

OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Consolidated Balance Sheet as at 31st March 2017

Particulars	Note No.	As at	
		31st March 2017	31st March 2016
Shareholders' funds			
Share Capital	1	130418000	33,000,000
Share pending Allotment		0	97,418,000
Reserves and Surplus	2	121291049	86,308,779
Minority Interest		715297	7,817,571
		252,424,346	224,542,350
Non-current liabilities			
Long-Term Borrowings	3	89827386	22,342,124
Deferred tax Liabilities			
		89,827,386	22,342,124
Unsecured Loans	4	71680233	56,469,165
Current Liabilities			
Short-term borrowings	5	138826710	197,073,696
Trade Payables	6	79430010	55,915,949
Other current liabilities	7	1130414	3,140,221
Short-term provisions	8	251326123	179,527,782
		470,713,257	435,657,648
Total		884,645,222	739,011,287
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	9	50990032	59,945,322
Non - Current Investments	10	112600034	44
Long Term Loans and Advances	10A	0	112,582,303
		163,590,066	172,527,669
Current Assets			
Inventories			
Trade Receivables	11	419664697	366,474,633
Cash and Cash Equivalents	12	78771514	10,691,902
Short-term loans and advances	13	44743061	40,765,219
Other Current Assets	14	177875877	148,384,424
Miscellaneous Expenses not written off	15	0	167,432
		721,055,149	566,483,610
Total		884,645,222	739,011,287

The notes are an integral part of these financial statements.
For Operational Energy Group India Limited

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

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

Sd/-
USHA RAMESH
DIRECTOR
DIN NO: 00053451

Sd/-
B.VISWANATHAN
DIRECTOR
DIN NO: 00702802

Sd/-
GEORGE JAMEIDAS
DIRECTOR
DIN NO: '06777068

Sd/-
M.B. SRINIVASAN
PARTNER
Membership no:027630

Sd/-
V.RAMABHADRAN
CHIEF FINANCIAL OFFICER

Sd/-
S.V.NATARAJAN
CHIEF EXECUTIVE
OFFICER

Sd/-
S.SRINATH
COMPANY
SECRETARY

CHENNAI
15.06.2017

OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Consolidated statement of Profit and Loss as on 31st March 2017

Particulars	Note No.	Year ended 31st March'2017	Year ended 31st March'2016
Revenue from operations	16	1,539,871,087	1,398,991,504
Other Income	17	22,300,559	6,610,032
Total Revenue (i)		1,562,171,646	1,405,601,536
Expenses:			
Cost of Service/materials Less Closing Stock	18	201682798	160,920,867
Employee benefits expenses	19	1086912642	1,020,389,915
Finance costs	20	32461231	28,300,252
Other expenses	21	189507958	141,917,716
Depreciation		7162693	17,335,786
Total Expenses (ii)		1,517,727,323	1,368,864,536
Profit before Extraordinary Item (i-ii)		44,444,323	36,737,000
Extraordinary item :			
Provision for MAT			
Provision for Tax		11932700	14,543,660
Deferred Tax			-
Excess depreciation written off			-
Profit after tax from continuing operations		32,511,623	22,193,340
Minority Share of profit		333,539	-
Profit to be transferred to Consolidated Balance sheet		32,178,084	22,193,340

For Operational Energy Group India Limited

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

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

Sd/-
USHA RAMESH
DIRECTOR
DIN NO: 00053451

Sd/-
B.VISWANATHAN
DIRECTOR
DIN NO: 00702802

Sd/-
M.B. Srinivasan
PARTNER
Membership no:027630

Sd/-
V.RAMABHADRAN
CHIEF FINANCIAL OFFICER

Sd/-
GEORGE JAMEIDAS
DIRECTOR, DIN NO.06777068

Sd/-
S.V.NATARAJAN
CHIEF EXECUTIVE OFFICER

Sd/-
S.SRINATH
COMPANY SECRETARY

CHENNAI
15.06.2017

OPERATIONAL ENERGY INDIA LIMITED (Consolidated)
CASH FLOW STATEMENT

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

There is no comparative for last year as 2015-16 was the first year of consolidated accounts.

For Operational Energy Group India Limited

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

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

Sd/-
USHA RAMESH
DIRECTOR
DIN NO: 00053451

Sd/-
B.VISWANATHAN
DIRECTOR
DIN NO: 00702802

Sd/-
GEORGE JAMEIDAS
DIRECTOR
DIN NO: '06777068

Sd/-
M.B. SRINIVASAN
PARTNER
Membership no:027630

Sd/-
V.RAMABHADRAN
CHIEF FINANCIAL OFFICER

Sd/-
S.V.NATARAJAN
CHIEF EXECUTIVE
OFFICER

Sd/-
S.SRINATH
COMPANY SECRETARY

CHENNAI
15.06.2017

OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Notes Forming Part of Accounts		
Particulars	As at	As at
	March 31, 2017	March 31, 2016
1. Share Capital		
(a) Authorised:		
40,00,000 Equity Shares of RS.10/- each	400,00,000	400,00,000
	400,00,000	400,00,000
(b) Issued, Subscribed and paid up:		
13041800 Equity Shares of Rs 10/- each fully paid up	130418000	33,000,000
Total	130,418,000	33,000,000
Share Capital Pending Allotment	0	97,418,000
	130,418,000	130,418,000

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

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

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

Notes Forming Part of Accounts		
Particulars	As at	As at
	31st March 2017	31st March 2016
2. Reserves and Surplus		
Surplus in Statement of Profit and Loss		
General Reserve	0	0
Balance as at the beginning of the year	89,112,965	64,113,439
Profit after tax	32,178,084	22,193,340
Balance as at the end of the year	121,291,049	86,306,779
Minority Interest	715,297	7,817,571
3. Long Term Borrowings		
Term Loans		
From Banks		
Axis Bank - Loan - Toyota		-
Axis Working Capital Loan	7,486,421	14,767,611
From Other Parties		
BMW Financial Services Private Ltd		-
Mobilisation advance - JV of MEP SAL & OEGIL & AERL Ltd	76,094,451	
Sundaram Finance Ltd		-
Volkswagen Finance Private Limited	5,665,797	6,817,794
Kotak Mahindra Bank	580,717	756,719
Total	89,827,386	22,342,124
4. Unsecured Loan		
Term Loan - Capital First Limited	39507652	42785575
Term Loan - Indusind bank Limited	32172581	13683590
Total	71680233	56469165
5. Short-term Borrowings		
Secured:		
From Banks		
Working Capital Demand Loan	114758874	159403517
Loans and Advances		23485274
Loan from K.Subramanyam - SBML		0
Loan from S.Ramesh - SBML		4234057
Loan from R.Sudarshan - SBML		0
Loan from Usha Ramesh - SBML	600000	7150848
Pacific Technical Services India Private Limited	0	2800000
Mobilisation advance - JV of MEP SAL & OEGIL & AERL Ltd	21967836	0
Magnus Power Private Limited	1500000	0
Total	138,826,710	197,073,696
6. Trade Payables		
Sundry Creditors	79430010	55915949
Total	79,430,010	55,915,949
7. Other Current Liabilities		
Other payables - SBML		327,229
Other payables	1130414	2812992
Total	1,130,414	3,140,221
8. Short-term provisions		
Provision for Taxation	11515640	15329637
Provision for Audit Fee	530,500	375,000
Provision for Expenses Payable	57,344,814	22,622,449
Bonus Payable	15,720,833	12,062,695
Duties & Taxes and Payable	81,708,477	53,892,164
Staff Salary Payable	84,505,859	75,245,837
Total	251,326,123	179,527,782

Note :9

M/S. OPERATIONAL ENERGY GROUP INDIA LIMITED												
DEPRECIATION AS PER COMPANIES ACT FOR THE YEAR 2016-17												
PARTICULARS	GROSS BLOCK			DEP. [WDV] Rate	DEPRECIATION			WDV AS ON 31.03.2017	WDV AS ON 31.03.2016			
	Opening as on 01.04.2016	Addition	Deletion		Total	For the year	Deletion			Total		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.			
LAND	286,517	-	-	286,517	-	-	-	286,517.00	286,517.00			
Furniture & Fittings	5,053,757	243,513	-	5,297,270	107,544	-	4,782,921	514,349	378,379.92			
Office equipment	5,827,358	371,279	33,153	6,165,484	426,733	-	5,164,750	1,000,734	1,089,341.00			
Plant & Machinery	36,864,994	6,410,003	-	43,274,997	2,975,400	-	27,692,385	15,582,612	12,148,009.00			
Computer & Peripherals	12,532,750	1,147,865	17,552	13,663,063	1,107,163	16,950	11,683,660	1,979,403	1,939,303.26			
Vehicle	20,141,478	262,335	223,963	20,179,850	1,693,145	151,927	13,173,643	7,006,207	8,509,052.76			
Building	45,593,670	-	-	45,593,670	804,911	-	21,177,313	24,416,357.00	25,221,268.00			
Gym Equipments	64,012	-	-	64,012	-	-	64,011	1	1.00			
Solar Power Hybrid with Batteries	98,018	-	-	98,018	2,984	-	98,018	-	2,984.00			
Gen set	322,157	-	-	322,157	44,812	-	118,305	203,852	248,664.00			
TOTAL	126,784,711	8,434,995	274,668	134,945,038	7,162,692	168,877	83,955,006	50,990,032	49,823,520			

OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Notes Forming Part of Accounts		
Particulars	As at 31st March 2017	As at 31st March 2016
10. Non - Current Investments		
OEG Singapore - 1 SGD = 44.00	44	44
Investment in OEG Solar Energy Private Limited	99,990	
Investment in South Ganga Waters Technologies Private Limited	112,500,000	
Investment in Maxitech Engineering Private Limited		
	112,600,034	44
10A. Long Term Loans & Advances:		
South Ganga Waters Technologies Private Limited	-	112,582,303
	-	112,582,303
11. Trade Receivables		
Unsecured, considered good	419664697	366474633
Outstanding for a period exceeding 6 months from the date they are due for payment		
Others		
Total	419,664,697	366,474,633
12. Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand	332647	282882
Cheques on hand		
Bank balances		
In current accounts	78438867	10409020
Demand deposits (less than 3 months maturity)	-	-
Other bank balances	-	-
Long term deposits with maturity more than 3 months but less than 12 months	-	-
Total	78,771,514	10,691,902
13. Short-term loans and advances		
Advances		
Advance to Sujay Waters	29,543,778	23,810,919
	339,675	339,675
Loans		
	4,208,021	-
Share Application money in		
RPA Engineering and Projects Private Limited	950,000	950,000
Metro Global Power Limited	4,452,000	4,452,000
OEG - Middle East	-	11,154,345
PT Oeg Indonesia	58,279	58,279
OEG Solar Energy Private Limited	5,191,308	
Total	44,743,061	40,765,219
14. Other Current Assets		
TDS		
Income tax refund for the year 2007-08	27,375,385	23,807,721
Income tax refund for the year 2008-09	48,194	48,194
Income tax refund for the year 2009-10	710,341	710,341
Income tax refund for the year 2010 -11	185,903	185,903
Income tax refund for the year 2011- 12	135,649	135,649
Income tax refund for the year 2012 -13	20,000	20,000
Income tax refund for the year 2013-14	19,600	6,137,326
Incometax Refund for the year 2013-14	24,691,441	24,691,441
Incometax Refund for the year 2014-15	11,840,360	18,710,607
Incometax Refund for the year 2015-16	7856178	
Deposits	71183165	64,374,235
Others	33809661	9,563,007
Total	177,875,877	148,384,424
15. Misc.Exp Not Written off		
Preliminary Expenses and Pre -Operative Expenses	-	167,432
	-	167,432

OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Notes Forming Part of Accounts		
Particulars	Year ended 31st March '2017	Year ended 31st March '2016
16. Revenue		
Income from Operations		
Operations Fees	96868404	18437388
Maintenance Fees	1061212238	103736278
Maintenance Fee - Exemption	0	0
Spares and Consumables	27611073	13514987
Electricity Sale	0	1981349
Overseas	354179372	327690502
Total	1,539,871,087	1,398,991,504
17. Other Income		
Interest Income	22255061	6089996
Other Income	37913	181607
Profit on sale of assets	7585	338429
Total	22,300,559	6,610,032
18. Cost of Materials Consumed		
Chemicals and Consumables	179222482	106,796,113
Stores and spares	22460316	54,124,754
Total	201,682,798	160,920,867
19. Employee Benefits Expenses		
Salaries & Bonus	796642952	753836454
PF & ESI	56176062	56019974
Labour charges	124557196	96920071
Staff Transport expenses	44284977	43920744
Staff Food and Refreshment	12271367	14485642
Staff Accommodation Expenses	27776961	22839847
Staff Welfare Expenses	9144366	15682684
Staff Safety Expenses	7412365	8477980
Gratuity and Leave Encashment	8646396	8206519
Total	1,086,912,642	1,020,389,915

OPERATIONAL ENERGY GROUP INDIA LIMITED

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

Notes Forming Part of Accounts		
Particulars	Year ended 31st March '2017	Year ended 31st March '2016
20. Finance Costs		
Bank Charges	1455122	1244048
Interest charges	31006110	27056204
Total	32,461,231	28,300,252
21. Other Expenses		
Advertisement expenses	770110	743532
AMC Charges	3138221	2627286
Audit Fees	540250	325000
Boarding & Lodging Expenses	3894886	4500387
Books & periodicals	135688	26023
Brokerage & Commission Charges	22500	4500
Business Development Expenses	9437121	3814563
Calibration Charges	486316	175141
Clearing and Forwarding	0	159410
Conveyance Expenses	1273427	2364494
Diesel -OPM	2942304	2603451
Director Sitting fees	155211	0
Donation	335000	5000
Discount Allowed	3700000	
Electricity & Water charges	2507016	2836855
Environmental Testing- Samalpatti	0	131450
Filing fees	862661	48536
Freight & Transportation	1456860	4413800
Foreign Exchange Loss / Gain	-2471274	-2180526
House Keeping Expenses	538608	811060
Incentive - Opra	1356570	0
Inspection Charges	0	3089
Insurance	983642	840226
Input credit - KK cess - Vehicle	39936	0
Labour Welfare Fund Cont -Employer	72010	50602
Licenses & Permits	344139	201280
Loss on Sale of Asset	65327	37680
Miscellaneous Expenses	2370444	8331367
Office expenses	2974584	2025043
Office Rent	8311453	12523141
Pooja expenses	1015922	929651
Postage & couriers	1100833	1054933
Printing & Stationery	4024077	2722008
Professional & Consultancy charges	7221581	4254173
Professional tax & Property tax	166916	162316
Recruitment Expenses	0	350000
Repairs & Maintenance	68601350	47221960
Sales Tax , Entry tax, Water tax	47154	47154
Security Service Charges	2079073	2256273
Statutory fees & Documentation expenses	1079525	71567
Subscription	111160	132553
Swachh Bharat Cess	862142	324803
Telephone & Communication expenses	5068048	4771198
Tender Fees	38901	2000
Testing Expenses & Testing charges	1170410	719379
Travelling Expenses	17331405	10804799
Uniform Expenses	0	66623
Vehicle Repairs Expenses	1203780	1264547
Visa Expenses	20206941	16933700
Works Contract Tax	0	0
Withholding Tax	11786413	0
Water Charges - Samalpatti	149319	406150
Total	189,507,958	141,917,176

Notes to Consolidated accounts

1. Background

The Company is engaged in the business of providing Operations and Maintenance ('O&M') services to various power plants and the revenues are governed by the Operations and Maintenance agreements entered with the owners of these power plants.

2. Summary of significant accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP"), the Accounting Standards ("AS") as specified under section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 7 of the Companies' (Accounts) Rules 2014. The financial statements are prepared on the basis of going concern under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the 2013 ACT.

a. Fixed assets and depreciation

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

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

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

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

Impairment of assets

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

b. Revenue recognition

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

C. Foreign currency transactions

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

d. Retirement benefits

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

e. Taxation

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

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

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

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

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

f. Provisions

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

g. Cash Flow Statement

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

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

DISCLOSURE ON SPECIFIED BANK NOTES

PARTICULARS	SBN	OTHER DENOMINATIONS NOTES	TOTAL (Rs.)
Opening cash in hand as on November 8,2016	464,000.00	52413.00	516,413.00
Add: Permitted Receipts (New currency)	-	1,218,692.00	1,218,692.00
Less: Permitted Payments	-	961,959.00	961,959.00
Less : Amount deposited in banks	464,000.00	-	464,000.00
Closing cash in hand as on December 30,2016	-	309,146.00	309,146.00

h. Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial

statements. Actual results could differ from those estimated. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized

i. Investments

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

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

3. Capital Commitments

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

4. Secured Loans:

4.1 Banks

a) Cash Credit facilities:

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

b) Bank Guarantee:

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

4.2 Term Loans:

Axis Bank Limited:

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

4.3 Hire Purchase Finance:

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

5. Related party disclosures:

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

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

ii) Related Party Disclosures:

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

3. Contingent Liabilities:

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

	Particulars	March 31'2017	March 31'2016
1.	The Company has received a Show Cause notice dated 9 th August 2007 from the Commissioner of Service tax, Chennai amounting to Rs.81, 75,034/- towards payment of Service tax and Education Cess under Operation Service for the period from 16 th June 2005 to 31 st March 2007. The Company has preferred an appeal with the Customs, Excise and Service Tax Appellate Tribunal (CESAT) which is currently pending with that authority. The demanded amount has come down from Rs.81, 75,034/- to Rs.73, 20,717/- .CESAT has already granted a stay of	Rs.73,20,717/-	Rs.73,20,717/-

	recovery and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.		
2.	The Company has received a Show Cause notice dated 24 th March 2008 from the Commissioner of Service tax, Chennai amounting to Rs.33, 50,510/- towards payment of Service tax and Education Cess under Operation Service for the period from 1 st April 2007 to 31st October 2007. The Company preferred an appeal with The Commissioner of Central Excise and call booking done with The Joint Commissioner of Service Tax. As similar case is pending with CESTAT as detailed in Sl.no.1, no provision is considered necessary in respect of the above.	Rs.33,50,510/-	Rs.33,50,510/-
3.	The Company has received a Show Cause notice dated 17 th February 2009 from the Commissioner of Service tax, Chennai amounting to Rs.34, 08,031/- towards payment of Service tax and Education Cess under Operation Service for the period from November 2007 to May 2008. The Company has done call booking and received an order demanding Rs.30,33,136/- which has come down from Rs.34,08,031/-.As a similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.30,33,136/-	Rs.30,33,136/-
4.	The Company has received a Show Cause notice dated 1 st June 2009 from the Commissioner of Service tax, Chennai amounting to Rs.40, 71,233/- towards payment of Service tax and Education Cess under Operation Service for the period from June 2008 to March 2009 The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.40,57,230/-	Rs.40,57,230/-
5	The Company has received a Show Cause notice dated 30 th September 2010 from the Commissioner of Service tax, Chennai amounting to Rs.74, 26,186/- towards payment of Service tax and Education Cess under Operation Service for the period from April 2009 to March 2010 The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the	Rs.74,26,186/-	Rs.74,26,186/-

	above.		
6	The Company has received a Show Cause notice dated 8 th February 2011 from the Additional Commissioner of Service tax, Chennai amounting to Rs.26,37,118/- towards payment of Service tax and Education Cess under Operation Service for the period from April 2010 to September 2010. The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.26,37,118/-	Rs.26,37,118/-
7	The Company has received a Show Cause notice dated 8 th September 2011 from the Additional Commissioner of Service tax, Chennai amounting to Rs.42,93,302/- towards payment of Service tax and Education Cess under Operation Service for the period from October 2010 to March 2011. The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.42,93,302/-	Rs.42,93,302/-
8	The Company has received a Show Cause notice from the Additional Commissioner of Service tax, Chennai amounting to Rs.1,20,72,760/- towards payment of Service tax and Education Cess under Operation Service for the period from April 11 to March 2012. The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is confident of a favorable outcome and hence no provision is considered necessary in respect of the above.	Rs.1,20,72,760/-	Rs.1,20,72,760/-
8	The Company has received a Show Cause notices from the Additional Commissioner of Service tax, Chennai amounting to Rs.93,58,618/- towards payment of Service tax and Education Cess under Consumables for the period from January 2009 to September 2011. The Appeal Was allowed in our favour.	Rs.93,58,618/-	Rs.93,58,618/-
9	The Company has received a Show Cause notices from the Additional Commissioner of Service tax, Chennai amounting to Rs.59,70,569/- towards payment of Service tax and Education Cess under Consumables for the period from October 2011 to June 2012. The Company has replied to the Show Cause notice. As similar case is pending with CESTAT as detailed in Sl.no.1 and the management is	Rs.59,70,569/-	Rs.59,70,569/-

confident of a favorable outcome and hence no provision is considered necessary in respect of the above.		
--	--	--

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

(B) Bank Guarantees:

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

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

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

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

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

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

Particulars	March 2017	March 2016
Statutory and Tax audit	540250	325000
Total	540250	325000

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

c) **CIF Value of Imports - NIL**

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

	March ,31, 2017		March ,31, 2016	
	%	Value	%	Value
Imported	45%	89483306	66%	104727965
Indigenous	55%	112199492	34%	54415214
Total	100%	201682798	100%	159143179

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

For and on behalf of the Board of Directors

M/s Sri & Co
Chartered Accountants

Sd/-
M.B.Srinivasan
Partner
Membership No:
027630

PLACE:CHENNAI
DATE: 15.06.2017

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

Sd/-
V.RAMABHADRAN
CHIEF FINANCIAL
OFFICER

Sd/-
GEORGE JAMEIDAS
DIRECTOR
DIN NO: 06777068

Sd/-
USHA RAMESH
DIRECTOR
DIN NO: 00053451

Sd/-
S.V. NATARAJAN
CHIEF EXECUTIVE
OFFICER

Sd/-
B. VISWANATHAN
DIRECTOR
DIN NO: 00702802

Sd/-
S.SRINATH
COMPANY
SECRETARY