



BGR ENERGY SYSTEMS LIMITED
443 ANNASALAI, TEYNAMPET, CHENNAI 600018 INDIA
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E-mail: compliance@bgrenergy.com Web site: www.bgrcorp.com

BeSec/2019
May 30, 2019

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai – 400051

Department of Corporate Services
BSE Limited
P.J. Towers, Dalal Street
Mumbai – 400001

NSE Symbol : BGREENERGY

BSE Scrip Code : 532930

Dear Sirs

Sub: Audited Financial Results for the Quarter and Year ended March 31, 2019

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to forward the Audited Standalone and Consolidated Financial results of the Company for the quarter and year ended March 31, 2019 duly approved by the Board of Directors at its meeting held today (May 30, 2019) along with a copy of the report of the Statutory Auditors of the Company on standalone and consolidated financial statements for the quarter and year ended March 31, 2019.

We hereby declare that the audited standalone and consolidated annual Financial Results of the Company for year ended March 31, 2019 published is with unmodified opinion of the auditors' in their report thereon.

The meeting of the Board of Directors commenced at 11.00 a.m. and concluded at 6.00 p.m.

We request you to take the same on record.

Thanking you,

Yours truly,
for BGR Energy Systems Limited

R. Ramesh Kumar
President – Corporate & Secretary
Encl: a.a.



BGR ENERGY SYSTEMS LIMITED

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 Corporate Identity Number: L40106AP1985PLC005318 Email: compliance@bgrenergy.com website: www.bgrcorp.com

STATEMENT OF AUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

(₹. in lakhs)

Sl. No.	Particulars	STANDALONE				CONSOLIDATED		
		Quarter Ended		Year Ended		Year Ended		
		31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
PART I	(Audited)	(Unaudited)	(Audited and Restated)	(Audited)	(Audited and Restated)	(Audited)	(Audited and Restated)	
1	Income							
	(a) Revenue from operations	96827	83154	117516	322931	329872	327283	329872
	(b) Other income	67	(2)	2127	71	2144	276	2262
	Total Income	96894	83152	119643	323002	332016	327559	332134
2	Expenses							
	(a) Cost of raw materials and components consumed	56804	48226	75658	190630	181502	194925	180299
	(b) Cost of manufacturing and construction	17181	16246	17178	60608	60808	60608	63788
	(c) Other direct cost	2859	1761	2019	8852	6954	8852	6954
	(d) Changes in inventories of finished goods, stock in trade and work in progress	(21)	17	417	562	2152	562	2152
	(e) Excise Duty on sale of goods	-	-	-	-	37	-	37
	(f) Employee benefits expense	5975	5371	5543	22268	20979	23371	21988
	(g) Depreciation and amortization expense	721	722	646	2783	2508	2809	2540
	(h) Finance costs	7388	6426	7668	26965	28700	26965	28700
	(i) Other expenses	576	2705	4343	6222	20069	6687	20031
	Total expenses	91483	81474	113472	318890	323709	324779	326489
3	Profit/(Loss) before exceptional items and tax (1-2)	5411	1678	6171	4112	8307	2780	5645
4	Exceptional items	-	-	(788)	-	(1907)	-	(1907)
5	Profit / (Loss) from ordinary activities before tax (3+4)	5411	1678	5383	4112	6400	2780	3738
6	Tax expense	1660	600	2810	1207	3162	1270	3191
7	Net Profit / (Loss) for the period (5-6)	3751	1078	2573	2905	3238	1510	547
8	Other Comprehensive Income (OCI)	(89)	14	(58)	(62)	(27)	(62)	(23)
9	Total Comprehensive Income / (Loss) for the period (7+8)	3662	1092	2515	2843	3211	1448	524
10	Minority Interest	-	-	-	-	-	(420)	(1091)
11	Net Profit / (Loss) after taxes and minority interest (9-10)	3662	1092	2515	2843	3211	1868	1615
12	Paid-up equity share capital (Face value of the share ₹10 each)	7216	7216	7216	7216	7216	7216	7216
13	Reserves (excluding revaluation reserve)	133391	131797	133308	133391	133308	110450	120003
14	Earnings per Share (EPS) (of ₹ 10 each) (not annualised)							
	(a) Basic	5.20	1.49	3.57	4.03	4.49	2.67	2.27
	(b) Diluted	5.20	1.49	3.57	4.03	4.49	2.67	2.27

SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

1	Segment Revenue							
	(a) Capital Goods	12138	9582	14874	34568	36598	34568	36598
	(b) Construction and EPC Contracts	86632	74913	105338	293467	298641	297819	298641
	(c) Unallocated	-	-	-	-	-	-	-
	Total	98770	84495	120212	328035	335239	332387	335239
	Less: Inter Segment Revenue	1943	1341	2696	5104	5367	5104	5367
	Net Sales/Income from Operations	96827	83154	117516	322931	329872	327283	329872
2	Segment Results Profit (+) / (Loss) (-) before tax and Interest							
	(a) Capital Goods	1389	1415	1206	3813	368	3824	368
	(b) Construction and EPC Contracts	11343	6691	9718	27193	32588	25645	29808
	(c) Unallocated	67	(2)	2127	71	2144	276	2262
	Total	12799	8104	13051	31077	35100	29745	32438
	Less: Interest	7388	6426	7668	26965	28700	26965	28700
	Total Profit / (Loss) Before Tax	5411	1678	5383	4112	6400	2780	3738
3	Segment Assets							
	(a) Capital Goods	46358	48870	57234	46358	57234	46359	65171
	(b) Construction and EPC Contracts	558024	490813	541434	558024	541434	614221	601238
	(c) Unallocated	46156	45252	47629	46156	47629	9838	11312
	Total	650538	584935	646297	650538	646297	670418	677721
4	Segment Liabilities							
	(a) Capital Goods	10471	16074	28537	10471	28537	32524	32525
	(b) Construction and EPC Contracts	465023	395865	442814	465023	442814	479305	472966
	(c) Unallocated	34437	33983	34422	34437	34422	34247	34204
	Total	509931	445922	505773	509931	505773	546076	539695



STATEMENT OF ASSETS AND LIABILITIES

(₹. in lakhs)

Sl. No.	Particulars	STANDALONE		CONSOLIDATED	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018
		(Audited)	(Audited and Restated)	(Audited)	(Audited and Restated)
ASSETS					
I	Non Current Assets				
	(a) Property, plant and equipment	17417	17511	48905	49017
	(b) Capital work in progress	-	-	-	-
	(c) Other Intangible assets	298	268	359	327
	(d) Financial assets				
	(i) Investments	36406	36408	88	91
	(ii) Trade receivables	114863	105049	114864	105014
	(iii) Loans	3506	10027	3880	10376
	(iv) Other financial assets	12745	14782	12746	14781
	Total	185235	184045	180842	179606
II	Current Assets				
	(a) Inventories	3717	4435	3717	4435
	(b) Financial assets				
	(i) Trade receivables	289144	299864	289144	299648
	(ii) Cash and cash equivalent	37653	34683	39608	37241
	(iii) Loans	38826	31205	38919	45019
	(iv) Other financial assets	1934	685	1937	688
	(c) Other current assets	94029	91380	116251	111084
	Total	465303	462252	489576	498115
	Total Assets	650538	646297	670418	677721
EQUITY AND LIABILITIES					
I	Equity				
	(a) Equity Share Capital	7216	7216	7216	7216
	(b) Other Equity	133391	133308	115540	125092
	Total Equity	140607	140524	122756	132308
IA	Minority Interest	-	-	1586	5718
II	Liabilities				
	Non Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	3568	17047	3568	17047
	(ii) Trade Payables	-	-	-	-
	Total Outstanding dues of micro enterprises and small enterprises	-	-	-	-
	Total Outstanding dues of creditors other than micro enterprises and small enterprises	9127	10450	9127	7152
	(b) Provisions	4936	4065	5063	3858
	(c) Deferred tax liabilities (net)	34437	34422	34247	34204
	Total	52068	65984	52005	62261
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	208872	195451	208872	195451
	(ii) Trade payables	-	-	-	-
	Total Outstanding dues of micro enterprises and small enterprises	-	-	-	-
	Total Outstanding dues of creditors other than micro enterprises and small enterprises	116581	106911	137808	138939
	(iii) Other financial liabilities	14317	10798	14317	10798
	(b) Other Current Liabilities	117410	125783	132391	131086
	(c) Provisions	683	846	683	1160
	(d) Current tax liabilities (net)	-	-	-	-
	Total	457863	439789	494071	477434
	Total Liabilities	509931	505773	546076	539695
	TOTAL EQUITY AND LIABILITIES	650538	646297	670418	677721



Notes:

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at the respective meetings held on May 29, 2019 and May 30, 2019, respectively.
- 2 The Consolidated Financial Statements are prepared in accordance with Ind AS 110 - "Consolidated Financial Statement" and Ind AS 111 - "Joint Arrangements".
- 3 The Company has aligned its policy of revenue recognition with Ind AS 115 "Revenue from Contracts with Customers", which is effective from April 1, 2018. The cumulative effect of initial application of Ind AS 115 up to March 31, 2018 being ₹ 1395 Lakhs has been adjusted in the opening retained earnings, as permitted by Ind AS. The application of Ind AS 115 did not have material impact on the financial statements.
- 4 On adoption of Ind AS 115, the Company has recognised loss allowances using the ECL model for the contract assets, which are not fair value through profit or loss. The cumulative effect of expected credit loss on contract asset on initial application of Ind AS 115 up to March 31, 2018 being ₹ 1461 Lakhs has been adjusted in the opening retained earnings, as permitted by Ind AS.
- 5 Depreciation excess provided in earlier years now reversed and adjusted (₹ 95 lakhs) against opening retained earnings.
- 6 As a result of above changes mentioned in Note no 3,4 and 5 Retained earnings as on 01.04.2018 have decreased by ₹ 2761 lakhs.
- 7 On adoption of Ind AS 115 "Revenue from Contracts with Customers" in Consolidated financial statements of the Company up to March 31, 2018 resulted in adjustment in the opening retained earnings by (₹ 10054 Lakhs) and opening balance of Minority interest by (₹ 3271 Lakhs). The application of Ind AS 115 have impact of ₹ 4351 lakhs on Turnover in the Consolidated financial statements.
- 8 During the year, a client arbitrarily encashed three performance bank guarantees totalling to ₹ 8698 Lakhs. The Company has initiated arbitration proceedings and pending such proceedings, the amount of ₹ 8698 Lakhs is grouped under "Other Current Assets".
- 9
 - i. The Company noticed a fraud committed by an employee. A criminal complaint was filed against the delinquent employee.
 - ii. An amount of ₹ 788 lakhs pertaining to FY 2017-18 has been charged off under exceptional items, for the previous financial year ended 31.03.2018. On further investigation an amount of ₹ 645 lakhs of earlier years has also been found. The total fraud amounted to ₹ 1433 Lakhs.
 - iii. The above amount includes, ₹ 259 lakhs (₹ 66 lakhs for 2017-18, ₹ 193 lakhs for earlier years) already charged to respective heads of expenses of profit and loss account of earlier years. The balance amount of ₹ 1174 lakhs has been restated in other equity (₹ 722 lakhs in retained earnings of 2017-18 and ₹ 452 lakhs in retained earnings as on 31.03.2017) in line with Indian Accounting Standards (IndAS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors".
- 10 The Consolidated financial statements for the year ending 31.03.2019, have been prepared with the audited financial statements of Progen Systems & Technologies Limited, Sravanna properties Limited and unaudited financial statements of BGR Boilers Private Limited and BGR Turbines Company Private Limited.
The company while preparing consolidated financial statements for FY 2017-18, adopted the unaudited financial statements of two subsidiary companies viz., BGR Boilers Private Limited and BGR Turbines Company Private Limited. Further, review of unaudited financial statements of BGR Boilers Private Limited for the year ended March 31, 2018 has resulted in increase of Loss by ₹ 268 Lakhs and review of audited financial statements of BGR Turbines Company Private Limited for the year ended March 31, 2018 has resulted in reduction in loss by ₹ 1476 Lakhs. The cumulative effect for both the companies, for FY 2017-18 amounted to increase in Profit after Tax by ₹ 1208 Lakhs in consolidated financial statements."
- 11 Foreign exchange gain for the quarter amounting to ₹ 1752 lakhs has been grouped under "Other expenses". Accordingly year to date figures and the comparative figures have been regrouped.
- 12 Figures of last quarter are the balancing figures between audited figures in respect of the full financial year and published (regrouped) year to date figures upto the 3rd Quarter of the current financial year.
- 13 The figures for the previous period have been regrouped/rearranged wherever necessary to conform to the current period of presentation.

For **BGR ENERGY SYSTEMS LIMITED**

Place : Chennai
Date : May 30, 2019

ARJUN GOVIND RAGHUPATHY
Deputy Managing Director & COO





N.R. Doraiswami & Co

Chartered Accountants

Head Office : "Manchillu",
No. 48, Race Course
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Independent Auditor's Report on the standalone financial results of BGR ENERGY SYSTEMS LIMITED pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Board of Directors of **BGR ENERGY SYSTEMS LIMITED**

1. We have audited the statement of standalone financial results of BGR ENERGY SYSTEMS LIMITED ("the Company") for the quarter and year ended March 31, 2019 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared on the basis of related financial statements which are in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and other recognized accounting practices and policies and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. Our responsibility is to express an opinion on the Statement based on our audit of such standalone Ind AS financial statements.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:



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New No. 29, Old No. 22-A, Cathedral Road,
Chennai - 600 086.**



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- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- (ii) gives a true and fair view in conformity with the aforesaid Ind AS and other accounting principles generally accepted in India of the net profit including other comprehensive income and other financial information for the quarter and year ended March 31, 2019.
4. The Statement includes the results for the quarter ended March 31, 2019, being the balancing figures between audited figures in respect of the full financial year and the published (regrouped) year-to-date figures up to the end of third quarter of the current financial year ended March 31, 2019, which were subject to limited review by us.

Place: Chennai

Date: May 30, 2019

For N R Doraiswami & Co

Chartered Accountants

Firm Registration No: 000771S



Suguna Ravichandran

Partner

Membership No: 207893



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Independent Auditor's Report on the consolidated financial results of BGR ENERGY SYSTEMS LIMITED pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Board of Directors of BGR Energy Systems Limited

1. We have audited the Statement of Consolidated Financial Results of BGR ENERGY SYSTEMS LIMITED ("the Holding Company") and its subsidiaries and unincorporated joint venture (collectively referred to as "the Group"), for the year ended March 31, 2019 ("the Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared on the basis of related financial statements which are in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and other recognized accounting practices and policies and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. Our responsibility is to express an opinion on the Statement based on our audit of the Consolidated Ind AS financial statements.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the statement. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, this statement:
 - (a) includes the results of 4 subsidiary companies, namely, Progen Systems and Technologies Limited, Sravanaa Properties Limited, BGR Boilers Private Limited and

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BGR Turbines Company Private Limited and an unincorporated joint venture, namely Mecon- GEA Energy Systems (India) Limited (JV);

- (b) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- (c) gives a true and fair view in conformity with the aforesaid Ind AS and other accounting principles generally accepted in India of the consolidated net profit Including other comprehensive income and other financial information of the Group for the year ended March 31, 2019.

4. Emphasis of Matter

Without qualifying our opinion, we draw attention to Note no.10 to the accompanying consolidated financial results, which describe,

- a) the restatement of the unaudited financial statement (subsequently audited) of the subsidiary company, namely, BGR Turbines Company Private Limited, for the financial year 2017-18 resulted in a reduction in net loss to the extent of Rs.1,476 lakhs the impact of such restatement resulted in increase in net profit amounting to Rs.1,476 lakhs, in the consolidated Ind AS financial statements for the financial year 2017-18.
- b) the restatement of the unaudited financial statement of the subsidiary company, namely, BGR Boilers Private Limited, for the financial year 2017-18 resulted in an increase in net loss to the extent of Rs.268 lakhs. The impact of such restatement resulted in decrease in net profit to the extent of Rs.268 lakhs, in the consolidated Ind AS financial statements for the financial year 2017-18.
5. a) We did not audit the financial statements of two subsidiaries, namely Progen Systems and Technologies Limited and Sravanaa Properties Limited, whose financial statements reflect total assets of Rs. 20,916 lakhs as at March 31, 2019, total revenue of Rs. 311 lakhs and cash inflows amounting to Rs.33 lakhs for the year then ended. We also did not audit the financial statements of the unincorporated joint venture, namely, Mecon-GEA Energy Systems (India) Limited (JV) whose financial statements reflect total assets of Rs. 1677 lakhs as at March 31, 2019 and total loss of Rs. 0.21 lakhs for the year ended. These financial statements have been audited by other auditors whose reports have been



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furnished to us by the management, and our opinion is based solely on the reports of the other auditors.

- b) We have relied on the unaudited financial statements of two of the subsidiaries, namely, BGR Boilers Private Limited and BGR Turbines Company Private Limited whose financial statements reflect total assets of Rs. 68727 lakhs as at March 31, 2019, total revenue of Rs. 13496 lakhs and cash inflows amounting to Rs.11735 lakhs for the year then ended on that date. These unaudited financial statements as taken on record by the Board of Directors of the respective subsidiary companies, have been furnished to us by the holding Company and our report insofar as it relates to the amounts included in respect of these subsidiaries are based solely on such unaudited financial statements.

Our opinion is not qualified / modified in respect of the above matters.

Place: Chennai

Date: May 30, 2019

For N R Doraiswami & Co

Chartered Accountants

Firm Registration No: 000771S



Suguna Ravichandran

Partner

Membership No: 207893