report. The report is self-explanatory and does not call for any further comments.

### **OTHER DISCLOSURES**

#### **NUMBER OF BOARD MEETINGS**

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

#### **COMPOSITION OF COMMITTEE OF DIRECTORS**

The Board has constituted the following Committees of Directors:

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

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

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

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year (31<sup>st</sup> March 2022) and the date of the report.



## Operational Energy Group India Limited

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

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

### **ACKNOWLEDGEMENT**

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

For & on behalf of the Board of Directors

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

**Place: Chennai**  
**Date: 10.08.2022**



**Annexure 1 to the Board's Report**
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES  
(Pursuant to Section 135 of the Act & Rules made thereunder)**

Sl. No.	Particular	Details
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	CSR policy was mandatory to the company from the year 2021-22. The Company has constituted a Corporate Social Responsibility Committee with required compositions 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 (Executive Director) ii. Mrs. Usha Ramesh (Non- Executive Director) iii. Mr. P. Swaminathan (Chairman) (Independent Director)
3	Average net profit of the Company for last three financial years	Rs. 4,20,39,244.69/-
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	8,40,784.89
5	Details of CSR spent for the financial year:	
	a. Total amount spent for the financial year	Rs. 62,55,511/-
	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.	NA
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

**For and on Behalf of the Board**

Place: Chennai  
Date: 10.08.2022

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

**Annual Report 2021-22**



## Annexure 2 to the Board's Report

Form AOC-1

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

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

## Part "A": Subsidiaries

Sl. No.		Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs		
1.	Name of the subsidiary	Pacific Technical Service India Private Limited (PTSIPL)	Maxitech Engineering Private Limited	Pacific Imperial Thermal Private Limited	OEG Bangladesh Private Limited	Operational Energy Generation, FZCO (Subsidiary of PTSIPL)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2021-22	2021-22	2021-22	2021-22	2021-22
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees	Rupees	Rupees	Bangladeshi Taka	U.S. Dollars
4	Share capital	1.00	80.00	10.00	4,160,300	22,870
5	Reserves & Surplus	46.49	(310.65)	-	6,830,311	2,402,049
6	Total Assets (excluding investments)	64.98	163.33	9.875	52,993,659	4,147,622
7	Total Liabilities	34.29	393.98	0.10	41,979,553	1,722,703
8	Investments	15.80	-	-	-	-
9	Turnover	14.19	65.03	-	92,000,000	3,795,032
10	Profit/ (Loss) Before Taxation	(2.15)	4.37	(0.225)	10,754,971	86,309
11	Tax Expenses	-	-	-	3,495,366	-



## Operational Energy Group India Limited

12.	Profit/ (Loss) After Taxation	(2.15)	4.37	(0.225)	7,259,605	86,309
13.	Proposed Dividend	-	-	-	-	-
14.	% of Shareholding	98%	70%	51%	88%	-

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

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

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

**Place: Chennai**

**Date: 10.08.2022**

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

### Part "B": Associates and Joint Ventures

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

Sl. No	Particulars	Associate Company
1	Name	Thoothukudi Renew Waters Private Limited
2	Latest Audited Balance Sheet Date	31.03.2022
3	Shares of Associate/Joint Ventures held by the Company on the year end:	
	No. of shares	4,800
	Amount of Investment in Associates / Joint Venture (Rs.)	48,000/-
	Extending of Holding	48%
4	Description of how there is significant influence	Represented on Board
5	Reason why the associate/joint venture is not consolidated	N.A.
6	Net Worth attributable to shareholding as per latest audited Balance Sheet (Rs.)	-85,064/-
7	Profit/Loss for the year	
	i. Considered in Consolidation (Rs.)	-7,336/-
	ii. Not Considered in Consolidation	

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

**Place: Chennai**

**Date: 10.08.2022**

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

**Annual Report 2021-22**



Annexure 3 to the Board's Report

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

Remuneration to Directors								
Sl. No	Directors	Designation	Nature of earning	2021-22 (Rs.)	Ratio to Median Salary	2020-21 (Rs.)	Ratio to Median Salary	% Increase
1	Mr. S. Ramesh	Executive Chairman and Managing Director	Salary	65,73,763	30.53	67,07,386	30.16	-
Remuneration to Key Managerial Personnel								
1	Mr. S. V. Natarajan	Chief Financial Officer	Salary	24,56,628	10.49	23,80,728	10.71	3.19
5	Ms. Krithika. D. Thakkar	Company Secretary	Salary	5,94,000	2.54	5,40,000	2.43	10

For and on behalf of the board of Directors

Place: Chennai  
Date: 10.08.2022

S. Ramesh  
Executive Chairman & Managing Director  
DIN: 00052842



Annexure 4 to the Board's Report

FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2022

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Operational Energy Group India Limited** (L40100TN1994PLC028309)(hereinafter called the company) **during the financial year from April 1, 2021 to March 31, 2022** (“the year” / “audit period” / “period under review”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Operational Energy Group India Limited (“the Company”) for the financial year ended on 31<sup>st</sup> March 2022, according to the provisions of:

- i. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- ii. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- iii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

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

- Secretarial Standards issued by the Institute of Company Secretaries of India
  - (i) The Listing Agreements entered into by the Company with StockExchange(s), if applicable;
  - (ii) SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

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

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

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

**I hereby report that:**

- 1 In my opinion, during the audit period covering the financial year ended on March 31, 2022, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter of even date annexed to this report as **Annexure – A.**

During the period under review, and also considering the compliance related action taken by the Company after March 31, 2022, but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information and explanations furnished to us:

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

Sl. No	Form No	SRN No.	Date of filing	Paid with delay with additional fees
1	DPT-3	T23286974	16/06/2021	NA
2	MGT-14	T24680340	23/06/2021	NA
3	MGT-14	T40529463	04/09/2021	NA
4	MGT-15	T45283413	21/09/2021	NA
5	MGT-14	T54239959	13/10/2021	NA
6	AOC-4(XBRL)	T65007346	18/12/2021	NA
7	MGT-7	T65009581	18/12/2021	NA
8	CHG-1	T93701456	04/04/2022	YES

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

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

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment;
- (ii) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (iii) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (v) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

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

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

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.



**I further report that:**

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

**I further report that during the Audit period:**

Pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company,

- Mrs. Usha Ramesh (Din: 00053451), who retired by rotation and Re-appointed as a Non-executive Women director.
- Re-appointment of Mr. B. Viswanathan (DIN: 00702802) as an Independent Director for a period of One year from 16.09.2021 to 15.09.2022.
- Re-appointment of Mr. P. Swaminathan (DIN: 02603984) as an independent Director for a period of Five years from 16.09.2021 to 15.09.2026.

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

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

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The Board Met 4 times in the financial year 2021-22 Viz., on

31.05.2021
09.08.2021
12.11.2021
09.02.2022

- ❖ Circular Resolutions 2 for the Year 2021-22 has been passed on 08.11.2021 and 18.11.2021.
- ❖ Corporate Social Responsibility Committee Meetings for the Year 2021-22 were held on 31.05.2021 and 09.08.2021.
- ❖ Nomination and Remuneration Committee Meetings for the Year 2021-22 were held on 31.05.2021 and 09.08.2021.
- ❖ Stakeholders Relation-ship Committee Meeting for the year 2021-22 was held on 09.02.2022.
- ❖ Vigil Mechanism Committee Meeting and Whistle Blower Committee Meeting for the year 2021-22 were held on 09.02.2022.

The Audit Committee Meetings Met 4 times in the financial year 2021-22 Viz., on

31.05.2021
09.08.2021
12.11.2021
09.02.2022



## Operational Energy Group India Limited

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

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

### **FRAUD REPORTING**

**I further report** that during the financial year ended 31/03/2022 there is no fraud, pursuant to provisions of Section 143(12) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

The company has the following subsidiaries:

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

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

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

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

Place: Chennai  
Date: 13.05.2022

FOR VKS&ASSOCIATES  
Company Secretaries

V K Shankaramann  
F.C.S No. 5592  
C.P. No.5255  
PR: 332  
**UDIN: F005592D000302130**

**Annual Report 2021-22**



## Operational Energy Group India Limited

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

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

My Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2022 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed such audit practices and processes as I considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, I have also considered compliance related action taken by the Company after March 31, 2022 but before the issue of this report.
4. I have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law.
5. I have verified that secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. I also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices we followed provide a reasonable basis for my opinion.
6. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. I have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai  
Date: 13.05.2022

FOR VKS&ASSOCIATES  
Company Secretaries

V K Shankaramann  
F.C.S No. 5592  
C.P. No.5255  
PR:332

**UDIN: F005592D000302130**

**Annual Report 2021-22**

**MANAGEMENT DISCUSSION AND ANALYSIS****GLOBAL ECONOMY**

The global economy grew by 5.9% in 2021 following a contraction of 3.1% in 2020 (Source: IMF World Economic Outlook, January 2022). Countries across the globe focused on vaccination coverage and implemented various economic stimuli to minimize the impact of COVID-19 and hasten economic recovery. The growth momentum started slowing towards the end of 2021, as the effects of fiscal and monetary stimuli dissipated along with the onset of the Omicron variant of COVID-19., however, slowed the recovery, dovetailed with a rising inflation scenario driven by rising energy prices and supply chain disruptions. The IMF predicts that the world output growth will moderate to 4.4% in 2022 and 3.8% in 2023. Compounding the damage from the COVID-19 pandemic, the Russian invasion of Ukraine has magnified the slowdown in the global economy, which is entering what could become a protracted period of feeble growth and elevated inflation, according to the World Bank's latest Global Economic Prospects report. This raises the risk of stagflation, with potentially harmful consequences for middle- and low-income economies alike. Global growth is expected to slump from 5.7 percent in 2021 to 2.9 percent in 2022— significantly lower than 4.1 percent that was anticipated in January.

**GLOBAL OUTLOOK**

While the early forecast for global economic growth in 2022 is pegged at 4.4% (Source: IMF World Economic Outlook, January 2022), the recent geo-political tensions and conflict in Ukraine will weigh on global growth projections and also lead to high inflation in the short term. Other downward risks to the global growth outlook are emergence of new COVID-19 variants, supply chain disruptions, energy price volatility and increased occurrence of extreme climate events. Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. Crucially, this forecast assumes that the conflict remains confined to Ukraine, further sanctions on Russia exempt the energy sector (although the impact of European countries' decisions to wean themselves off Russian energy and embargoes announced through March 31, 2022, are factored into the baseline), and the pandemic's health and economic impacts abate over the course of 2022. With a few exceptions, employment and output will typically remain below pre-pandemic trends through 2026.

**INDIAN ECONOMY**

As per the Economic Survey 2021-22 presented by the Finance Minister, Indian economy is estimated to grow by 9.2 percent in real terms in 2021-22 after a contraction of 7.3 percent in 2020-21. GDP is projected to grow by 8- 8.5 percent in real terms in 2022-23. The global financial market volatility and geo-political scenario are likely to have a spillover effect on macroeconomic environment in the country. Russia-Ukraine war has led to an increase in commodity prices and high inflation. In the form of the COVID-19 pandemic, which led to a strict lockdown enforced by the Government. However, the economy demonstrated resilience and depth by recovering much of the lost ground in the subsequent quarters. However, the challenge posed by the virus only subsided to come back stronger in a devastating second wave in the first quarter of FY 2021-22.

Economic growth in the current financial year is poised for a sharp recovery compared to that in the previous financial year. The April-June quarter of the current fiscal saw the second wave of the pandemic sweep through the country and tested our health infrastructure to its limit. However, localised and selective lockdowns ensured that its impact on economic activity was relatively cushioned.

The government successfully rolled out the world's largest vaccination program and this, combined with continuing monetary and fiscal support, helped the economy bounce back with an estimated real GDP growth of 8.9% this year compared to a contraction of 6.6% in the previous year.

(Source: National Statistical Office (NSO), Government of India)

The fiscal deficit for 2021-22 is expected to moderate to 6.9% of GDP from the previous year's high of 9.3% of GDP, which was primarily driven by the socio-economic welfare expenditure on the pandemic. The government has targeted a further improvement to 6.4% of GDP for the next fiscal (April 2022-March 2023). (Source: Union Budget 2022, Government of India)

### **INDIAN YEAR IN REVIEW**

The roll-out of the vaccination programme across the country along with supportive policies helped the Indian economy withstand challenges posed by the subsequent waves of the pandemic. Advance estimates suggest a GDP growth of 9.2% during FY22, implying that the overall economic activities were recovering to pre-pandemic levels. Agriculture and allied sectors have been the least impacted and are expected to grow by 3.9% in 2021-22 against 3.6% in 2020-21. The GVA of the industry (including mining and construction) is expected to rise by 11.8% in FY22 after contracting by 7% in FY21. The services sector was hit the hardest by the pandemic and is estimated to grow by 8.2% in FY22 against 8.4% contraction in FY21. India's Consumer Price Index inflation stood at 6.07% YoY in February 2022, breaching the targeted tolerance band. Inflation was largely driven by pandemic-induced supply-side disruptions, driving input costs. The RBI believes that inflation beyond 6% will not sustain for long and is transitory. The Government of India is looking at sustained recovery of the economy and is focused on infrastructure building as an attempt to create the multiplier effect that can aid the economy. According to KPMG, the Indian economy is expected to report a growth of 7.7% in FY23, and as investments in infrastructure and manufacturing sectors will accelerate job creation. However, geopolitical tensions and shortage of raw materials pose major risks to growth.

### **INDIAN OUTLOOK**

While initial forecasts of real GDP growth for fiscal 2023 (April 2022-March 2023) are in the range of 7.5% to 8.0%, the recent geo-political developments in Ukraine pose a downside risk. Inflation is also expected to remain elevated in the near term. Other key factors which can impact growth in the coming year are energy prices and the future trajectory of the COVID-19 pandemic. India is expected to remain one of the fastest-growing major economies in the world. Pegged at USD 3.1 trillion in 2022, based on the current price in dollar terms, India is chasing a target of becoming a USD 5 trillion economy by 2025, as the government pushes ahead with various economic reforms to drive manufacturing capacity and domestic consumption.

### **INDIAN POWER SECTOR REVIEW**

India's power market is undergoing a significant transformation, owing to the efforts taken by the government to improve electricity access in the country, along with its plans to increase the share of renewables in the country's power generation mix. India's green push gained momentum during the year, intensifying further with the COP26 Conference at Glasgow. Driven by its commitment towards climate change, India made a historic announcement of becoming net zero emitter by 2070, and having 500 GW of non-fossil capacity by 2030, meeting 50% of energy requirements from RE by the said period. While the Indian power sector was relatively less affected by the COVID-19 pandemic, it witnessed its own share of issues during the year as the lingering effects of the pandemic induced supply disruptions during the year.

India is the third-largest producer and second-largest consumer of electricity worldwide, with an installed power capacity of 395.07 GW, during 2022. India's installed renewable energy capacity stood at 152.36GW, representing 38.56% of the overall installed power capacity. Solar energy is estimated to contribute 50.30 GW, followed by 40.1 GW from wind power, 10.17 GW from biomass and 46.51 GW from hydro power. The renewable energy capacity addition stood at 8.2 GW for the first eight months of FY22 as against 3.4 GW for the first eight months of FY21.

FY22 began with reoccurrence of COVID that continued to impact life and economic activities for the second year in a row, with the second wave having dampening impact during the first half of the year. While increased vaccination coverage helped resume activities in H2 2021, the year ended with a new variant- Omicron making rounds. Energy demand increased by about 8% in FY22, driven by the C&I segment as industries sprung back to action with easing of lockdown restrictions. Peak power demand crossed the 200 GW mark, reaching the highest ever level in July during the year. As power demand in India continues to be met mainly through thermal generation, a surge in power demand puts pressure on fuel supply. The unanticipated rise in demand for electricity with pickup in economic activities was not met by proportional growth in coal supplies (also in part due to sharp jump in global coal price), resulting in severe coal shortages. The coal stocks fell to critical level to as low as three days at some thermal plants in October 2021. The demand-supply gap also prompted increased demand at the power exchange, where electricity prices surged to the ceiling rate of Rs. 20/unit for some 15-minute blocks in August and October 2021. The government quickly intervened, initiating a slew of measures like utilising 6 GW capacity at Mundra that remained idle on account of PPA issue, urging utilities to use imported coal for blending and enhancing rake availability among others, to alleviate the crisis, resulting in normalization of prices at the exchange. The average price of electricity at the exchange ranged between Rs. 3-4/unit in November and December 2021 from an average of Rs. 8/unit in October 2021.

### **GENERATION**

India's installed generation capacity stands at 399.5 GW as on March 31, 2022, with capacity addition of more than 17 GW in FY22 compared to 12 GW during FY21. The capacity additions in FY22 happened majorly in the renewables segment, led by solar. Renewables accounted for 90% share of the incremental capacity addition in FY22, up from 61% in the previous year, with solar alone contributing to 80% of the total capacity addition in FY22-a sharp jump from 45% in the previous year.

### **THERMAL GENERATION**

Coal-based capacities continue to dominate India's total installed capacity, accounting for half of the capacities installed, though the share has been consistently declining over the past ten years from 56% in FY12 to about 52% in FY22. India's new thermal capacity installations have come down significantly with only 1.3 GW net additions in FY22, contributing to less than 10% of total capacities installed, indicating a slowdown of the sector with movement towards clean energy. This is also evident in the PLF of thermal plants that have witnessed a declining trend in the last decade; falling from 73.3% in FY12 to 58.8% in FY22.

### **RENEWABLE GENERATION**

The focus on renewable energy sector has led to steady growth of India's renewable energy capacity over the years. The total installed renewable energy capacity of the country has been on the rise from 12% share in FY12 to 28% in FY22, crossing the 100GW mark in FY22. Solar has been the mainstay of renewables growth in India over the past decade. Its share in total RE installed capacity has risen from 4% in FY12 to 49% in FY22 and its share in India's total installed capacity has increased from 0.5% to 14% during the same period.



The government-backed policy initiatives along with the consistent fall in cost of solar technology boosted solar energy sector as seen in increased participation by both, domestic and global players in project tenders. The changing dynamics driven by maturing technologies have shifted the trend from plain standalone solar and wind projects, to rising interest in more complex projects including hybrid, RTC, peak power, floating solar and storage. The average solar tariffs discovered in auction had fallen steeply over 2014-18 at a CAGR of 19%. From 2018, the tariffs continued to drop, albeit at a slower pace. Entry of new players, declining equipment costs and gaining experience of IPPs, are leading to fall in average tariffs. However, supply disruptions caused due to COVID, hike in GST rate from 5% to 12%, imposition of 40% Basic Custom Duty (BCD) on module imports, the application of Approved List of Models & Manufacturers (ALMM) and rising commodity prices are seen to have an upward pressure on tariffs of solar projects. Government continued with its enabling policies like net metering, ISTS waiver for renewable projects, etc. to help further boost adoption of renewables. With a push towards domestic solar manufacturing and lower import dependency, the government introduced the PLI scheme across 13 sectors including solar modules and batteries. It gave a nod to the Production Linked Incentives (PLI) scheme worth Rs.4,500 crore for solar manufacturing, aimed at adding 10 GW manufacturing capacity of integrated solar PV modules, which was further enhanced to Rs. 24,000 crore. The sector, however, is faced with some challenges like delay in Power Purchase Agreement (PPA) tie-ups, renegotiation of PPAs, cancellation of bids, land issues, supply chain disruptions, etc. which need to be resolved for the sector to meet its targeted growth.

#### **FUEL**

Coal produced by Coal India Limited (CIL), and its subsidiaries, increased by 4.4% during FY22 to 623 MT (from 596 MT in previous fiscal). Despite improved production by the coal behemoth, domestic thermal power sector faced massive supply crisis as fuel supplies could not keep pace with the rebound in demand for electricity, as economic activities picked up post COVID. Sharp rise in global coal price (127% in 2021) deterred import of coal, putting further pressure on demand for domestic coal. The war between Russia and Ukraine has further aggravated the situation, with a sharp upward movement in global coal prices.

#### **TRANSMISSION**

The backbone transmission system in India is mainly through 765 kV, 400 kV and 220 kV AC networks, with the highest transmission voltage level being 800 kV (HVDC). Total transmission lines and substation capacity reached nearly 4.56 lakh Ckms and 11.04 lakh MVA, respectively, reflecting an increase of about 14,895 Ckms and 78,982 MVA over the previous year. The National Electricity Plan (Volume II-Transmission) i.e., NEP-Trans, has been notified to review the development of transmission system during the 12th Plan period, the current planning period 2017-2022 and the subsequent period 2022-2027.

#### **POWER TRADING**

Around 184 billion units (BUs) of electricity were traded in the short-term power market during FY22, as compared to a total of 146 BUs traded during FY21. Out of this, about 47% of trading took place using power exchange platforms. The trading margins were under immense pressure due to high competition amongst traders. The market is concentrated with 8 larger players and remaining traders operating in regional pockets, largely for trading their own power. At ₹ 4.39 per unit, the average clearing price for spot markets in FY22 increased by 56% as compared to the previous fiscal. The increase in spot prices is largely attributable to the combined effect of surge in overall demand post second -wave of Covid-19, erratic renewable generation, increase in prices of international coal and gas, shortage in supply of domestic coal, especially during monsoons.



**CORONAVIRUS IMPACT**

The year 2021 unfolded as the year of recovery, although the pandemic's grip continued over the course of the year. The year ended with downside impacts, such as emergence of the Omicron variant that held back a broader recovery. With slightly receding impact of COVID, the global GDP tread on the path towards recovery, growing at an estimated rate of 5.9% in 2021 from -3.1% in the previous year (Source: IMF World Economic Outlook, January 2022). This was accompanied by exceptional demand for electricity combined with strong economic growth and extreme weather conditions, boosting electricity demand by more than 6% in 2021 (Source: IEA Electricity Market Report, January 2022), the largest increase since 2010. The steep rise in demand strained coal and natural gas supplies, putting upward pressure on electricity prices and impacting end users across countries, especially in China, Europe and India.

**SIGNIFICANT ENERGY CRISIS**

While economic activities recovered post COVID, supply of materials and inputs did not keep pace with the demand, causing imbalance, resulting in a series of energy shortages and rapid rise in wholesale electricity prices across several countries in 2021. Multiple electricity security events took place including the Texas power crisis in February, supply shortages in Japan and China, large-scale outages in Pakistan and Chinese Taipei. Subsequently, Lebanon suffered a complete blackout in early October 2021 due to a diesel supply shortage for the country's thermal power plants, and China and India were subject to electricity supply shortages in September and October 2021, mainly affecting industrial consumers. Demand for natural gas and coal rose higher than expected driven by unforeseen weather related events, while on the supply side, both gas and coal faced constraints including heavy maintenance and unplanned outages, leading to sluggish built up of inventories, thus pushing up prices to multi-year highs in the second half of 2021. Natural gas prices more than doubled compared to 2020 to \$ 4.5/MBtu during H2 2021, prompting substantial gas-to-coal switching in the developed economies, especially Europe. The rise in price of coal got further accentuated by the geo-political crisis between Russia and Ukraine in February 2022. Global coal prices that stood at about \$ 61/MT in 2020, increased to \$ 138/MT in 2021 (Source: World Commodity Outlook, April 2022, World Bank) and further soared to above \$ 200/MT in February 2022.

The energy crisis brought to the fore the importance of coal, as energy security, affordability and sustainability continue to be the center stage of nations across the globe. After declining in 2019 and 2020, coal-fired electricity generation increased by around 9% and reached a new all-time high, contributing to more than half of the rise in demand in 2021. Renewables, on the other hand, grew by 6% in 2021, despite the unfavourable weather conditions. This rise in coal power generation can be seen as a one-off event, attributed to the exceptional year for electricity markets due to the strong growth in electricity demand, unfavourable renewable conditions and increasing gas prices, while the shift in trend towards renewables is expected to continue under normal circumstances.

**COMPANY OVERVIEW:**

Operational Energy Group India Limited (OEGIL) operates and maintains more than 5000MW of power plants in India. Its power plant operations are spread across India. Through its subsidiary in Dubai the Company executes power plant operations in Lebanon. The company's operations in Bangladesh has

commenced through its subsidiary OEG Bangladesh Private Limited which has signed up an O&M contract in Bangladesh for a 225Mw gas based combined cycle power plant which has commenced its operations from the second quarter of this year.

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

**SWOT ANALYSIS:**
**Strengths**

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

**Weaknesses**

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

**Opportunities**

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

**Threats**

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

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

OEG PROJECTS LIST for 2021-22					
OEG - DOMESTIC PROJECTS		31st March 2022		31st March 2021	
Si. No.	Type of Plants	No of Plants	No of Plants	No of Plants	in MW
1	Thermal Projects (TPP)	23	4733.2	23	4716.2
2	Diesel Generators (DGPP)	1	6.9	3	122.56
3	Combined Cycle Power Plants (CCPP)	2	324.8	3	97.8
4	Solar PV Power Plants (SPVPP)	2	60	4	140

OEG - OVERSEAS PROJECTS		31st March 2022		31st March 2021	
Sl. No.	Type of Plants	No of Plants	in MW	No of Plants	in MW
1	Thermal Projects (TPP)	0	0	0	0
2	Diesel Generators (DGPP)	0	0	0	0
3	Combined Cycle Power Plants (CCPP)	3	498	3	498
4	Solar PV Power Plants (SPVPP)	0	0	0	0

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

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

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

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

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

The consolidated net revenue from operations decreased from Rs.31500.93 lakhs to Rs. 29031.88 lakhs a decreased of 7.84% over the previous year. Earnings before interest, depreciation, tax and amortization (EBITDA) was at Rs. 1678.09 lakhs as compared to Rs. 1660.86 lakhs in the previous year. Profit before tax at Rs. 1534.56 lakhs against Rs. 1502.94 lakhs in the previous year. Profit after tax was at Rs. 1162.57 lakhs against Rs. 1380.13 lakhs in the previous year. The Company continued to face challenges in getting new O&M contracts and in renewing the existing contracts due to the subdued demand in the power industry. Also, competition from localized players also pose a stiff challenge. However, the Company has taken active steps to reduce its cost of operations and thereby could increase the profit before tax during the previous year.

**KEY FINANCIAL RATIOS ANALYSIS:**

Particulars	2021-22	2020-21
Current Ratio	1.42	1.25
Liquid Ratio	1.40	1.23
Debt Equity Ratio	1.36	2.41
Net Profit Ratio	4.11%	3.40%
Return on Shareholders' funds	21.49%	25.75%

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

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

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

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

Focus on right manpower in overseas operations to spread organizations global foot-print is the prime aim of the company. The company had a total of 2174 workforce in March 2022.

**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: 10.08.2022

**For and on behalf of the Board**

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

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

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

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

**2. BOARD OF DIRECTORS:**

The Company has a judicious combination of Executive and Non- Executive Directors as on March 31, 2022 which is in compliance with the Listing Regulations and Companies Act, 2013. The Board comprises of 4 Directors out of which one is an Executive Director and two are Independent Directors and one is Non-Executive Woman Director. Boards of Directors meet at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board members possess requisite skills, experience and expertise that are required to take decisions, which are in the best interest of the Company. Board meetings are generally chaired by Mr. S. Ramesh, who is an Executive Director.

**MEETINGS OF THE BOARD:**

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

During the financial year 2021-22, 4 (Four) Board meetings were held on 31<sup>st</sup> May 2021, 9<sup>th</sup> August 2021, 12<sup>th</sup> November 2021, and 9<sup>th</sup> February 2022.

**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 16 <sup>th</sup> September 2021	Number of directorships in other public limited Companies		Number of Committee positions held in other public limited Companies	
				Chair of the Board	Board Member	Chairman of the Committee	Committee Member
Mr. S. Ramesh DIN: 00052842	Executive Chairman & Managing Director	04	Yes	-	-	-	-
Mrs. Usha Ramesh DIN: 00053451	Non-Executive Director	04	Yes	-	-	-	-
Mr. P. Swaminathan DIN: 02603984	Independent Director	04	Yes	-	-	-	-
Mr. B. Viswanathan DIN: 00702802	Independent Director	04	Yes	-	-	-	-

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

**a. SHAREHOLDING OF DIRECTORS AS ON 31ST MARCH 2022 IS AS UNDER:**

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

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

### BOARD PROCEDURES

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

### CODE OF CONDUCT

The Board of directors of the Company have laid down Code of Conduct for the Directors and senior Management Personnel of the Company. The Code is available on the website of the Company at [www.oegglobal.com](http://www.oegglobal.com). All the Directors and senior managerial Personnel have re-affirmed compliance with the Code of Conduct on March 31, 2022. A declaration to this effect signed by the Executive Chairman & Managing Director forms part of this report.

### 3. COMMITTEES OF THE BOARD:

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

The Board currently has the following Committees:

#### i. AUDIT COMMITTEE:

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

#### Brief description of terms of reference:

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



interaction with Statutory and Internal Auditors, appointment of Statutory Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, review of Internal Audit Reports and significant related party transactions. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

The Audit Committee also oversees and reviews the functioning of a vigil mechanism and reviews the findings of investigation into cases of material nature and the actions taken in respect thereof.

**Composition, Names of Members and Chairman**

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

**Meetings and the attendance during the year**

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

Sl. No.	Date	Attendance of Mr. B. Viswanathan	Attendance of Mr. P. Swaminathan	Attendance of Mr. S. Ramesh
1	31/05/2021	Yes	Yes	Yes
2	09/08/2021	Yes	Yes	Yes
3	12/11/2021	Yes	Yes	Yes
4	09/02/2022	Yes	Yes	Yes
<b>Total</b>		<b>4</b>	<b>4</b>	<b>4</b>

**ii. NOMINATION AND REMUNERATION COMMITTEE (NRC):**
**Brief description of terms of reference:**

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

**Composition, Names of Members and Chairman**

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

**Meetings and the attendance during the year**

2 Meetings held on 31.05.2021 and 09.08.2021 of the Nomination & Remuneration Committee during the year 2021-22.

**REMUNERATION POLICY**

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

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

**B. Remuneration to Executive Director**

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

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

The remuneration policy of the Company is available at the website of the Company at [www.oegglobal.com](http://www.oegglobal.com)

**Performance evaluation for Independent Directors**

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

The Directors including Independent Directors (without the participation of the Executive Director) and the Chairman was held on 10/02/2022. The Independent Directors have expressed their satisfaction on the performance and effectiveness of the Board.

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

**iii. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

**Brief description of terms of reference:**

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

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

**Composition, Names of Members and Chairman**

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

**Meetings and the attendance during the year**

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

Sl. No.	Date	Attendance of Mr. B. Viswanathan	Attendance of Mr. S. Ramesh	Attendance of Mrs. Usha Ramesh
1.	09/02/2022	Yes	Yes	Yes
<b>Total</b>		<b>1</b>	<b>1</b>	<b>1</b>

- **The status of Investor Complaints as on 31.03.2022 are as under:**

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

**iv. SHARE TRANSFER COMMITTEE:**
**Brief description of terms of reference:**

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

**Composition, Names of Members and Chairman**

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

**Meetings and the attendance during the year**

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

**v. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**
**Brief description of terms of reference:**

CSR is mandatory for the financial year 2021-22 as per provisions of Section 135(1) of the companies Act, 2013, the Board has constituted a Corporate Social Responsibility Committee with combination of Independent Director 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	Executive Chairman & Managing Director
Mrs. Usha Ramesh	Non – Executive Director
Mr. P. Swaminathan - Chairman	Independent and Non – Executive Director

**Meetings and the attendance during the year**

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

Sl. No.	Date	Attendance of Mr. S. Ramesh	Attendance of Mrs. Usha Ramesh	Attendance of Mr. P. Swaminathan
1.	31/05/2021	Yes	Yes	Yes
2.	09/08/2021	Yes	Yes	Yes
<b>Total</b>		<b>2</b>	<b>2</b>	<b>2</b>

**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 and Non – Executive Director
Mr. P. Swaminathan	Independent and Non – Executive Director
Mr. S.V. Natarajan	Chief Financial Officer

**Meetings and the attendance during the year**

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

**vii. VIGIL MECHANISM COMMITTEE:**
**Brief description of terms of reference:**

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

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

**Composition, Names of Members and Chairman**

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

**Meetings and the attendance during the year**

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

Sl. No.	Date	Attendance of Mr. S. Ramesh	Attendance of Mr. P. Swaminathan
1.	09/02/2022	Yes	Yes
<b>Total</b>		<b>1</b>	<b>1</b>

**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	65,73,763	-	-	-	65,73,763
Mrs. Usha Ramesh – Non-Executive Director	-	-	-	60,000	60,000
Mr. B. Viswanathan – Independent Director	-	-	-	75,000	75,000
Mr. P. Swaminathan – Independent Director	-	-	-	60,000	60,000

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

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

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

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

**5. SUBSIDIARY COMPANIES:**

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

The subsidiary of the Company functions independently, with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the Minutes of Board Meetings of subsidiaries of the Company are placed before the Board of the Company for its review on quarterly

basis and a statement of all significant transactions and arrangements entered into by the subsidiary companies are also placed before the Board.

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

#### 6. GENERAL BODY MEETINGS:

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

Year	Location	Day, Date and Time	Special Resolutions Passed
2020-21	Held through Video Conference	Thursday, 16 <sup>th</sup> September 2021 at 11.00 A.M.	Re-appointment of Mr. P. Swaminathan and Mr. B. Viswanathan as Independent Director, To pay commission to Mr. S. Ramesh
2019-20	Held through Video Conference	Thursday, 17 <sup>th</sup> September 2020 at 11.00 A.M.	Nil
2018-19	A, 5th Floor, Gokul Arcade - East Wing, No. 2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020.	Thursday, 26 <sup>th</sup> September 2019 at 11.00 A.M.	Re-appointment of Mr. S. Ramesh as the Managing Director

#### 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 ended 31st March, 2022.

The results are published in one English Newspaper in 'Trinity Mirror' and in vernacular language, i.e., Tamil Newspaper 'Makkal Kural'. The results are also displayed in the website of the company at [www.oegglobal.com](http://www.oegglobal.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.oegglobal.com](http://www.oegglobal.com)) contains a separate dedicated section where shareholders information is available.

#### 9. GENERAL SHAREHOLDER INFORMATION ON ANNUAL GENERAL MEETING

Date and Time	Tuesday, 13 <sup>th</sup> September, 2022 at 11.00 A.M.
Deemed Venue as per Companies Act	A, 5 <sup>th</sup> Floor Gokul Arcade – East Wing, No. 2 & 2A Sardar Patel Road, Adyar, Chennai – 600 020



## Operational Energy Group India Limited

Financial Year	01.04.2021 - 31.03.2022
Dividend payment date	Not Applicable
Listing Details	Metropolitan Stock Exchange India Limited 4 <sup>th</sup> Floor, Vibgyor Tower, Plot No. C-62, OPP Trident Hotel, BKC, Bandra East Mumbai – 400 098
Stock Code	OEGIL
ISIN	INE239V01012 (Listed Shares: 33,00,000 Unlisted Shares: 97,41,800)
Corporate Identification Number (CIN)	L40100TN1994PLC028309
Address for Correspondence	A, 5 <sup>th</sup> Floor Gokul Arcade – East Wing, No. 2 & 2A Sardar Patel Road, Adyar, Chennai – 600 020

### 10. PAYMENT OF LISTING FEE

The Company's Securities are listed with MSE Ltd. Annual Listing Fees for the year 2021-22 has been paid by the Company to Metropolitan Stock Exchange.

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

Month	MSEI		
	High (In. Rs)	Low (In Rs.)	Volume (No. of shares traded)
April 2021 – August, 2021	29.45	29.45	-
September, 2021	29.45	29.45	-
October 2021 – March 2022	29.45	25.70	130

### 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, 2022

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



**13. CATEGORY WISE SHAREHOLDING PATTERN AS ON MARCH 31, 2022**

Sl. No.	Category	No. of Shares	% of Holding
1.	Resident	31,22,900	23.96
2.	NRI – Repatriable	14,91,800	11.44
3.	NRI – Non Repatriable	57,900	0.44
4.	Corporate Body	26,58,600	20.38
5.	Promoter – Indian	56,98,100	43.69
6.	Promoter – NRI (Repatriable)	12,500	0.09
<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	11159660	85.57
2.	NSDL	15200	0.12
3.	Physical	1866940	14.31
<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 administers a centralised web based complaints redress system ("SCORES"). It enables investors to lodge and follow up complaints and track the status of redressal online on the website at [www.scores.gov.in](http://www.scores.gov.in). It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal of such complaints. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered itself on SCORES and endeavors to resolve all investor complaints received through SCORES.

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

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

The Company has obtained the credit rating from Care Ratings. The credit rating obtained by the Company was BBB+ for long term facilities and A3 for short term facilities for the year. The Company's rating for long term facilities has been upgraded to BBB+ this year.

**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 2021-22.

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

Name : Ms. Kartikeswar Sahoo  
Designation : Company Secretary  
Address for correspondence: : Operational Energy Group India Limited, A 5<sup>th</sup> 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 2021-22.

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

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

- e. The internal auditor of the Company directly submits his report to the Audit Committee every quarter.
- f. The Company has duly complied with the requirements of Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulation, 2015.
- g. In terms of the amendments made to the Listing Regulations, the Board of Directors confirms that during the year, it has accepted all recommendations received from its mandatory committees.

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

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



**CONFIRMATION ON CODE OF CONDUCT**

I, S. Ramesh, Executive Chairman & Managing Director of Operational Energy Group India Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors, in terms of Regulation 26(3) of the Listing Regulations for the year ended 31<sup>st</sup> March, 2022.

Place: Chennai  
Date: 10.08.2022

For **Operational Energy group India limited**

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

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

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

- a. We have reviewed financial statements, cash flow and equity statement, for the year and that to the best of our knowledge and belief:
  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity with Ind AS in all material respects and the applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness Internal Audit works with all levels of management and Statutory Auditors and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are apprised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
- d. We have indicated to the auditors and the Audit committee
  1. that there are no significant changes in internal control over financial reporting during the year;
  2. that there are no significant changes in accounting policies during the year;
  3. that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.

Place: Chennai  
Date: 10.08.2022

**S.V. Natarajan**  
**Chief Financial Officer**

**S. Ramesh**  
**Executive Chairman & Managing Director**



## Operational Energy Group India Limited

### 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, 2022, 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 31<sup>st</sup> March, 2022.
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.

Place: Chennai

Date: 10.08.2022

For Padmanabhan Ramani & Ramanujam

Chartered Accounts

FRN: 002510S

G. Vivekanathan

Partner

Membership No: 028339

**UDIN: 22028339APEDTQ4415**

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## Operational Energy Group India Limited

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
Operational Energy Group India Limited  
(L40100TN1994PLC028309)  
A, 5th Floor, Gokul Arcade –East Wing,  
No.2 & 2A, Sardar Patel Road,  
Adyar, Chennai- 600 020.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Operational Energy Group India Limited** having **CIN L40100TN1994PLC028309** and having registered office at A, 5th Floor, Gokul Arcade –East Wing, No.2 & 2A, Sardar Patel Road, Adyar, Chennai- 600 020 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with **Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In our opinion and to the best of our information and according to the verifications including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No	Name of Director	Designation	DIN
1	Subramanyam Ramesh	Executive Chairman & Managing director	00052842
2	Ramesh Usha	Non- Executive Director	00053451
3	Viswanathan Balakrishnan	Independent Director	00702802
4	Panchapagesan Swaminathan	Independent Director	02603984

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR VKS&ASSOCIATES  
Company Secretaries

Place: Chennai  
Date: 17.08.2022

V K Shankaramann  
QR Code: 74  
FCS No. 5592  
C.P. No.5255  
**UDIN: F005592D000801849**

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INDEPENDENT AUDITOR'S REPORT

To

The Members of Operational Energy Group India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Operational Energy Group India Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2022, 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW IT WAS ADDRESSED DURING AUDIT
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 Standalone 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 Director's Report including Annexures to Director's Report, Management Discussion and Analysis, Business Responsibility Report and Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this Auditor's Report.

Our opinion on the financial statements does not cover the other information and we do not 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 report and other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of the Management and Those Charged with Governance 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, total comprehensive income, 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.

The 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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, 2020 ("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, 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 (including Other Comprehensive Income), the Statement of Changes in Equity 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 Indian 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 Directors as on 31<sup>st</sup> March 2022 taken on record, by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as 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, refer to our separate report in "Annexure B".
  - g) In our opinion and according 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.
  - 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.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Hence the reporting delay in depositing dues does not arise.
- iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) contain any material mis-statement.
- v. The company has not declared or paid any dividend during the year and accordingly reporting on the compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.

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

**G.Vivekananthan**  
**Partner**  
**Membership No: 028339**  
**UDIN: 22028339AJVSMG8930**

**Place: Chennai**  
**Date: 30/05/2022.**

**ANNEXURE- A TO INDEPENDENT AUDITORS' REPORT**

*(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, 2022).*

- (i) (a) 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 Property, Plant and Equipment;
- (B) The company has maintained proper records showing full particulars of intangible assets;
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (d) The company has not re valued its Property, Plant and Equipment or intangible assets during the year
- (e) According to information and explanation given to us and in our opinion, there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) In our opinion and according to the information and explanations given to us physical verification of inventory except goods in transit and goods held by outsiders on behalf of the company has been conducted at reasonable intervals by the management. In our opinion the coverage and procedure of such verification by the management is appropriate and discrepancies noticed were not in excess of 10% or more in aggregate for each class of inventory.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) (a) (A) During the year the company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to subsidiaries, joint ventures and associates. Consequently, the provisions of clause 3(iii)(a)(A) of the order are not applicable to the Company.
- (B) The aggregate amount during the year and the balance outstanding at the balance sheet date with respect to such loans or advances and guarantees, or security to parties other than subsidiaries, joint ventures and associates are:

<b>Party other than subsidiaries, joint ventures and associates</b>	<b>Guarantees</b>	<b>Security</b>	<b>Loans</b>	<b>Advances in nature of loans</b>
Aggregate amount granted/ provided during the year	Nil	Nil	Nil	Nil
Balance outstanding as at balance sheet date in respect of above cases:	Nil	Nil	57	Nil

- (b) The investments made are not prejudicial to the company's interest. The company has not provided any guarantee or given security. It has not granted advances in the nature of loans and guarantees. Loans granted are not prejudicial to the company's interest.
- (c) In respect of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular. There are no advances in the nature of loans.
- (d) There are no amounts overdue in respect of principal and interest;
- (e) In respect of loan which has fallen due during the year no loan was renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties. There are no advances in the nature of loans.
- (f) The company has not granted any loans or advances in the nature of loans either repayable on demand without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company did not grant any loan, make any investment and give guarantees or security during the year which requires compliance under section 186 of the Companies Act. In respect of loans to parties covered under section 185, provisions of section 185 have been complied with.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts deemed to be deposits. Hence reporting under 3(v) of the Order is not applicable.
- (vi) The Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the activities of the company and accordingly paragraph 3(vi) of the order is not applicable.
- (vii) According to the information and explanations given to us and the records examined by us, in our opinion, the Company has been regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Employee's state insurance, Goods and Services Tax, income- tax, and any other 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, 2022 for a period of more than six months from

the date they became payable.

- (viii) According to the information and explanations given to us and on the basis of our examination, there are no transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- (ix) (a) According to information and explanations given to us and on the basis of our audit procedures, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
- (b) According to information and explanations given to us and on the basis of our audit procedures, the company has not been declared wilful defaulter by any bank or financial institution or other lender;
- (c) According to information and explanations given to us and on the basis of our audit procedures, the term loans have been applied for the purpose for which the loans were obtained
- (d) According to information and explanations given to us, the procedures performed by us and on the basis of our overall examination of financial statements, prima facie no funds raised on short term basis have been utilised for long term purposes
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its associates or joint ventures.
- (x) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its joint ventures or associate companies.
- (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer during the year.
- (b) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge and belief 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.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.
- (c) As represented by the management, there are no whistle-blower complaints received by the company during the year.

- (xii) The company is not a Nidhi Company and hence provisions of clause 3 (xii) of the Order are not applicable to the Company
- (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 Accounting Standards.
- (xiv) (a) In our opinion and based on our examination the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the Internal Audit reports of the company issued during the year and till date for the purpose of audit.
- (xv) According to the information and explanations given to us and on the basis of our examination the company has not entered into any non-cash transactions with directors or persons connected with its directors and hence provisions of Section 192 of Companies Act, 2013 are not applicable to the Company.
- (xvi) a) 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)(a) of the Order are not applicable to the Company
- b) According to the information and explanations given to us and on the basis of our examination, the company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly provisions of clause 3(xvi)(b) of the Order are not applicable to the Company
- c) According to the information and explanations given to us and on the basis of our examination, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence provisions of clause 3(xvi)(c) and (d) of the Order, are not applicable to the Company
- (xvii) According to the information and explanations given to us and on the basis of our overall examination of the financial statements, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all





## Operational Energy Group India Limited

liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) The company has spent more than the amount required to be spent in pursuance of its corporate social responsibility during the financial year. Hence provisions of clause 3(xx)(a) and (b) of the Order are not applicable to the Company.

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

**G.Vivekananthan**  
**Partner**  
**Membership No: 028339**  
**UDIN: 22028339AJSMG8930**

**Place: Chennai**  
**Date: 30/05/2022**

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

*(Referred to in paragraph 3(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, 2022).*

**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, 2022 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.

**Auditor's 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 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 with reference to these standalone financial statements of the Company.

### 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, 2022, 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**  
**UDIN: 22028339AJVSMG8930**  
**Place: Chennai**  
**Date: 30/05/2022**

**Annual Report 2021-22**

**OPERATIONAL ENERGY GROUP INDIA LIMITED**

BALANCE SHEET AS AT 31-03-2022 - STANDALONE			
Particulars	Note	As at 31-03-2022	As at 31-03-2021
		(Rupees in Lakhs)	(Rupees in Lakhs)
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
a. Property, Plant & Equipment	2	465.72	429.20
b. Investment Property	3	38.04	47.91
c. Intangible Assets	4	2.89	3.78
d. Financial Assets			
(i) Investments	5	1,314.36	1209.57
(ii) Loans and Advances	6	118.33	103.51
e. Deferred Tax Assets (Net)	7	67.35	85.15
f. Other Non-Current Assets	8	121.64	124.42
<b>(2) Current Assets</b>			
a. Inventories	9	103.97	101.51
b. Financial Assets			
(i) Trade Receivables	10	2,486.86	3820.81
(ii) Cash and Cash Equivalents	11	4,514.69	3325.06
(iii) Short Term Loans and Advances	12	1,911.11	3,252.05
c. Other Current Assets	13	306.34	293.15
<b>TOTAL</b>		<b>11,451.30</b>	<b>12,796.11</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
a. Share Capital	14	1,304.18	1,304.18
b. Reserves and Surplus	15	3,550.13	2,449.56
<b>(2) Non-Current Liabilities</b>			
<b>a. Financial Liabilities</b>			
(i) Long Term Borrowings	16	26.14	232.53
(ii) Long Term Provisions	17	13.81	152.70
<b>(3) Current Liabilities</b>			
<b>a. Financial Liabilities</b>			
(i) Short Term Borrowings	18	648.65	591.79
(ii) Trade Payables	19	1,096.85	2,976.96
b. Other Current Liabilities	20	4,535.75	4,747.22
c. Short Term Provisions	21	303.41	341.17
<b>TOTAL</b>		<b>11,451.30</b>	<b>12,796.11</b>
Significant Accounting Policies and other Information Notes 1 to 30 form integral part of Financial Statements  The notes are an integral part of these financial statements.			
<b>For Operational Energy Group India Limited</b>		<b>For Padmanabhan Ramani &amp; Ramanujam</b> Chartered Accountants FRN : 002510S	
<b>S RAMESH</b> EXECUTIVE CHAIRMAN & MANAGING DIRECTOR DIN NO:00052842	<b>B VISWANATHAN</b> INDEPENDENT DIRECTOR DIN NO: 00702802	<b>G VIVEKANANTHAN</b> PARTNER MEMBERSHIP NO:028339 <b>UDIN: 22028339AJVSMG8930</b>	
<b>S V NATARAJAN</b> CHIEF FINANCIAL OFFICER	<b>KARTIKESWAR SAHOO</b> COMPANY SECRETARY		
<b>Place: Chennai</b> <b>Date: 30-05-2022</b>			

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2022 - STAND ALONE			
Particulars	Note	Year ended 31-03-2022	Year ended 31-03-2021
		(Rupees in Lakhs)	(Rupees in Lakhs)
<b>Income</b>			
Revenue from Operations	22	25,349.09	28,440.18
Other Income	23	233.65	108.42
<b>Total Income</b>		<b>25,582.74</b>	<b>28,548.60</b>
<b>Expenses</b>			
Cost of Materials /Services consumed	24	12,867.36	17,780.61
Changes in Inventories	25	- 2.46	66.90
Employee Benefit Expenses	26	10,013.40	8,079.85
Finance Cost	27	67.25	82.16
Depreciation and Amotisation Expenses	28	66.85	61.58
Other Expenses	29	1,185.12	1,522.07
<b>Total Expenses</b>		<b>24,197.52</b>	<b>27,459.36</b>
<b>Profit before Exceptional items and Tax</b>		<b>1,385.22</b>	<b>1,089.23</b>
Exceptional Items			
<b>Profit after Exceptional items and Tax</b>		<b>1,385.22</b>	<b>1,089.23</b>
Excess Provision reversed during the year		-	-
<b>Profit Before Tax</b>		<b>1,385.22</b>	<b>1,089.23</b>
<b>Tax Expenses</b>			
(1) Current Tax		324.31	186.52
(2) Deferred Tax		17.80	-63.71
<b>Profit for the Year</b>		<b>1,043.11</b>	<b>966.43</b>
<b>Other Comprehensive Income</b>			
A i) Items that will not be reclassified to Profit or Loss			
Actuarial valuation		61.82	-126.32
Fair Value measurement of Financial instrument ( FVTOCI)		-4.36	1.94
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>57.46</b>	<b>- 124.38</b>
<b>Total Comprehensive Income for the Year</b>		<b>1,100.57</b>	<b>842.05</b>
Earning Per equity Share of face value of Rs.10/- each Basic & Diluted	30	8.44	6.46
Significant Accounting Policies and other Information Notes 1 to 30 form integral part of Financial Statements The notes are an integral part of these financial statements.			
<b>For Operational Energy Group India Limited</b>		<b>For Padmanabhan Ramani &amp; Ramanujam</b>	
<b>S.RAMESH</b> EXECUTIVE CHAIRMAN & MANAGING DIRECTOR DIN NO:00052842	<b>B.VISWANATHAN</b> INDEPENDENT DIRECTOR DIN NO: 00702802	Chartered Accountants FRN : 002510S <b>G.VIVEKANANTHAN</b> PARTNER MEMBERSHIP NO:028339 UDIN:22028339AJVSMG8930	
<b>S.V.NATARAJAN</b> CHIEF FINANCIAL OFFICER Place: Chennai Date: 30-05-2022	<b>KARTIKESWAR SAHOO</b> COMPANY SECRETARY		

**OPERATIONAL ENERGY GROUP INDIA LIMITED**

<b>CASH FLOW STATEMENT - STAND ALONE</b>		
	<b>2021-22</b>	<b>2020-21</b>
	(Rupees in Lakhs)	(Rupees in Lakhs)
Annexure to Clause 32 of the listing Agreement		
<b>CASH FLOW STATEMENT</b>		
<b>A. CASH FLOW FROM OPERATIONS</b>		
Profit before Tax	1385.22	1089.23
Less:- Provision for Taxation	324.31	186.52
Net Profit after Tax	1060.91	902.72
Adjustments for		
Depreciation	66.85	61.58
Other Comprehensive Income	57.46	-124.38
Profit on sale of fixed assets	0.00	0.00
Interest/Dividend	0.00	0.00
Operating profit before working capital	1185.22	839.92
(Increase)/Decrease in Sundry Debtors	1333.95	68.89
(Increase)/Decrease in Inventories and other current assets	-15.65	278.84
(Increase)/Decrease in Loans and Advances	1340.94	-1539.25
Decrease in preoperation expenses	0.00	0.00
Increase/(Decrease) in current liabilities	-2072.47	2523.68
SUB TOTAL	586.77	1332.16
Cash generated from Operating activities	1771.98	2172.09
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-92.61	-71.50
Sale of Fixed Assets	0.00	0.00
Purchase/Sale of Investments	-104.79	-1.98
Long term Loans and Advances	-12.04	36.03
Net cash generated/Used from/in Investing Activities	-209.44	-37.46
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	0.00	0.00
Proceeds from long term borrowings (net)	-372.91	-358.91
Proceeds from working capital Loan	0.00	0.00
Repayment of finance lease liabilities	0.00	0.00
Dividend paid	0.00	0.00
Net cash generated/used in Financing activities	-372.91	-358.91
Net increase in cash and cash equivalents	1189.63	1775.71
Cash and cash Equivalents (Opening Balance)	3325.06	1549.35
Cash and cash Equivalents (Closing Balance)	4514.69	3325.06
<b>For Operational Energy Group India Limited</b>		<b>For Padmanabhan Ramani &amp; Ramanujam</b>
		Chartered Accountants
		FRN : 002510S
<b>S.RAMESH</b>	<b>B.VISWANATHAN</b>	<b>G.VIVEKANANTHAN</b>
EXECUTIVE CHAIRMAN & MANAGING DIRECTOR	INDEPENDENT DIRECTOR	PARTNER
DIN NO:00052842	DIN NO: 00702802	MEMBERSHIP NO:028339
		<b>UDIN: 22028339AJVSMG8930</b>
<b>S.V.NATARAJAN</b>	<b>KARTIKESWAR SAHOO</b>	
CHIEF FINANCIAL OFFICER	COMPANY SECRETARY	
<b>CHENNAI</b>		
<b>30.05.2022</b>		





Reserves and Surplus for current period - Rs. in Lakhs													
Particulars	Share application money pending allotment	Equity component of compound financial instruments	Capital Total Reserve	Securities Premium	Other Reserve (Specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation on Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (Specify nature)	Total
Balance at the beginning of the current reporting period	-	-	-	-	-	2449.56	-	-	-	-	-	-	2,449.56
Changes in accounting policy or prior period errors	-	-	-	-	-	0.00	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	57.46	-	-	-	-	-	-	57.46
Total Comprehensive Income for current year	-	-	-	-	-	2507.03	-	-	-	-	-	-	2,507.03
Dividends	-	-	-	-	-	0.00	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	1043.11	-	-	-	-	-	-	1,043.11
Any other change (to be Specified )	-	-	-	-	-	0.00	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	-	-	-	3550.13	-	-	-	-	-	-	3,550.13
Reserves and Surplus for Previous period - Rs. in Lakhs													
Particulars	Share application money pending allotment	Equity component of compound financial instruments	Capital Total Reserve	Securities Premium	Other Reserve (Specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation on Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (Specify nature)	Total
Balance at the beginning of the previous reporting period	-	-	-	-	-	1607.52	-	-	-	-	-	-	1,607.52
Changes in accounting policy or prior period errors	-	-	-	-	-	0.00	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-124.38	-	-	-	-	-	-	-124.38
Total Comprehensive Income for previous year	-	-	-	-	-	1483.14	-	-	-	-	-	-	1,483.14
Dividends	-	-	-	-	-	0.00	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	966.43	-	-	-	-	-	-	966.43
Any other change (to be Specified )	-	-	-	-	-	0.00	-	-	-	-	-	-	-
Balance at the end of the previous reporting period	-	-	-	-	-	2449.56	-	-	-	-	-	-	2,449.56

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED -31-03-2022

Notes - 2 -4 -Property, Plant and Equipment	(Rupees in Lakhs)										
	Gross Carrying Amount				Depreciations			Net Carrying Amount as at			
	01-04-2021	Additions	Disposals	31-03-2022	01-04-2021	Charged for the Year	Disposals	31-03-2022	31-03-2022	03-2021	31-03-2020
Description of Property, Plant and Equipments											
Land	1.78	-	-	1.78	-	-	-	-	1.78	1.78	1.78
Buildings	272.00	-	-	272.00	164.53	12.20	-	176.73	95.27	107.47	129.54
Investment Properties (Ref.Note 12.2)	-	-	-	-	-	-	-	-	0.95	-	0.95
Land	0.95	-	-	0.95	-	-	-	-	0.95	0.95	0.95
Buildings	180.12	-	-	180.12	133.15	9.87	-	143.03	37.09	46.97	46.97
Plant and Machinery	427.19	1.71	-	428.90	303.08	2.85	-	305.94	122.96	124.10	123.81
Tools & Equipment (Ref.Note 12.1)	105.12	50.97	-	156.09	50.08	20.95	-	71.03	85.06	55.04	50.36
Furniture and Fittings	53.59	5.01	-	58.60	50.19	1.38	-	51.56	7.04	3.40	3.91
Office Equipment	68.37	6.32	-	74.69	62.01	1.19	-	63.20	11.49	6.37	7.08
Computers and Peripherals	155.63	4.29	-	159.92	145.34	4.75	-	150.09	9.82	10.29	7.98
Motor Vehicles	245.91	24.32	11.14	259.09	130.02	12.77	11.14	131.65	127.44	115.89	90.12
Genset	7.16	-	-	7.16	2.31	-	-	2.31	4.85	4.85	4.85
Solar Power Hybrid with Batteries	0.98	-	-	0.98	0.98	-	-	0.98	-	-	-
Gym Equipment	0.64	-	-	0.64	0.64	-	-	0.64	0.00	0.00	0.00
<b>Total</b>	<b>1,519.45</b>	<b>92.61</b>	<b>11.14</b>	<b>1,600.92</b>	<b>1,042.33</b>	<b>65.96</b>	<b>11.14</b>	<b>1,097.15</b>	<b>503.77</b>	<b>477.12</b>	<b>467.35</b>

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

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

**2(B) Intangible Assets**

Description of Intangible Assets	Gross Carrying Amount						Amortisation			Net Carrying Amount as at	
	01-04-2021	Additions	Disposals	31-03-2022	01-04-2021	Charged for the Year	Disposals	31-03-2022	31-03-2022	03-2021	31-03-2020
	Application Softwares	30.80	-	-	30.80	27.02	0.89	-	27.91	2.89	3.78
ERP Software	30.80	-	-	30.80	27.02	0.89	-	27.91	2.89	3.78	3.63

**Notes to Financial Statements for the Year ended 31-03-2022**

	(Rs. In Lakhs )	
	As at 31-03-2022	As at 31-03-2021
<b>5. Investments</b>		
<b>Investments in Equity Instruments -Unquoted</b>		
<b>Subsidiary</b>		
9,800 Nos. (FY: 2021-22-9,800; 2020-21-9,800) Equity Shares of Pacific Technical Service India Limited of Rs.10/- each	47.66	52.05
Share Application Money with OEG International FZE, Dubai		0
5,60,000 Nos. (2021-22: 5,60,000, 2020-21-5,60,000) Equity Shares of Investment in Maxitech Engineering Private Ltd of Rs.10/- each	-	0
36,603 Nos. (FY -2021-22 - 36603; 2020-21 - 36603 ) Equity Share of OEG Bangladesh Ltd of TK 100 each	30.38	30.38
51000 Nos. Equity Shares of Investment in M/s. Pacific Imperial Thermal Private Ltd of Rs.10/- each	5.10	0
<b>Associates</b>		0
4,800 Nos. (FY: 2021-22 -4,800; 2020-21-4,800) Equity Shares of Thoothukudi Renew Waters Private Limited of Rs.10/- each	-	0
49990 Nos. Equity Shares of Investment in M/s. Zuppa OEG GEN5 Technologies Pvt Ltd of Rs.10/- each	5.00	0
<b>Joint Venture</b>		0
82,500 Nos. (FY: 2019-20-82,500; 2019-21-82,500) Equity Shares of Shapoorji Pallonji and OEG Services Private Limited of Rs.12.30/- each	-	0
		0
<b>Others</b>		0
1 No. (2021-22 and 2020-21) Equity Share of OEG Singapore... Ltd	0.00	0.00
9,999 Nos. (FY: 2021-22-9,999; 2020-21-9,999) Equity Shares of OEG Solar Energy Private Limited of Rs.10/- each	1.23	1.19
Investment in Rockfort Engineering Industries	49.00	0
3683 Nos. Equity Shares of Investment in M/s. Zuppa GEO Navigation Tech P Ltd of Rs.1357.64/- each	50.00	0
		0
<b>Investments in Preference Shares -Unquoted (FVTOCI)</b>		0
1,12,50,000 Nos. Non-Cumulative Preference Shares of South Ganga Waters Technologies Private Limited of Rs.10/- each	1,125.00	1125.00
<b>Investments in Government Securities (At Amortised Cost)</b>		0
National Savings Certificate (Ref.Note 3.1)	0.98	0.94
<b>Total</b>	<b>1,314.36</b>	<b>1,209.57</b>

		<b>Rs. In Lakhs</b>
<b>5.1 Investments in Government Securities are offered as Security Deposit for Labour License and Sales Tax Department</b>		
Aggregate Book Value of Un-Quoted Investments	1,314.36	1,209.57
Aggregate Impairment in value of Investments		
<b>5.2 Investments are fully paid-up unless otherwise stated</b>		
<b>6. Loans and Advances</b>		
<b>Related Parties- Secured , Considered good</b>		
Refundable Rental Advance	52.00	52.00
Loans & Advance	39.52	45.91
<b>Sub-Total</b>	91.52	97.91
<b>Other Financial Assets- Secured , Considered good</b>		
Security Deposits		
Rental Advance	11.16	5.59
Other Advance	15.64	0
<b>Sub-Total</b>	26.80	5.59
<b>Total</b>	<b>118.33</b>	<b>103.51</b>
<b>7 Deferred Tax Assets (Net)</b>		
Deferred Tax Assets		
On Provision for Gratuity & Other Employee Benefits	85.15	21.44
<b>Total</b>	<b>85.15</b>	<b>21.44</b>
Deferred Tax Liabilities		
On Depreciation	- 17.80	63.71
	- 17.80	63.71
Deferred Tax Assets (Net)	67.35	85.15
<b>7.1. Deferred Taxes are computed to the nearest '000</b>		
<b>8. Other Non-Current Assets</b>		
Security Deposits	78.83	81.61
Service Tax stay deposit (Ref.Note Contingent Liabilities)	42.81	42.81
<b>Total</b>	<b>121.64</b>	<b>124.42</b>

		<b>Rs. In Lakhs</b>
<b>9. Inventories</b>		
<b>(As Verified , valued and certified by the Management)</b>		
Stock in trade	103.97	101.51
Stores & Spares		
Total	103.97	101.51
9.1 . Mode of Valuation followed - FIFO		
<b>10. Trade Receivables (Financial Asset) - (Ref Note 1)</b>		
Unsecured Considered Good		
Outstanding for more than 180 days from the date they are due		
Related Parties	-	-
Others	-	77.83
Outstanding for less than 180 days from the date they are due		0
Trade Receivables considered good - Unsecured	2,486.86	3742.98
Total	2,486.86	3,820.81
<b>11. Cash and Cash Equivalents (Financial Asset)</b>		
Balance with Banks	1,294.34	1819.92
Cash on Hand	2.73	8.22
Bank Fixed Deposit with maturity of period less than 12 months (Ref. Note 11.1)	3,217.62	1496.92
Total	4,514.69	3,325.06
11.1. Fixed deposits include deposits with Banks of Rs.2498.14 lakhs, Margin money for the Bank Guarantee of Rs.95.82 lakhs and lien marked Fixed deposit of Rs. 623.66 lakhs as collateral security for working Capital facilities availed from Banks.		
<b>12. Short Term Loans &amp; Advances</b>		
Unsecured considered Good		
Security Deposits, Inter Corporate Deposits and EMD	-	1400.00
Retention money and other Job Advances	46.33	25.20
<b>Sub-Total</b>	46.33	1,425.20
Unsecured considered Good		
Advances to Related Parties	505.89	464.82
Advance to Suppliers	1,358.89	1362.02
<b>Sub-Total</b>	1,864.78	1,826.85
Total	1,911.11	3,252.05
<b>13..Other Current Assets</b>		
Income Tax (Net of Provision)	306.34	293.15
Total	306.34	293.15

	Rs. In Lakhs	
<b>14. Share Capital</b>		
<b>Equity Share Capital</b>		
<b>a. Authorised</b>		
1,40,00,000/- (2022 : 1,40,00,000 and 2021 : 1,40,00,000) Equity Shares of Rs.10/- each	1,400.00	1,400.00
<b>b. Issued</b>		
1,30,41,800 (2022 : 1,30,41,800 and 2021 : 1,30,41,800) Equity Shares of Rs.10/- each		
<b>c. Subscribed and fully paid up.</b>		
1,30,41,800 (2022 : 1,30,41,800 and 2021 : 1,30,41,800) Equity Shares as of Rs. 10/- each	1,304.18	1304.18
<b>Total</b>	1,304.18	1,304.18
<b>d. Reconciliation of number of Equity Shares subscribed</b>		
Balance at the beginning of the year	130.42	130.42
Add: Shares issued during the year for cash	-	
<b>Balance at the end of the year</b>	130.42	130.42
<b>14.1 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>		
<b>14.1 Shareholders other than the Holding/Associate Company holding more than 5% of the equity share</b>		
Equity Shares of Rs.10/- each fully paid:		
Ramesh S : 50,81,800 (2022-50,81,800 shares and 2021-50,81,800 Shares) shares aggregating to 38.97% (2022- 38.97% and 2021-38.97%)		
Vijay Ramesh : 7,18,180 (2022 -7,18,180 shares and 2021- 6,88,180 Shares) shares aggregating to 5.51% (2022- 5.51% and 2021-5.28%)		
Usha Ramesh : 9,25,200 (2022 -9,25,200 shares and 2021- 9,25,200 Shares) shares aggregating to 7.09% (2022- 7.09% and 2021- 7.09%)		
Premier International Limited : 14,91,800 (2022-14,91,800 shares and 2021-14,91,800 Shares) shares aggregating to 11.44% (2022- 11.44% and 2021-11.44.%)		

South Ganga Waters Technology Private Limited :26,05,200 (2022- 26,05,200 shares and 2021 -26,05,200 Shares) shares aggregating to 19.98% (2022- 19.98% and 2021 -19.98%)

e. Promoters Shareholding				
Sl.No	Promoter Name	No. of Shares	% of total Shares	% change during the year
1	S.Ramesh	5081800	38.97	NIL
2	Sudarshan Ramesh	616300	4.73	NIL
3	Subramanyam Swaminathan	12500	0.10	NIL
Total Shares held by Promoters		5710600	43.8	
The Company has only one class of shares i.e . Equity Shares				

<b>15 Reserves and Surplus</b>		
<b>Retained Earnings</b>		
Opening Balance	2,449.56	1607.52
Add : Net Profit for the Year	1,100.57	842.05
Closing Balance	3,550.13	2,449.56

<b>16. Long Term Borrowings (Financial Liabilities)</b>		
Secured		
Vehicle Loan from Financial Institutions (Ref.Note 16.1 & 16.2)	26.14	38.96
Unsecured		
Term Loans from Banks (Ref.Note 16.3)	-	193.57
Total	26.14	232.53

**Nature of Security Offered**

16.1 Secured Vehicles loans from Financial institutions are secured by Hypothecation of the Vehicles bought with the loan proceeds and personal guarantee by directors  
Repayment Terms

16.2 Vehicle Loans from Financial Institutions are repayable at 10.35% interest rate (Average) in Equated Monthly Installments (EMI) for 36 months

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

<b>17 Long Term Provisions</b>		
<b>Provision for Employee Benefits</b>		
Provision for Gratuity Liabilities (Ref.Note 17.1)	- 29.83	123.15
Provision for Leave Encashment	16.02	29.55
Total	- 13.81	152.70

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



<b>18 Short Term Borrowings - Financial Liabilities</b>		
Over Draft facilities from Banks (Ref.Note 18.1)	648.65	591.79
<b>Total</b>	<b>648.65</b>	<b>591.79</b>
<p>18.1 Over Draft from Banks Represents Overdraft facilities availed from Axis Bank Ltd for a limit of Rs 12 Crores (Twelve Crores Rupees Only) and are secured by hypothecation charge on stocks and receivables of the company and secured by hypothecation of lien free movable assets of the Company and by Equitable Mortgage of the immovable property of Mr.S.Ramesh situated at Adyar, Chennai-20 offered by him as collateral security and also Personal Guarantee by Mr.S.Ramesh and Mrs.Usha Ramesh.</p>		
<b>19 Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Ref.Note 19.1)	23.31	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Others	1,073.54	2976.96
<b>Total</b>	<b>1,096.85</b>	<b>2,976.96</b>
<b>20 Other Current Liabilities</b>		
Current Maturities of Long Term Borrowings (Ref.Note 20)	35.83	49.44
Statutory Liabilities	242.40	31.09
Salary, Bonus & Expenses Payable	2,340.86	2896.66
Retention Money, Deposits & Advances	1,916.65	1770.02
<b>Total</b>	<b>4,535.75</b>	<b>4,747.22</b>
<b>21 Short Term Provisions</b>		
<b>Provision for Employee Benefits</b>		
Provision for Bonus	303.41	341.17
<b>Total</b>	<b>303.41</b>	<b>341.17</b>
<b>22 Revenue from Operations</b>		
From Sales		
Sale of Maintenance Spares & Components	607.71	1,337.73
From Services		-
Operation and Maintenance Fees	25,551.59	25,398.14
Accrued Income	- 810.22	1,704.31
<b>Total</b>	<b>25,349.09</b>	<b>28,440.18</b>
<b>23 Other Income</b>		
Interest Income from Bank Deposits	109.95	102.80

		Rs. In Lakhs
Other Income	4.84	5.61
Others	117.98	
Other non-operating Income		
Profit on Sale of Fixed Assets	0.89	-
Foreign Exchange Fluctuation Gain	-	-
Miscellaneous Income		
<b>Total</b>	<b>233.65</b>	<b>108.42</b>
<b>24 Cost of Materials/ Services</b>		
Cost of materials /Service	12,867.36	17780.61
<b>Total</b>	<b>12,867.36</b>	<b>17,780.61</b>
<b>25 Changes in Inventories</b>		
Opening Stock	101.51	34.60
Maintenance Spares & Components		
	101.51	34.60
Closing Stock		
Maintenance Spares & Components	103.97	101.51
	103.97	101.51
<b>Total</b>	<b>- 2.46</b>	<b>- 66.90</b>
<b>26 Employee Benefit Expenses</b>		
Salaries and Wages	8,792.57	7,068.56
Contribution to Provident and Other Funds	600.66	476.70
Staff Welfare Expenses	620.17	534.59
<b>Total</b>	<b>10,013.40</b>	<b>8,079.85</b>
<b>27 Finance Charges</b>		
Interest Expenses	67.25	82.16
Interest on Income Tax Demand		
<b>TOTAL</b>	<b>67.25</b>	<b>82.16</b>
<b>28 Depreciation and Amortisation</b>		
Depreciation	66.85	61.58
Amortisation		
<b>TOTAL</b>	<b>66.85</b>	<b>61.58</b>
<b>29 Other Expenses</b>		
<b>Operating Expenses (A)</b>		
Consumables & Tools		
Diesel Expenses		
Testing, Inspection and Calibration Charges		
Other Operating Expenses		
<b>Other Expenses (B)</b>		
Power and Fuel Charges	18.48	2.69
Rent Paid	46.41	46.39



## Operational Energy Group India Limited

		Rs. In Lakhs
Rates and Taxes	60.94	55.65
Insurance Charges	6.32	13.93
Bad Debts	1.29	216.03
Provision for Doubtful Debts	257.30	-
Repairs & Maintenance		
-Buildings	-	-
-Equipments	15.55	14.40
Security Service Charges	3.12	2.53
Brokerage and Commission	188.71	885.59
Communication Expenses	21.56	19.01
Directors' Sitting Fee and Commission	154.74	1.80
Printing & Stationery	23.48	15.16
Professional Charges	22.57	17.44
Payments to Auditors (Ref. note 29.1)	13.09	10.12
Subscriptions	0.73	2.06
Books and Periodicals	1.41	0.37
Business Promtion Expenses	44.60	33.83
Advertisement Expenses	3.46	1.91
Bank Charges	8.98	2.53
CSR Expenses	62.56	36.45
Donation	2.00	-
Travelling and Conveyance Expenses	84.65	48.78
Vehicle Repairs and Maintenance Expenses	31.53	25.45
Pooja Expenses	5.25	4.11
Miscellaneous Expenses	46.39	8.20
Loss on Sale of Fixed Assets	-	0.14
Director remuneration	60.00	57.50
<b>TOTAL</b>	<b>1,185.12</b>	<b>1,522.07</b>
29.1 Payment to Auditors represents fee for Statutory audits		
<b>30. Earning Per Share</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Profit After Tax (PAT)	1,100.57	842.05
Weighted average number of shares	130.42	130.42
Earning Per Share (Face value Rs.10/- each )		
Basic	8.44	6.46
Dilluted	8.44	6.46
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		

**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,5<sup>th</sup> 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, 2022, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2022, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

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

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

**b). Use of estimates and 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 is made relying on these estimates.

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

estimates followed by the Company for preparation of financial statements is described in Note 1(C) (s) herein.

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

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

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

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

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

The significant accounting policies are detailed below.

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

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

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

iii). Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to

the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred.

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

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

#### **d). Intangible Assets**

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

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

iii). Computer software costs are capitalized and recognised as intangible assets based on materiality, accounting prudence and significant benefits expected to flow there from for a period longer than one year.

iv). An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

#### **e). Depreciation/Amortisation**

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

ii). Amortisation is recognised on a straight- line basis over the estimated useful lives.

iii). Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

iv). Depreciation and amortization methods, useful lives and residual values are reviewed periodically as appropriate in the views of the management and also at the end of each reporting period and adjusted if required.

v). Operating Software are amortised over a period of 3 years being their estimated useful life.

vi). There are no assets under Financial Lease during the Financial year

vii). Estimated useful lives of the assets, based on technical assessment by the Management, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

<b>Class of Property, Plant and Equipment</b>	<b>Useful Life Estimated by Management</b>	<b>Useful Life as per Schedule II</b>
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

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

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

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

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

iv). When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no



impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

#### g). Borrowing Cost

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

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

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

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

#### i). Inventories

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

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

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

#### k). Revenue Recognition

- i). Revenue is measured at the fair value of the consideration received or receivable.
- ii). The Company is engaged in the business of providing Operations and Maintenance ('O&M') services to various power plants and the revenues are governed by the Operations and Maintenance agreements entered with the owners of these power plants. Revenue from Operation and maintenance (O&M) services rendered by the Company to Power Plants Operators

are recognised over the period of the contract on straight line method (vide Ind AS 18.25) and unrecognized revenue (received in advance) is shown as unearned revenue.

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

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

v). Dividend and interest income

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

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

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

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

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

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

when the fair value was determined.

iv). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

v). Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

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

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

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

**ii) Defined Benefit Plan**

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

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

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

	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>
Discount Rate	7.00%	7.00%
Expected Salary Increment rate	5.00%	5.00%
Average longevity at retirement age- Past services	2.72	2.75
Average longevity at retirement age- Future services	9.07	9.42

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

	<b>Rs. in Lakhs</b>	
	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>
Defined Contribution Plan	Rs. 457.72	Rs. 371.99
Defined Benefit Plan	Rs. 200.39	Rs.351.43

**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.

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.

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

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

Key sources of estimation uncertainties:

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

#### Impairment of property plant and equipment:

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

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

#### Contingent Liabilities:

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

#### Fair value measurements:

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

qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

**Defined benefit plans:**

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

**Lease:**

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

**Tax:**

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

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

**u. Inventories as at the reporting date:**

Normally the Company procures inventories and other consumables for rendering its O&M services, EPC services and for sales, being incidental activity in connection with the O&M service and EPC contracts, as and when the requirements arise.

**v. Corporate Social Responsibility**

The Company has laid down the CSR policy for the activities where the CSR funds shall be spent in accordance with the provisions of Companies Act, 2013. Since the CSR provisions are applicable to the Company for the year 2021-22, the amount of CSR spending and the Board had approved the donation to M/s. Yashas English School in Malli Village to promote the cause of education. The school has been providing quality education to underprivileged children free of cost since 2016.

The mandatory CSR spending for the year 2021-22 as per Section 135 Companies Act, 2013 is as follows:

Particulars	Amount (In Rs. Lakhs)
Net Profit for the Financial year 2020-21 (A)	966.43
Net Profit for the Financial year 2019-20 (B)	222.87
Net Profit for the Financial year 2018-19 (C)	71.88
Average Net Profit (A+B+C / 3)	420.39
<b>2% of the average net profits – Amount to be spent as CSR during the FY 2021-22</b>	<b>8.41</b>

Particulars	Amount (In Rs. Lakhs)
(I) Amount required to be spent by the company during the year	8.41
(ii) Amount of expenditure incurred	62.55
(iii) shortfall at the end of the year	0
(iv) Total of Previous years shortfall	0
(v) Reason for Shortfall	0
(vi) Nature of CSR activities	Donation to School

(vii) Details of related party transactions, E.g., Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard: -	
(viii) Where a provision is made with respect a liability incurred by entering into a contractual obligation, the Movements in the provision during year shall be shown separately.	0

M/s. Yashas English School has received ICSE affiliation and the school has therefore constructing a building of 11,100 sq. ft. for adding new classrooms to accommodate students for higher secondary classes, i.e., from 7<sup>th</sup> standard to 12<sup>th</sup> standard. The building consists of 20 classrooms, 1 exam hall, 1 science lab and 1 office room. The addition of classroom will accommodate 500 students and will enable them to further benefit from the gift of education.

**Business Combinations:**

The company does not have any Business Combinations.

**Scheme of Arrangements:**

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

**Capital management & Risk Management Strategies:**

**Risk management framework**

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

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

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

**i) Capital management**

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

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

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

### **Financial risk management**

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

The Company seeks to minimize the effects of these risks by using periodic monitoring and action

Plans to cover up risk exposures, wherever required. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### **Credit risk management**

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

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

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

### **Trade receivables**

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

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



## Operational Energy Group India Limited

revenues. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

### Aging Schedule of Receivables

Particular	Outstanding for the Following Periods from due date of Payment					Rs.in Lakhs
	Less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables- considered good	2486.86					2486.86
(ii) Undisputed Trade receivables - which have significant increase in credit risk						
(iii) Undisputed Trade receivables - credit impaired						
(iv) Disputed Trade receivables - Considered good						
(v) Disputed Trade receivables - which have significant increase in credit risk						
(vi) Disputed Trade receivables - credit impaired						

### Trade payables:

#### TRADE PAYABLES AGING SCHEDULE

Particular	Outstanding for the Following Periods from due date of Payment				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
MSME	23.31				23.31
Others	1073.54				1073.54
Disputed Dues-MSME					0
Disputed Dues-Others					0

### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's

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

### Market risk

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

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

### Finance Lease Receivable

The Company does not have any finance lease receivable.

### Financial Ratios Analysis

		CURRENT YEAR			PREVIOUS YEAR			(Rs. In Lakhs)
Types of Ratios	Formula	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	Variance
(a) Current Ratio	Current Assets / Current Liabilities	9322.97	6584.66	1.42	10792.58	8657.14	1.25	-11.95
(b) Debt-Equity Ratio	Total Outside Liabilities/ Shareholders Equity	6596.99	4854.31	1.36	9042.37	3753.74	2.41	77.26
(c) Debt services Coverage Ratio,	Earnings available for debt service/ (Interest + Instalments)	1385.22	67.26	20.60	1089.23	82.16	13.26	-35.63



(d) Return on Equity Ratio	PAT / Equity Shareholders Funds	1043.11	4854.31	0.21	966.43	3753.74	0.26	19.81
(e) Inventory Turnover ratio,	Cost of Goods sold / Average Inventory	12864.90	102.74	125.22	17713.71	68.06	260.28	107.86
(f) Trade Receivables turnover ratio,	Total Sales / Average Trade Receivables	25349.09	3153.84	8.04	28440.18	3855.26	7.38	-8.22
(g) Trade payables turnover ratio,	Total Purchase / Average Trade payables	12864.90	2036.91	6.32	17713.71	1625.14	10.90	72.58
(h) Net capital turnover ratio	Sales / Capital Employed	25349.09	4866.63	5.21	28440.18	4138.97	6.87	31.92
(i) Net profit ratio	Net profit (PAT)/ Sales	1043.11	25349.09	0.04	966.43	28440.18	0.03	-17.42
(j) Return on capital employed,	EBIT / Capital Employed	1452.46	4866.63	0.30	1171.39	4138.97	0.28	-5.17

**Related Party Transactions**

During the Financial Year 2021-22 the company has entered into some transactions which can be deemed as related party transactions

All these matters have been approved by the Board, wherever necessary.

**Related party**

S.NO	PARTICULARS	NATURE OF RELATIONSHIP
1	S. RAMESH	CHAIRMAN AND MANAGING DIRECTOR
2	USHA RAMESH	DIRECTOR
3	K.VISWANATHAN	INDEPENDENT DIRECTOR
4	P.SWAMINATHAN	INDEPENDENT DIRECTOR
5	SUDARSHAN RAMESH	SON OF CMD
6	VIJAY RAMESH	SON OF CMD
7	S.V.NATARAJAN	CHIEF EXECUTIVE OFFICER
8	KAVITHA NATARAJAN	WIFE OF CEO
9	PACIFIC TECHNICAL SERVICES PRIVATE LIMITED	WHOLLY OWNED SUBSIDIARY
10	MAXITECH ENGINEERING PRIVATE LIMITED	WHOLLY OWNED SUBSIDIARY
11	OEG BANGLADESH PRIVATE LIMITED	WHOLLY OWNED SUBSIDIARY
12	OPERATIONAL ENERGY GENERATION FZCO	WHOLLY OWNED SUBSIDIARY
13	THOOTHUKUDI RENEW WATER PRIVATE LIMITED	ASSOCIATE
14	SOUTH GANGA WATERS TECHNOLOGIES PRIVATE LIMITED	Entities in which KMP or their relatives have significant influence
15	OEG SOLAR ENERGY PRIVATE LIMITED	Entities in which KMP or their relatives have significant influence
16	PACIFIC IMERIAL THEMAL PRIVATE LIMITED	Entities in which KMP or their relatives have significant influence
17	Zuppa OEG GEN5 Technologies Private Limited	Entities in which KMP or their relatives have significant influence
18	ROCKFORT ENGINEERING INDUSTRIES	Entities in which KMP or their relatives have significant influence

**Note No. - Related party Disclosure Transactions with Related Parties**

Particulars	Subsidiary / Associate	Entities in which KMP or their relatives have significant influence	Key Managerial Personnel	Relatives of KMP	2021-22	2020-21
Loans given	-	4,32,346.00	-	-	4,32,346	8,15,961
Reimbursement of expenses	-	17,231.00	-	-	17,231	16,24,808
Remuneration paid	-	-	1,74,25,821	46,86,142	2,21,11,963	1,19,63,841
Loans repaid	-	17,23,951.00	6,39,048	-	23,62,999	6,71,350
Security Deposit given	-	-	-	-	0	-
Rent paid	-	-	41,58,600.00	-	41,58,600	41,58,600
Service charges paid	-	1,80,00,000	-	-	1,80,00,000	20,97,000

**Outstanding Balance With related parties**

Particulars	Subsidiary/ Associate	Entities in which KMP or their relatives have significant influence	Key Managerial Personnel	Relatives of KMP	2021-22	2020-21
Loans given	3,74,14,326.00	33,09,168.00	39,52,189.00	-	4,46,75,683.00	4,70,38,682.00
Investments	83,14,818.98	11,80,22,678.99	-	-	12,63,37,497.97	12,08,63,326.00



## Operational Energy Group India Limited

### Approval of financial statements:

The financial statements were approved for issue by the board of directors on 30-05-2022.

#### For Operational Energy Group India Limited

S RAMESH  
EXECUTIVE CHAIRMAN &  
MANAGING DIRECTOR  
DIN: 00052842

B. VISWANATHAN  
INDEPENDENT DIRECTOR  
DIN: 00702802

S. V. NATARAJAN  
CHIEF FINANCIAL OFFICER

KARTIKESWAR SAHOO  
COMPANY SECRETARY

**PLACE: CHENNAI**  
**DATE: 30.05.2022**

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

G. VIVEKANANTHAN  
PARTNER  
**MEMBERSHIP No. 028339**  
**UDIN: 22028339AJVSMG8930**



**INDEPENDENT AUDITOR'S REPORT**

To the Members of Operational Energy Group India Limited

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **OPERATIONAL ENERGY GROUP INDIA LIMITED** (hereinafter referred to as the "Company") and its Jointly controlled entities, which comprises the consolidated Balance Sheet as at March 31, 2022, 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 and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its jointly controlled entities as at March 31, 2022, of consolidated profit including other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements 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 Company and its jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013 and rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**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. We have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTER	HOW IT WAS ADDRESSED DURING AUDIT
Recognition of revenue is complex due to several types of customer contracts including Operation and maintenance contracts of power plants and process plants.	We have tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognition, including controls over the degree of completion of service contracts.

**Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon**

The respective Company’s Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis and the Company’s Annual Report, but does not include the consolidated financial statements, standalone financial statements and our auditor’s report thereon, which are expected to be made available to us after the date of this Auditor’s Report.

Our opinion on the financial statements does not cover the other information and we do not and will 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 the audit or otherwise appears to be materially misstated.

When we read the report and other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company and its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the Company and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its Jointly controlled entities 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 Company, as aforesaid.

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

The respective Board of Directors of the Company and its Jointly controlled entities are responsible for overseeing the financial reporting process of the Company and its Jointly controlled entities.

### **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 the 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 Company and its Jointly controlled entities 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 Company and its Jointly controlled entities 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 entities or business activities within the company and its jointly controlled entities 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

#### **Other Matters**

We did not audit the financial statements / financial information of, the Subsidiaries included in the Consolidated financial results whose financial statements / financial information reflect total assets of **Rs.3587.93 Lakhs** as at 31st March, 2022, total revenues of **Rs.3613.92 Lakhs** and net cash Outflows amounting to **Rs.128.06 Lakhs** 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.156.22 Lakhs** for the year ended 31st March, 2022, 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 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 and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement 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 Indian 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 Directors as on 31<sup>st</sup> March 2022 taken on record, by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as 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, refer to our separate report in "Annexure A".
- (g) In our opinion and according 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.

- (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 as amended, 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 Company and its jointly controlled entities- Refer Note 33(B) to the consolidated financial statements.
  - (ii) The Company and its jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its Jointly controlled companies incorporated in India.
  - (iv) (a) The respective managements of the company have represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The respective managements of the company and have represented that, to the best of their knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(c) Based on such audit procedures performed by us that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above contain any material mis-statement.
  - (v) The company has not declared or paid any dividend during the year.



## Operational Energy Group India Limited

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and issued by us for the jointly controlled entities included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

**G.Vivekananthan**  
**Partner**  
**Membership No: 028339**  
**UDIN: 22028339AJVSPS1111**

**Place: Chennai**  
**Date: 30/05/2022**

**Annual Report 2021-22**

**ANNEXURE- A TO INDEPENDENT AUDITOR'S REPORT**

*(Referred to in paragraph 1(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 Consolidated financial statements of the Company for the year ended March 31,2022)*

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting with reference to consolidated financial statements of **Operational Energy Group India Limited** (“the Company”) and its Jointly controlled entities, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the 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 criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 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.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over Financial Reporting with reference to consolidated financial statements 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 the Institute of Chartered Accountants of India, as prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to consolidated financial statements.

**Meaning of Internal Financial Controls over Financial Reporting with reference to consolidated financial statements**

A company's internal financial control over financial reporting with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements**

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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**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 with reference to consolidated financial statements in so far as it relates to four jointly controlled companies, which are incorporated in India, is based on the corresponding report of the auditor of the companies.

**Opinion**

In our opinion the Company, and its jointly controlled companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting with reference to consolidated financial statements and such internal financial controls over financial



## **Operational Energy Group India Limited**

reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting with reference to consolidated financial statements criteria established by the respective Companies 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**

**UDIN: 22028339AJVSPS1111**

**Place: Chennai**

**Date: 30/05/2022**



<b>CONSOLIDATED BALANCE SHEET AS AT 31-03-2022</b>			
<b>Particulars</b>	<b>Note</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
		<b>(Rupees in Lakhs)</b>	<b>(Rupees in Lakhs)</b>
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
a. Property, Plant & Equipment	2	526.59	483.29
b. Investment Property	3	38.04	47.91
c. Intangible Assets	4	2.89	3.78
d. Financial Assets			
(i) Investments	5	1230.93	1127.20
(ii) Loans and Advances	6	197.02	185.12
e. Deferred Tax Assets (Net)	7	67.35	85.15
f. Other Non-Current Assets	8	42.81	42.81
<b>(2) Current Assets</b>			
a. Inventories	9	103.97	110.39
b. Financial Assets			
(i) Trade Receivables	10	3411.36	4401.29
(ii) Cash and Cash Equivalents	11	6957.03	5797.78
(iii) Short Term Loans and Advances	12	1764.55	3031.75
c. Other Current Assets	13	342.03	364.04
<b>TOTAL</b>		<b>14684.55</b>	<b>15680.52</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
a. Share Capital	14	1304.18	1304.18
b. Reserves and Surplus	15	5225.50	3952.33
<b>Non-Controlling Interests</b>	16	-19.43	-34.32
<b>(2) Non-Current Liabilities</b>			
<b>a. Financial Liabilities</b>			
(i) Long Term Borrowings	17	30.04	236.43
(ii) Long Term Provisions	18	-13.81	152.70
<b>(3) Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Short Term Borrowings	19	648.65	591.79
(ii) Trade Payables	20	2252.55	3499.06
(b) Other Current Liabilities	21	4953.46	5637.18
(c) Short Term Provisions	22	303.41	341.17
<b>TOTAL</b>		<b>14684.55</b>	<b>15680.52</b>
<p>Significant Accounting Policies and other Information  Notes 1 to 31 form integral part of Financial Statements  The notes are an integral part of these financial statements.</p>			
<b>For Operational Energy Group India Limited</b>		<b>For Padmanabhan Ramani &amp; Ramanujam</b>	
<b>S RAMESH</b>		Chartered Accountants	
EXECUTIVE CHAIRMAN & MANAGING DIRECTOR		FRN : 002510S	
DIN NO:00052842		<b>G VIVEKANANTHAN</b>	
<b>B VISWANATHAN</b>		PARTNER	
INDEPENDENT DIRECTOR		MEMBERSHIP NO:028339	
DIN NO: 00702802		<b>UDIN:22028339AJVSPS1111</b>	
<b>S V NATARAJAN</b>		<b>KARTIKESWAR SAHOO</b>	
CHIEF FINANCIAL OFFICER		COMPANY SECRETARY	
Place: Chennai			
Date: 30-05-2022			

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2022			
Particulars	Note	Year ended 31-03-2022	Year ended 31-03-2021
		(Rupees in Lakhs)	(Rupees in Lakhs)
<b>Income</b>			
Revenue from Operations	23	29,031.88	31500.93
Other Income	24	250.40	111.99
<b>Total Income</b>		<b>29,282.28</b>	<b>31612.92</b>
<b>Expenses</b>			
Cost of Materials /Services	25	13,126.23	18179.05
Changes in Stock in Trade	26	6.42	-68.55
Employee Benefit Expenses	27	11,580.39	8982.77
Finance Cost	28	67.76	83.18
Depreciation and Amotisation Expenses	29	75.77	74.75
Other Expenses	30	2,891.16	2858.80
<b>Total Expenses</b>		<b>27,747.72</b>	<b>30,109.98</b>
<b>Profit before Exceptional items and Tax</b>		<b>1,534.56</b>	<b>1,502.94</b>
Exceptional Items			
<b>Profit after Exceptional items and Tax</b>		<b>1,534.56</b>	<b>1,502.94</b>
Excess Provision reversed during the year		-	-
<b>Profit Before Tax</b>		<b>1,534.56</b>	<b>1,502.94</b>
<b>Tax Expenses</b>			
(1) Current Tax		354.19	186.52
(2) Deferred Tax		17.80	-63.71
<b>Profit for the Year</b>		<b>1,162.57</b>	<b>1,380.13</b>
<b>Other Comprehensive Income</b>			
A i) Items that will not be reclassified to Profit or Loss			
Actuarial valuation		61.82	-126.32
Fair Value measurement of Financial instrument ( FVTOCI)		-4.36	0.78
ii) Income Tax relating to items that will not be reclassified to Profit or Loss		6.68	-0.23
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>64.14</b>	<b>- 125.77</b>
<b>Total Comprehensive Income for the Year</b>		<b>1,226.71</b>	<b>1,254.36</b>
Earning Per equity Share of face value of Rs.10/- each Basic & Diluted	31	9.41	9.62
Significant Accounting Policies and other Information Notes 1 to 31 form integral part of Financial Statements The notes are an integral part of these financial statements.			
<b>For Operational Energy Group India Limited</b>		<b>For Padmanabhan Ramani &amp; Ramanujam</b>	
		Chartered Accountants	
		FRN : 002510S	
<b>S.RAMESH</b>	<b>B.VISWANATHAN</b>	<b>G.VIVEKANATHAN</b>	
EXECUTIVE CHAIRMAN & MANAGING DIRECTOR	INDEPENDENT DIRECTOR	PARTNER	
DIN NO:00052842	DIN NO: 00702802	MEMBERSHIP NO:028339	
		UDIN:22028339AJVSPS1111	
<b>S.V.NATARAJAN</b>	<b>KARTIKESWAR SAHOO</b>		
CHIEF FINANCIAL OFFICER	COMPANY SECRETARY		
<b>Place: Chennai</b>			
<b>Date: 30-05-2022</b>			

<b>CASH FLOW STATEMENT-CONSOLIDATED</b>		
	2021-22	2020-21
	(Rs. in Lakhs)	(Rs. in Lakhs)
Annexure to Clause 32 of the listing Agreement		
<b>CASH FLOW STATEMENT</b>		
<b>A. CASH FLOW FROM OPERATIONS</b>		
Profit before Tax	1,534.56	1,502.94
Less:- Provision for Taxation		186.52
Net Profit after Tax	1,534.56	1,316.42
Adjustments for		
Depreciation	75.77	74.75
Other Comprehensive Income	246.50	151.71
Profit on sale of fixed assets	-	-
Interest/Dividend	-	-
Operating profit before working capital	1,363.83	1,239.46
(Increase)/Decrease in Sundry Debtors	989.94	730.34
(Increase)/Decrease in Inventories and other current assets	28.43	260.54
(Increase)/Decrease in Loans and Advances	1,267.20	1,374.52
Decrease in preoperation expenses	-	-
Increase/(Decrease) in current liabilities	1,911.12	2,707.80
<b>SUB TOTAL</b>	<b>374.45</b>	<b>2,324.15</b>
Cash generated from Operating activities	1,738.28	3,563.61
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	108.30	71.50
Sale of Fixed Assets	-	-
Purchase/Sale of Investments	103.72	0.30
Long term Loans and Advances	5.90	36.03
Net cash generated/Used from/in Investing Activities	206.12	35.17
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	-	-
Proceeds from long term borrowings (net)	372.91	564.48
Proceeds from working capital Loan	-	-
Repayment of finance lease liabilities	-	-
Dividend paid	-	-
Net cash generated/used in Financing activities	372.91	564.48
Net increase in cash and cash equivalents	1,159.25	2,963.95
Cash and cash Equivalents (Opening Balance)	5,797.78	2,833.83
Cash and cash Equivalents (Closing Balance)	6,957.03	5,797.78
<b>For Operational Energy Group India Limited</b>		<b>For Padmanabhan Ramani &amp; Ramanujam</b>
		Chartered Accountants
		FRN : 0025105
<b>S.RAMESH</b>	<b>B.VISWANATHAN</b>	<b>G.VIVEKANANTHAN</b>
EXECUTIVE CHAIRMAN & MANAGING	INDEPENDENT DIRECTOR	PARTNER
DIRECTOR		
DIN NO:00052842	DIN NO: 00702802	MEMBERSHIP NO:028339
		<b>UDIN:22028339AJVSPS1111</b>
<b>S.V.NATARAJAN</b>	<b>KARTIKESWAR SAHOO</b>	
CHIEF FINANCIAL OFFICER	COMPANY SECRETARY	
<b>CHENNAI</b>		
<b>30.05.2022</b>		

(Rs. In Lakhs )				
<b>A. Equity Share Capital</b>				
<b>Current Reporting Period</b>				
(1)				
Balance at the beginning of the current reporting period	1304.18	Changes in Equity Share Capital due to period errors	0	Restated balance at the beginning of the current reporting period
			0	0
(2)				
Balance at the beginning of the previous reporting period	1304.18	Changes in Equity Share Capital due to period errors	0	Reatated balance at the beginning of the previous reporting period
			0	0
		Changes in equity share capital during the current year	0	Balance at the end of the current reporting period
				1304.18
		Changes in equity share capital during the previous year	0	Balance at the end of the previous reporting period
				1304.18

Reserves and Surplus for current period - Rs. in Lakhs													
Particulars	Share application money pending allotment	Equity component of compound financial instruments	Capital Total Reserve	Securities Premium	Other Reserve (Specify nature )	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (Specify nature)	Total
Balance at the beginning of the current reporting period	-	-	-	-	-	3952.33	-	-	-	-	-	-	3,952.33
Changes in accounting policy or prior period errors	-	-	-	-	-	0.00	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for current year	-	-	-	-	-	3952.33	-	-	-	-	-	-	3,952.33
Dividends	-	-	-	-	-	0.00	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	1273.17	-	-	-	-	-	-	1,273.17
Any other change (to be Specified )	-	-	-	-	-	0.00	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	-	-	-	5225.50	-	-	-	-	-	-	5,225.50

Reserves and Surplus for Previous period - Rs. in Lakhs													
Particulars	Share application money pending allotment	Equity component of compound financial instruments	Capital Total Reserve	Securities Premium	Other Reserve (Specify nature )	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (Specify nature)	Total
Balance at the beginning of the previous reporting period	-	-	-	-	-	2723.91	-	-	-	-	-	-	2,723.91
Changes in accounting policy or prior period errors	-	-	-	-	-	0.00	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for previous year	-	-	-	-	-	2723.91	-	-	-	-	-	-	2,723.91
Dividends	-	-	-	-	-	0.00	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	1228.42	-	-	-	-	-	-	1,228.42
Any other change (to be Specified )	-	-	-	-	-	0.00	-	-	-	-	-	-	-
Balance at the end of the previous reporting period	-	-	-	-	-	3952.33	-	-	-	-	-	-	3,952.33

**Notes to Financial Statements for the Year ended 31-03-2022**  
**Notes - 2-4 -Property, Plant and Equipment (Rs. In Lakhs)**

Description of Property, Plant and Equipments	Gross Carrying Amount				Depreciations				Net Carrying Amount as at 31-03-2022	Net Carrying Amount as at 31-03-2021
	01-04-2021	Additions	Disposals	31-03-2022	01-04-2021	Charged for the Year	Disposals	31-03-2022		
Land	1.78	-	-	1.78	-	14.27	-	-	1.78	1.78
Buildings	320.73	-	-	320.73	171.84	-	186.11	-	134.62	148.89
Investment Properties (Ref.Note 12.2)	-	-	-	-	-	-	-	-	-	-
Land	0.95	-	-	0.95	-	-	-	-	0.95	0.95
Buildings	180.12	-	-	180.12	133.15	9.87	143.03	-	37.09	46.97
Plant and Machinery	427.52	1.71	-	429.23	303.20	2.88	306.09	-	123.14	124.31
Tools & Equipment (Ref.Note 12.1)	120.05	51.46	-	171.51	57.56	24.67	82.23	-	89.28	63.15
Furniture and Fittings	54.81	5.01	-	59.82	51.12	1.43	52.54	-	7.28	3.69
Office Equipment	74.28	20.95	-	95.23	67.55	2.59	70.14	-	25.09	6.55
Computers and Peripherals	165.64	4.66	-	170.30	152.30	5.65	157.95	-	12.34	13.23
Motor Vehicles	271.53	24.32	11.14	284.71	154.12	13.52	156.50	11.14	128.20	116.83
Genset	7.16	-	-	7.16	2.31	-	2.31	-	4.85	4.85
Solar Power Hybrid with Batteries	0.98	-	-	0.98	0.98	-	0.98	-	-	-
Gym Equipment	0.64	-	-	0.64	0.64	-	0.64	-	0.00	0.00
<b>Total</b>	<b>1,626.20</b>	<b>108.10</b>	<b>11.14</b>	<b>1,723.16</b>	<b>1,094.77</b>	<b>74.88</b>	<b>1,158.51</b>	<b>11.14</b>	<b>564.64</b>	<b>531.21</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			Amortisation			Net Carrying Amount as at 31-03-2022	Net Carrying Amount as at 31-03-2021
	01-04-2021	Additions	Disposals	01-04-2021	Charged for the Year	Disposals		
Application Softwares	30.80	-	-	27.02	0.89	-	27.91	3.78
ERP Software	-	-	-	-	-	-	-	-
<b>Total</b>	<b>30.80</b>	<b>-</b>	<b>-</b>	<b>27.02</b>	<b>0.89</b>	<b>-</b>	<b>27.91</b>	<b>3.78</b>



## Operational Energy Group India Limited

Notes to Financial Statements for the Year ended 31-03-2022

(Rs. In Lakhs )

	As at 31-03-2022	As at 31-03-2021
<b>5 Non-Current Investments</b>		
<b>Investments in Equity Instruments -Unquoted</b>		
<b>Others</b>		
1 No. (2021-22 and 2020-21) Equity Share of OEG Singapore...Ltd of SGD 44 each	0.00	0.00
9,999 Nos. (FY: 2021-22-9,999; 2020-21-9,999) Equity Shares of OEG Solar Energy Private Limited of Rs.10/- each	1.23	1.19
Investment in Rockfort Engineering Industries	49.00	-
3683 Nos. Equity Shares of Investment in M/s. Zuppa GEO Navigation Tech P Ltd of Rs.1357.64/- each	50.00	-
<b>Associates</b>		
49990 Nos. Equity Shares of Investment in M/s. Zuppa OEG GEN5 Technologies Pvt Ltd of Rs.10/- each	4.7151	-
<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	1,125.00	1125.00
<b>Investments in Government Securities (At Amortised Cost)</b>		
National Savings Certificate (Ref.Note 5.1)	0.98	0.94
<b>Investment in PowerSource OEG Services Inc.</b>		
8000 Nos. Equity Shares of Power Source OEG Services Inc.		0.07
<b>Total</b>	<b>1,230.93</b>	<b>1,127.20</b>
5.1 Investments in Government Securities are offered as Security Deposit for Labour License and Sales Tax Department		
Aggregate Book Value of Un-Quoted Investments	1,230.93	1,127.20
Aggregate Impairment in value of Investments		
5.2 Investments are fully paid-up unless otherwise stated		
<b>6. Loans and Advances</b>		
<b>Related Parties- Secured , Considered good</b>		
Refundable Rental Advance	52.00	52.00
Loans & Advance	39.52	45.91
<b>Sub -Total</b>	<b>91.52</b>	<b>97.91</b>

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## Operational Energy Group India Limited

Notes to Financial Statements for the Year ended 31-03-2022

(Rs. In Lakhs )

	As at 31-03-2022	As at 31-03-2021
<b>Other Financial Assets- Secured , Considered good</b>		
Security Deposits	78.83	81.61
Rental Advance	11.39	5.59
Other Advance	15.26	
<b>Sub -Total</b>	<b>105.49</b>	<b>87.20</b>
<b>Total</b>	<b>197.02</b>	<b>185.12</b>
<b>7 Deferred Tax Assets (Net)</b>		
<b>Deferred Tax Assets</b>		
On Provision for Gratuity & Other Employee Benefits	85.15	21.44
	85.15	21.44
<b>Deferred Tax Liabilities</b>		
On Depreciation	-17.8	63.71
	- 17.80	63.71
<b>Deferred Tax Assets (Net)</b>	<b>67.35</b>	<b>85.15</b>
7.1. Deferred Taxes are computed to the nearest '000		
<b>8. Other Non-Current Assets</b>		
Security Deposits	-	
Service Tax stay deposit (Ref.Note Contingent Liabilities)	42.81	42.81
<b>Total</b>	<b>42.81</b>	<b>42.81</b>
<b>9. Inventories</b>		
(As Verified , valued and certified by the Management)		
Stock in trade	103.97	110.39
Stores & Spares		
<b>Total</b>	<b>103.97</b>	<b>110.39</b>
9.1 . Mode of Valuation followed - FIFO		
<b>10. Trade Receivables (Financial Asset) - (Ref Note 1)</b>		
<b>Unsecured Considered Good</b>		
Outstanding for more than 180 days from the date they are due		
Related Parties	-	-
Others	-	83.72
Outstanding for less than 180 days from the date they are due	-	-

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Operational Energy Group India Limited

		Rs. In Lakhs
Related Parties		
Trade Receivables considered good - Unsecured	3,411.36	4,317.58
Unsecured Considered Doubtful		
Related Parties		475.92
Others	-	-
	3,411.36	4,877.21
Less: Allowance for Impairment		475.92
Total	3,411.36	4,401.29
<b>11. Cash and Cash Equivalents (Financial Asset)</b>		
Balance with Banks	3,681.94	4,241.08
Cash on Hand	3.01	8.48
Bank Fixed Deposit with maturity of period less than 12 months(Ref. Note 11.1)	3,272.08	1,548.22
Total	6,957.03	5,797.78
11.1. Fixed deposits include deposits with Banks of Rs.2498.14 lakhs, Margin money for the Bank Guarantee of Rs.95.82 lakhs and lien marked Fixed deposit of Rs. 623.66 lakhs as collateral security for working Capital facilities availed from Banks.		
<b>12. Short Term Loans &amp; Advances</b>		
Unsecured considered Good		
Security Deposits, Inter Corporate Deposits and EMD	22.34	1,417.27
Retention money and other Job Advances	245.37	175.97
Sub -Total	267.71	1,593.24
Unsecured considered Good		
Advances to Related Parties	132.42	76.49
Advance to Suppliers	1,364.42	1,362.02
Sub -Total	1,496.84	1,438.51
Total	1,764.55	3,031.75

		Rs. In Lakhs
<b>13..Other Current Assets</b>		
Income Tax (Net of Provision)	284.59	298.10
Prepaid Value Added Taxes	57.45	65.94
<b>Total</b>	<b>342.03</b>	<b>364.04</b>
<b>14. Share Capital</b>		
<b>Equity Share Capital</b>		
<b>a.Authorised</b>		
1,40,00,000/- (2022 : 1,40,00,000 and 2021 : 1,40,00,000) Equity Shares of Rs.10/- each	1400	1400
<b>b.Issued</b>		
1,30,41,800 (2022 : 1,30,41,800 and 2021 : 1,30,41,800) Equity Shares of Rs.10/- each		
<b>c.Subscribed and fully paid up.</b>		
1,30,41,800 (2022 : 1,30,41,800 and 2021 : 1,30,41,800) Equity Shares of Rs.10/- each	1304.18	1304.18
<b>Total</b>	<b>1,304.18</b>	<b>1,304.18</b>
<b>d. Reconciliation of number of Equity Shares subscribed</b>		
Balance at the beginning of the year	130.418	130.418
Add: Shares issued during the year for cash	-	
<b>Balance at the end of the year</b>	<b>130</b>	<b>130</b>
<b>14.1 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>14.1 Shareholders other than the Holding/Associate Company holding more than 5% of the equity share capital</p> <p>Equity Shares of Rs.10/- each fully paid:</p>		



## Operational Energy Group India Limited

Ramesh S : 50,81,800 (2022-50,81,800 shares and 2021-50,81,800 Shares) shares aggregating to 38.97% (2022- 38.97% and 2021- 38.97%)

Vijay Ramesh : 7,18,180 (2022 -7,18,180 shares and 2021- 6,88,180 Shares) shares aggregating to 5.51 % (2022- 5.51% and 2021-5.28%)

Usha Ramesh : 9,25,200 (2022 -9,25,200 shares and 2021- 9,25,200 Shares) shares aggregating to 7.09% (2022- 7.09% and 2021- 7.09 %)

Premier International Limited : 14,91,800 (2022-14,91,800 shares and 2021-14,91,800 Shares) shares aggregating to 11.44% (2022- 11.44% and 2021-11.44.%)

South Ganga Waters Technology Private Limited :26,05,200(2022-26,05,200 shares and 2021 - 26,05,200 Shares) shares aggregating to 19.98% (2022- 19.98% and 2021 -19.98%)

### e. Promoters Shareholding

Sl.No	Promoter Name	No. of Shares	% of total Shares	% change during the year
1	S.Ramesh	5081800	38.97	NIL
2	Sudarshan Ramesh	616300	4.73	NIL
3	Subramanyam Swaminathan	12500	0.10	NIL
Total Shares held by Promoters		5710600	43.8	

The Company has only one class of shares i.e . Equity Shares

**Rs In. Lakhs**

15 Reserves and Surplus		
Retained Earnings		
Reserves & Surplus -Operational Energy Group India Limited	3,550.13	2,449.56
Reserves & Surplus -Maxitech Engineering Private Limited	- 161.45	- 164.51
Reserves & Surplus -Pacific Technical Services India Private Limited	1,828.06	1,719.43
Reserves & Surplus -OEG Bangladesh Private Limited	82.86	27.85
Reserves & Surplus -Thoothukudi Renew Waters Private Limited		- 1.62
Reserves & Surplus -Pacific Imperial Thermal Private Limited	4.99	-
Reserves & Surplus -Zuppa OEG Gen5 Technologies Private Limited		-
Total Reserves & Surplus	5304.59	4,030.72
Less -Maxitech Engineering Private Limited -Investment	0.00	-
Less -Pacific Technical Services India Private Limited - Investment	47.66	52.05

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## Operational Energy Group India Limited

		Rs In Lakhs
Less -OEG Bangladesh Private Limited -Investment	30.38	30.38
Less -Pacific Imperial Thermal Private Limited-Investment	5.10	-
Less -Zuppa OEG Gen5 Technologies Private Limited - Investment		
<b>Total</b>	<b>5,221.44</b>	<b>3,948.28</b>
<b>Exchange Variations</b>	<b>4.35</b>	<b>4.06</b>
Operational Energy Group India Limited share of Investment in Zuppa OEG Gen 5 Technologies Private Limited	0.28	-
Operational Energy Group India Limited share of Investment in Thoothukudi Renew Waters Private Limited	-	-
<b>Closing Balance</b>	<b>5225.50</b>	<b>3952.33</b>
<b>16.Non-Controlling Interests</b>		
Pacific Technical Services India Private Limited	33.68	32.39
Maxitech Engineering Private Limited	- 69.19	-70.50
Pacific Imperial Thermal Private Limited	4.79	0.00
Thoothukudi Renew Waters Private Limited	-	0.00
OEG Bangladesh Private Limited	11.30	3.80
<b>Total</b>	<b>- 19.43</b>	<b>- 34.32</b>
<b>17. Long Term Borrowings (Financial Liabilities)</b>		
<b>Secured</b>		
Vehicle Loan from Financial Institutions (Ref.Note 17.1 & 17.2)	26.14	38.96
<b>Unsecured</b>		
From Related Parties	3.90	3.90
Term Loans from Banks		193.57
<b>Total</b>	<b>30.04</b>	<b>236.43</b>
<b>Nature of Security Offered</b>		
17.1 Secured Vehicles loans from Financial institutions are secured by Hypothecation of the Vehiclesbought with the loan proceeds and personal guarantee by directors		
Repayment Terms		

17.2 Vehicle Loans from Financial Institutions are repayable at 10.35% interest rate (Average) in Equated Monthly Installments (EMI) for 36 months

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

**Rs. In Lakhs**

**18 Long Term Provisions**

Provision for Gratuity Liabilities (Ref.Note 18.1)	- 29.83	123.15
Provision for Leave Encashment	16.02	29.55
<b>Total</b>	<b>- 13.81</b>	<b>152.70</b>

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

**19 Short Term Borrowings - Financial Liabilities**

Over Draft facilities from Banks (Ref.Note 19.1)	648.65	591.79
<b>Total</b>	<b>648.65</b>	<b>591.79</b>

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

**20 Trade Payables**

Total outstanding dues of micro enterprises and small enterprises (Ref.Note 20.1)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Others	2,252.55	3,499.06
<b>Total</b>	<b>2,252.55</b>	<b>3,499.06</b>

20.1 Based on the review of the Company, there are no Trade Payables to Micro and Small Enterprises

**21 Other Current Liabilities**

Current Maturities of Long Term Borrowings	124.05	852.20
Statutory Liabilities	277.50	33.23
Salary, Bonus & Expenses Payable	2,584.84	2,929.41
Retention Money, Deposits & Advances	1,967.06	1,822.34

<b>Total</b>	<b>4,953.46</b>	<b>5,637.18</b>
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		Rs. In Lakhs
<b>22 Short Term Provisions</b>		
Provision for Employee Benefits		
Provision for Bonus	303.41	341.17
<b>Total</b>	<b>303.41</b>	<b>341.17</b>
<b>23 Revenue from Operations</b>		
<b>From Sales</b>		
Sale of Maintenance Spares & Components	607.71	1,337.73
<b>From Services</b>		
Operation and Maintenance Fees	29,234.38	28,458.88
Accrued Income	- 810.22	1,704.31
<b>Total</b>	<b>29,031.88</b>	<b>31,500.93</b>
<b>24 Other Income</b>		
<b>Interest Income from</b>		
Bank Deposits	109.95	102.80
Other Income	21.59	9.19
Others	117.98	0
<b>Other non-operating Income</b>		
Profit on Sale of Fixed Assets	0.89	-
Foreign Exchange Fluctuation Gain	-	-
<b>Total</b>	<b>250.40</b>	<b>111.99</b>
<b>25 Cost of Materials/ Services</b>		
Cost of materials /Service	13,126.23	18,179.05
<b>Total</b>	<b>13,126.23</b>	<b>18,179.05</b>
<b>26 Changes in Stock in Trade</b>		
Opening Stock		
Maintenance Spares & Components	110.39	41.83
	110.39	41.83
Closing Stock		
Maintenance Spares & Components	103.97	110.39
	103.97	110.39
<b>Total</b>	<b>6.42</b>	<b>- 68.55</b>
<b>27 Employee Benefit Expenses</b>		
Salaries and Wages	10011.14	7914.55
Contribution to Provident and Other Funds	600.66	476.70
Staff Welfare Expenses	968.59	591.52
<b>Total</b>	<b>11,580.39</b>	<b>8,982.77</b>
<b>28 Finance Charges</b>		
Interest Expenses	67.76	83.18
Interest on Income Tax Demand		

	Rs. In Lakhs	
<b>TOTAL</b>	<b>67.76</b>	<b>83.18</b>
<b>29 Depreciation and Amortisation</b>		
Depreciation	75.77	74.75
Amortisation		
<b>TOTAL</b>	<b>75.77</b>	<b>74.75</b>
<b>30 Other Expenses</b>		
<b>Operating Expenses (A)</b>		0.58
Consumables & Tools	0.67	
Diesel Expenses	3.64	
Testing, Inspection and Calibration Charges	-	
Other Operating Expenses	-	
<b>Other Expenses (B)</b>		
Power and Fuel Charges	74.50	14.38
Rent Paid	67.99	66.07
Rates and Taxes	60.94	55.65
Insurance Charges	12.19	18.86
Bad Debts	1.29	226.68
Repairs & Maintenance	-	0.00
-Buildings	-	0.00
-Equipments	16.41	21.46
Security Service Charges	3.12	2.53
Brokeage and Commission	188.71	885.59
Communication Expenses	27.73	21.05
Directors' Sitting Fee and Commission	154.74	1.80
Printing & Stationery	24.60	15.31
Professional Charges	1,102.36	933.79
Payments to Auditors (Ref. note 30.1)	16.93	13.85
Provision for Doubtful Debts - P&L	683.48	424.34
Subscriptions	0.73	2.06
Books and Periodicals	1.41	0.37
Business Promtion Expenses	45.60	33.83
Advertisement Expenses	3.91	1.91
Bank Charges	12.11	3.24
CSR Expenses	62.56	36.45
Foreign Exchange Fluctuation Gain	14.52	-98.48
Donation	2.00	0
Travelling and Conveyance Expenses	118.65	48.87
Vehicle Repairs and Maintenance Expenses	43.37	25.45
Pooja Expenses	5.33	4.12
Licenses and permits	1.45	1.84
ROC Fees	0.67	0.10
Miscellaneous Expenses	48.25	8.20
Financial Services - Lebanon	31.29	31.27
Loss on Sale of Fixed Assets	-	0.14



## Operational Energy Group India Limited

	Rs. In Lakhs	
Director remuneration	60.00	57.50
<b>TOTAL</b>	<b>2,891.16</b>	<b>2,858.80</b>

30.1 Payment to Auditors represents fee for Statutory audits

<b>31. Earning Per Share</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Profit After Tax (PAT)	1,226.71	1,254.36
Weighted average number of shares	130.42	130.42
Earning Per Share (Face value Rs.10/- each )		
Basic	9.41	9.62
Dilluted	9.41	9.62

### 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



**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,5<sup>th</sup> 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, 2022, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2022, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

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

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

**b). Use of estimates and 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 is made relying on these estimates.

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

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

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

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

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

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

The significant accounting policies are detailed below.

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

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

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

iii). Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Expenditure

incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred.

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

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

#### **d). Intangible Assets**

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

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

iii). Computer software costs are capitalized and recognised as intangible assets based on materiality, accounting prudence and significant benefits expected to flow there from for a period longer than one year.

iv). An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

**e). Depreciation/Amortisation**

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

<b>Class of Property, Plant and Equipment</b>	<b>Useful Life Estimated by Management</b>	<b>Useful Life as per Schedule II</b>
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

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

- i). At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.
- ii). There are no Intangible Assets with indefinite useful lives.

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

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

#### g). Borrowing Cost

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

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

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

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

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

#### i). Inventories

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

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

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

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

Advances, balances with government departments, Trade Payables and receivables, other loans and advances and deposits classified under non current and current are subject to confirmation. There are

certain old balances pending review / adjustment. The management does not expect any significant impact upon such reconciliation.

#### **k). Revenue Recognition**

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

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

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

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

v). Dividend and interest income

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

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

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

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

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

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

iv). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

v). Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

#### m). Employee Benefits

##### i) Defined Contribution Plan

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

##### ii) Defined Benefit Plan

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

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

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

	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>
Discount Rate	7.00%	7.00%
Expected Salary Increment rate	5.00%	5.00%
Average longevity at retirement age- Past services	2.72	2.75
Average longevity at retirement age- Future services	9.07	9.42

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

	<b>Rs. in Lakhs</b>	
	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>
Defined Contribution Plan	Rs. 457.72	Rs. 371.99
Defined Benefit Plan	Rs. 200.39	Rs.351.43

#### 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.

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.

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

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

Key sources of estimation uncertainties:

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

**Impairment of property plant and equipment:**

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

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management

estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

**Contingent Liabilities:**

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

**Fair value measurements:**

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

**Defined benefit plans:**

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

**Lease:**

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

**Tax:**

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

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

**u. Inventories as at the reporting date:**

Normally the Company procures inventories and other consumables for rendering its O&M services, EPC services and for sales, being incidental activity in connection with the O&M service and EPC contracts, as and when the requirements arise.

**v- Corporate Social Responsibility**

The Company has laid down the CSR policy for the activities where the CSR funds shall be spent in accordance with the provisions of Companies Act, 2013. Since the CSR provisions are applicable to the Company for the year 2021-22, the amount of CSR spending and the Board had approved the donation to M/s. Yashas English School in Malli Village to promote the cause of education. The school has been providing quality education to underprivileged children free of cost since 2016.

The mandatory CSR spending for the year 2021-22 as per Section 135 Companies Act, 2013 is as follows:

Particulars	Amount (In Rs. Lakhs)
Net Profit for the Financial year 2020-21 (A)	966.43
Net Profit for the Financial year 2019-20 (B)	<b>222.87</b>
Net Profit for the Financial year 2018-19 (C)	71.88
Average Net Profit (A+B+C / 3)	420.39
<b>2% of the average net profits – Amount to be spent as CSR during the FY 2021-22</b>	<b>8.41</b>

Particulars	Amount (In Rs.)
(I) Amount required to be spent by the company during the year	8.41
(ii) Amount of expenditure incurred	62.55
(iii) shortfall at the end of the year	0
(iv) Total of Previous years shortfall	0
(v) Reason for Shortfall	0
(vi) Nature of CSR activities	Donation to School
(vii) Details of related party transactions, E.g., Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard: -	
(viii) Where a provision is made with respect a liability incurred by entering into a contractual obligation, the Movements in the provision during year shall be shown separately.	0



## Operational Energy Group India Limited

M/s. Yashas English School has received ICSE affiliation and the school has therefore constructing a building of 11,100 sq. ft. for adding new classrooms to accommodate students for higher secondary classes, i.e., from 7<sup>th</sup> standard to 12<sup>th</sup> standard. The building consists of 20 classrooms, 1 exam hall, 1 science lab and 1 office room. The addition of classroom will accommodate 500 students and will enable them to further benefit from the gift of education.

### **Business Combinations:**

The company does not have any Business Combinations.

### **Scheme of Arrangements:**

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

### **Capital management & Risk Management Strategies:**

#### **Risk management framework**

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

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

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

#### **i) Capital management**

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

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

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

#### **Financial risk management**



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

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

### **Credit risk management**

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

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

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

### **Trade receivables**

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

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

### **Aging Schedule of Receivables**

Particular	Outstanding for the Following Periods from due date of Payment					Rs.in Lakhs
	Less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables- considered good	3411.36					3411.36
(ii) Undisputed Trade receivables - which have significant increase in						





credit risk						
(iii) Undisputed Trade receivables - credit impaired						
(iv) Disputed Trade receivables - Considered good						
(v) Disputed Trade receivables - which have significant increase in credit risk						
(vi) Disputed Trade receivables - credit impaired						

**Trade payables:****TRADE PAYABLES AGING SCHEDULE**

Particular	Outstanding for the Following Periods from due date of Payment				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
MSME	23.31				23.31
Others	2229.24				2229.24
Disputed Dues-MSME					0
Disputed Dues-Others					0

**Liquidity risk management**

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

**Market risk**

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

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

**Finance Lease Receivable**

The Company does not have any finance lease receivable.

**Financial Ratio Analysis**

Financial Ratios Analysis					(Rs in lakhs)			
		CURRENT YEAR			PREVIOUS YEAR			
Types of Ratios	Formula	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	Variance
(a) Current Ratio	Current Assets / Current Liabilities	12578.93	8158.07	1.54	13705.26	10069.20	1.36	-11.73
(b) Debt-Equity Ratio	Total Outside Liabilities/ Shareholders Equity	8174.30	6529.68	1.25	10458.33	5256.51	1.99	58.93
(c) Debt services Coverage Ratio,	Earnings available for debt service/ ( Interest + Installments)	1534.56	67.76	22.65	1502.94	83.18	18.07	-20.22
(d) Return on Equity Ratio	PAT / Equity Shareholders Funds	1162.57	6529.68	0.18	1380.13	5256.51	0.26	47.47
(e) Inventory Turnover ratio,	Cost of Goods sold / Average Inventory	13132.65	107.18	122.53	18110.49	76.11	237.95	94.20
(f) Trade Receivables turnover ratio,	Total Sales / Average Trade Receivables	29031.88	3906.32	7.43	31500.93	4583.88	6.87	-7.53
(g) Trade payables turnover ratio,	Total Purchase / Average Trade payables	13132.65	2875.81	4.57	18110.49	2900.30	6.24	36.74
(h) Net capital turnover ratio	Sales / Capital Employed	29031.88	6526.47	4.45	31500.93	5611.32	5.61	26.20
(i) Net profit ratio	Net profit (PAT)/Sales	1162.57	29031.88	0.04	1380.13	31500.93	0.04	9.41
(j) Return on capital employed,	EBIT / Capital Employed	1602.32	6526.47	0.25	1586.12	5611.32	0.28	15.13

**Related Party Transactions**

During the Financial Year 2021-22 the company has entered into some transactions which can be deemed as related party transactions

All these matters have been approved by the Board, wherever necessary.

**Related party**

S.NO	PARTICULARS	NATURE OF RELATIONSHIP
1	S. RAMESH	CHAIRMAN AND MANAGING DIRECTOR
2	USHA RAMESH	DIRECTOR
3	K.VISWANATHAN	INDEPENDENT DIRECTOR
4	P.SWAMINATHAN	INDEPENDENT DIRECTOR
5	SUDARSHAN RAMESH	SON OF CMD
6	VIJAY RAMESH	SON OF CMD
7	S.V.NATARAJAN	CHIEF EXECUTIVE OFFICER
8	KAVITHA NATARAJAN	WIFE OF CEO
9	PACIFIC TECHNICAL SERVICES PRIVATE LIMITED	WHOLLY OWNED SUBSIDIARY
10	MAXITECH ENGINEERING PRIVATE LIMITED	WHOLLY OWNED SUBSIDIARY
11	OEG BANGLADESH PRIVATE LIMITED	WHOLLY OWNED SUBSIDIARY
12	OPERATIONAL ENERGY GENERATION FZCO	WHOLLY OWNED SUBSIDIARY
13	THOOTHUKUDI RENEW WATER PRIVATE LIMITED	ASSOCIATE
14	SOUTH GANGA WATERS TECHNOLOGIES PRIVATE LIMITED	Entities in which KMP or their relatives have significant influence
15	OEG SOLAR ENERGY PRIVATE LIMITED	Entities in which KMP or their relatives have significant influence
16	PACIFIC IMERIAL THEMAL PRIVATE LIMITED	Entities in which KMP or their relatives have significant influence
17	Zuppa OEG GEN5 Technologies Private Limited	Entities in which KMP or their relatives have significant influence
18	ROCKFORT ENGINEERING INDUSTRIES	Entities in which KMP or their relatives have significant influence

**Note No. - Related party Disclosure Transactions with Related Parties**

Particulars	Subsidiary / Associate	Entities in which KMP or their relatives have significant influence	Key Managerial Personnel	Relatives of KMP	2021-22	2020-21
Loans given	-	4,32,346.00	-	-	4,32,346	8,15,961
Reimbursement of expenses	-	17,231.00	-	-	17,231	16,24,808
Remuneration paid	-	-	1,74,25,821	46,86,142	2,21,11,963	1,19,63,841
Loans repaid	-	17,23,951.00	6,39,048	-	23,62,999	6,71,350
Security Deposit given	-	-	-	-	0	-
Rent paid	-	-	41,58,600.00	-	41,58,600	41,58,600
Service charges paid	-	1,80,00,000	-	-	1,80,00,000	20,97,000

**Outstanding Balance With related parties**

Particulars	Subsidiary/ Associate	Entities in which KMP or their relatives have significant influence	Key Managerial Personnel	Relatives of KMP	2021-22	2020-21
Loans given	3,74,14,326.00	33,09,168.00	39,52,189.00	-	4,46,75,683.00	4,70,38,682.00
Investments	83,14,818.98	11,80,22,678.99	-	-	12,63,37,497.97	12,08,63,326.00



## Operational Energy Group India Limited

### Approval of financial statements:

The financial statements were approved for issue by the board of directors on 30-05-2022.

**For Operational Energy Group India Limited**

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

**S RAMESH**  
EXECUTIVE CHAIRMAN &  
MANAGING DIRECTOR

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

**G. VIVEKANANTHAN**  
PARTNER  
MEMBERSHIP No. 028339  
**UDIN:22028339AJUSPS1111**

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

**KARTIKESWAR SAHOO**  
COMPANY SECRETARY

**PLACE: CHENNAI**  
**DATE: 30.05.2022**



Operational Energy Group India Limited



**OPERATIONAL EXCELLENCE**

# **OPERATIONAL ENERGY GROUP INDIA LIMITED**

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**Annual Report 2021-22**