



BGR ENERGY SYSTEMS LIMITED

443 ANNA SALAI, TEYNAMPET, CHENNAI 600018 INDIA

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August 14, 2023

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

BSE Limited
Department of Corporate Services
P J Towers, Dalal Street,
Fort, Mumbai- 400001

NSE Symbol: BGREENERGY

BSE Scrip: 532930

Dear Sir / Madam,

Sub.: Disclosure under Regulation 30A read with clause 5A to Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023

BGR Energy Systems Limited ("**the Company**") has received separate letters through e-mails from Mrs.Swarnamugi Raghupathy and Mrs.Priyadershini Raghupathy both dated 18/07/2023, informing that an agreement was entered into by way of Minutes of Meeting of Board of Trustees of BGR Investments and Management Trust on 08/06/2022 amongst the shareholders, promoters, related parties, directors and key managerial personnel of BGR Energy Systems Limited to which BGR Energy Systems Limited is not a party and the said agreement impact the management and control, business, operations, impose restriction and create liability upon BGR Energy Systems Limited.

The Company has also received a letter dated 31/07/2023 jointly signed by Mrs. Sasikala Raghupathy, Mrs. Vaani Raghupathy and Mr. Arjun Govind Raghupathy addressed to the Board of Directors, forwarding therewith a copy of the Minutes dated 08/06/2022 of the joint meeting of the Board of Trustees and Corpus and Income beneficiaries of BGR Investments and Management Trust and BGR Property Management Trust held on 03/06/2022. The said letter stated that the said Minutes were signed by them in their capacity as Trustees and Corpus and Income beneficiaries of said Trusts and not as shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of BGR Energy Systems Limited or its holding, subsidiary or associate companies and BGR Energy Systems Limited is not a party to the said Minutes in anyway. It was further stated that the contents of said Minutes are sub-judice since the same are being contested by them as Respondents in the suit filed before the Hon'ble High Court of Madras by Mrs.Swarnamugi Karthik and Mrs. Priyadershni Raghupathy inter alia

REGISTERED OFFICE:

A-5 PANNAMGADU INDUSTRIAL ESTATE, RAMAPURAM POST, SULURPET TALUK, NELLORE DISTRICT, ANDHRA PRADESH 524401 INDIA. TEL: 91 44 27948249

Corporate Identity Number: L40106AP1985PLC005318

against them in A.Nos. 2107 to 2110 of 2023 & O. A. Nos. 302 to 310 of 2023 in C.S.No.69 of 2023.

The Company is not a party to the Minutes dated 08/06/2022 of the joint meeting of the Board of Trustees and Corpus and Income beneficiaries of BGR Investments and Management Trust and BGR Property Management Trust ("**said Trusts**") held on 03/06/2022 ("**said Minutes**"). Therefore, the matter was placed before the Board of Directors of the Company on 11/08/2023, particularly in the light of the new amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023. The Board noted that the decisions taken at the said Minutes are subject matter of a litigation that is pending before the Hon'ble High Court of Madras. Without going into the correctness of what has been stated by the parties before the Hon'ble High Court of Madras, based on information received and after obtaining legal advice, the Company is of the view that if the contents of the said Minutes are held by the Hon'ble High Court of Madras to be correct, the same would constitute an agreement among the promoters that may have an impact on the management and control of the Company. Therefore, as a matter of abundant caution and in the interests of transparency, the Company is making this disclosure.

Accordingly, the following disclosure is made under Regulation 30A read with Clause 5A to Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular Ref.No.SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13/07/2023:

1	(a)Name of the party entering into such an agreement and the relationship with the listed entity	Name	Relationship
		Mrs.Sasikala Raghupathy	i. Promoter ii. Non-Executive Chairperson
		Mrs.Swarnamugi R Karthik	Promoter Group Individual
		Mrs.Priyadershini Raghupathy	Promoter Group Individual
		Mrs.Vaani Raghupathy	Promoter Group Individual
		Mr.Arjun Govind Raghupathy	i. Promoter ii. Managing Director



	(b)Details of the counterparties to the agreement (including name and relationship with the listed entity)	Nil
	(c)Date of entering into the agreement	Minutes of the joint meeting of the Board of Trustees and Corpus and Income beneficiaries of said Trusts dated 08/06/2022.
2.	Purpose of entering into the agreement	Distribution / assignment of corpus beneficial interest by Mr.Arjun Govind Raghupathy, Trustee cum Corpus & Income beneficiary in said Trusts to and in favour of other corpus beneficiaries in equal proportion for receiving the corpus distribution partly in cash and partly in specie by way of equity shares in BGR Energy Systems Limited (a majority owned trust entity) to Mr. Arjun Govind Raghupathy.
3.	Shareholding, if any, in the entity with whom the agreement is executed	Not applicable (BGR Energy Systems Limited is not a party to the said Minutes).
4.	Significant terms of the agreement (in brief)\$	<p>For the purpose of (2) above:</p> <p>(a) Upon distribution of corpus beneficial interest of Mr.Arjun Govind Raghupathy, he will cease to be a corpus beneficiary and a Trustee of both Trusts.</p> <p>(b) Both Trusts will carry out valuation of all assets in Trust entities and arrive at the net corpus value (free of liabilities) and will distribute 20% of net corpus value to Mr.Arjun Govind Raghupathy. The net corpus value would comprise of value of trust entities and cash and bank balances.</p> <p>(c) 100% share capital held / owned by BGR Investments and Management Trust in BGR Investment Holdings Company Limited will be transferred to Mr.Arjun Govind Raghupathy and for this purpose the value of 51% shares currently held / owned by BGR Investment Holdings Company Limited in BGR Energy Systems Limited will alone be reckoned based on the closing price of equity shares of BGR Energy Systems Limited quoted in stock exchange as on 14/12/2021 (Rs.66.75/share).</p>

	<p>(d) BGR Investment Holdings Company Limited or its shareholders shall have no legal and / or beneficial interest or title in respect of any assets, investments held in / owned by BGR Investment Holdings Company Limited except 51% shares held by BGR Investment Holdings Company Limited in BGR Energy Systems Limited. Mr.Arjun Govind Raghupathy and BGR Investment Holdings Company Limited shall cause transfer of legal ownership of these investments to an entity owned by BGR Investments and Management Trust without consideration.</p> <p>(e) The 24% shareholding of the continuing beneficiaries or BGR Investments and Management Trust / BGR Power Limited in BGR Energy Systems Limited shall be subject to a lock-in period of two years from 08/06/2022. Such lock-in shall cease if the shareholding of Mr.Arjun Govind Raghupathy or BGR Investment Holdings Company Limited in BGR Energy Systems Limited is less than 20% at any time during the lock-in period. If and when BGR Investments and Management Trust or BGR Power Limited or the continuing beneficiaries decide to divest any of the shares held by them in BGR Energy Systems Limited, they shall first offer to Mr.Arjun Govind Raghupathy at the then prevailing market price and in case Mr.Arjun Govind Raghupathy not accept the offer within 2 weeks, they are free to sell the shares in the open market.</p> <p>(f) On and from 08/06/2022, Mr.Arjun Govind Raghupathy will be free to reconstitute the Board of BGR Energy Systems Limited and its 3 subsidiaries namely BGR Boilers Private Limited, BGR Turbines Company Private Limited and Sravanaa Properties Limited and BGR Investment Holdings Company Limited, the Holding Company save directorship of Mrs.Sasikala Raghupathy and Mrs.Swarnamugi R Karthik.</p> <p>(g) Immediately upon transfer of 100% shares held by BGR Investments and Management Trust in BGR Investment Holdings Company Limited to Mr.Arjun Govind Raghupathy, BGR Investment Holdings Company Limited will be named as the "Promoter" entity for all legal and regulatory purposes and</p>
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		<p>Mr.Arjun Govind Raghupathy will represent the Raghupathy Group in terms of Articles of Association of BGR Energy Systems Limited.</p> <p>(h) Mr.Arjun Govind Raghupathy to cause BGR Energy Systems Limited to transfer the major plant and machinery (including all finning machines) currently owned by BGR Energy Systems Limited to BGR Tech Limited (subsidiary of BGR Power Limited) on arm's length basis. True and operable (carbon) copies of design, know-how, IP assets, operating experience, references and any other knowledge in written form or in the form of computerized data and software will be transferred to BGR Tech Limited. Few of contracts secured by Product Business Division of BGR Energy Systems Limited will be assigned to BGR Tech Limited for execution and delivery of such orders. Efforts are to be facilitated to enable BGR Tech Limited to become competent manufacturing company of Air Fin Coolers, Oil and Gas Equipment, Deaerators and Condensate Polishing Systems.</p> <p>(i) On and from 08/06/2022, the trust entities on the one hand and entities controlled and owned by Mr.Arjun Govind Raghupathy shall have right and liberty to compete against each other in respect of all businesses with no restrictions whatsoever.</p> <p>(j) All outstanding transactions between BGR Energy Systems Limited and its subsidiaries on the one hand and Trust entities except ENEXIO Power Cooling Solutions India Private Limited and companies owned by the continuing beneficiaries shall be settled within a period of one year from 08/06/2022. Any transactions which remain unsettled within the said one year shall be subject to a penal interest of 12% per annum. The outstanding transactions between BGR Energy Systems Limited and ENEXIO Power Cooling Solutions India Private Limited shall be settled not later than six months and any delay beyond one year shall be subject to a penal interest of 12% per annum.</p> <p>(k) Implementation of the understanding / agreements contained in the said Minutes require tax, legal and regulatory advice and compliance and require approval from lenders and regulatory authorities and hence changes / modifications may be required to</p>
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the transactions and the same shall be effected without altering the economic intent of the said Minutes.

(l) The continuing beneficiaries shall incur no financial liability or regulatory risks in BGR Energy Systems Limited and BGR Investment Holdings Company Limited.

(m) BGR Energy Systems Limited and trust entities shall co-operate and collaborate with each other in carrying on respective future businesses and all such co-operation and transaction shall be on arms length principle.

(n) Any fund riser at BGR Energy Systems Limited and / or BGR Investment Holdings Company Limited level shall in no way prejudice the interest and rights of BGR Investments and Management Trust or continuing beneficiaries and trust entities.

5. Extent and nature of impact on management or control of the listed entity

The present and post realignment of shareholding in BGR Energy Systems Limited as a consequence of assignment of beneficial interest shall be as below:

Present		Post alignment	
	%		%
BGR Investment Holdings Company Limited		BGR Investment Holdings Company Limited	
- (pledged to State Bank of India)	30	- (pledged to State Bank of India) (*)	30
- (to be pledged to State Bank of India)	21	- (to be pledged to State Bank of India) (*)	21
Mrs.Sasikala Raghupathy#	24	Mrs.Sasikala Raghupathy#	6
Public	25	Mrs.Swarnamugi R Karthik#	6
		Mrs.Priyadershini Raghupathy#	6
		Mrs.Vaani Raghupathy#	6
		Public	25
Total	100	Total	100



		<p>* pledge by BGR Investment Holdings Company Limited : Mr.Arjun Govind Raghupathy (as beneficial owner) - 51%</p> <p># free of encumbrance and to be transferred to BGR Power Limited, a trust entity.</p> <p>Since the shareholding of BGR Investment Holdings Company Limited would undergo a change, there could be implications for control of BGR Energy Systems Limited.</p>
6.	Details and quantification of the restriction or liability imposed upon the listed entity	The said Minutes is subject to dispute pending before the Hon'ble High Court of Madras in A.Nos.2107 to 2110 of 2023 & O.A.Nos.302 to 310 of 2023 in C.S.No.69 of 2023 filed by Mrs.Swarnamugi Raghupathy and Mrs.Priyadershini Raghupathy inter alia against Mrs.Sasikala Raghupathy, Mr.Arjun Govind Raghupathy and Mrs.Vaani Raghupathy.
7.	Whether, the said parties are related to promoter / promoter group / group companies in any manner. If yes, nature of relationship	The parties to the said Minutes are the Promoters / Promoter Group Individuals / Key Managerial Personnel / Director, as the case may be, of BGR Energy Systems Limited as per details given in (1) above.
8.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at 'arm's length.'	No. BGR Energy Systems Limited is not a party to the said Minutes and this cannot be a related party transaction by the listed entity.
9.	In case of issuance of shares to the parties, details of issue price, class of shares issued	Not applicable
10.	Any other disclosures related to such agreements, viz.	The said Minutes is inter alia the subject of dispute pending before the Hon'ble High Court of Madras in A.Nos.2107 to 2110 of 2023 & O.A.Nos.302 to 310 of 2023 in C.S.No.69 of 2023 filed by Mrs.Swarnamugi

	details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	<p>Raghupathy and Mrs.Priyadershini Raghupathy inter alia against Mrs.Sasikala Raghupathy, Mr.Arjun Govind Raghupathy and Mrs.Vaani Raghupathy.</p> <p>BGR Energy Systems Limited is not a party to the said Minutes. The Company adheres to the highest standards of corporate governance. As such in the interest of transparency, the Company is making this disclosure by way of abundant caution, although it may be argued that the said Minutes may not strictly fall within the ambit of Regulation 30A of Listing Regulations.</p>
11.	In case of rescission, amendment or alteration, listed entity shall disclose additional details to the stock exchange(s)	Not applicable
	(a)Name of parties to the agreement	Not applicable
	(b)Nature of the agreement	Not applicable
	(c)Date of execution of the agreement	Not applicable
	(d)Details and reasons for amendment or alteration and impact thereof (including impact on management or control and on the restriction or liability quantified earlier)	Not applicable
	(e)Reasons for rescission and	Not applicable

impact thereof (including impact on management or control and on the restriction or liability quantified earlier)	
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\$ only significant terms extracted from the said Minutes are reproduced.

You are requested to kindly note the above and acknowledge receipt.

Thanking You,

**Yours truly,
For BGR Energy Systems Limited**


**S.Krishna Kumar
President & Company Secretary**