



BGR ENERGY SYSTEMS LIMITED

443 ANNA SALAI, TEYNAMPET, CHENNAI 600018 INDIA
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E-mail: compliance@bgrenergy.com Web site: www.bgrcorp.com

BeSec/202/2022
August 25,2022

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 Sirs,

Sub: Annual Report for the Financial Year 2021-22 and Notice of 36th Annual General Meeting.

Pursuant to Regulation 34(1) of SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015, we herewith enclose the Annual Report for the Financial Year 2021-22 together with the notice for 36th Annual General Meeting. The 36th Annual General Meeting of the Company will be held on Thursday, September 29, 2022 at 12:00 Noon through Video Conferencing ('VC') facility / Other Audio-Visual Means ('OAVM').

Annual Report for the Financial Year 2021-22 and notice of 36th Annual General Meeting are being dispatched electronically to the members whose e-mail IDs are registered with the Company, Registrar and share transfer agents and depositories.

Annual Report for the Financial Year 2021-22 and the notice of 36th Annual General Meeting are also uploaded on the website of the Company and can be accessed at https://www.bgrcorp.com/annual_report.php.

Thanking you,

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

**R Ramesh Kumar
Director & Secretary**

Enclosure: As above

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



BGR ENERGY SYSTEMS LIMITED

Regd. Office: A-5, Pannamgadu Industrial Estate, Ramapuram Post, Sullurpet Taluk, Nellore District.
Andhra Pradesh - 524 401, CIN: L40106AP1985PLC005318
Ph: 044-27948249 Email: investors@bgrenergy.com website: www.bgrcorp.com

Notice to the Members of

BGR Energy Systems Limited

NOTICE is hereby given that the 36th Annual General Meeting of the Members of BGR Energy Systems Limited will be held on Thursday, September 29, 2022 at 12:00 Noon through Video Conferencing / Other Audio-Visual means to transact the following businesses:

The proceedings of the Thirty Sixth Annual General Meeting shall be deemed to be conducted at the Registered Office of the Company, which shall be the deemed venue of this meeting.

ORDINARY BUSINESS

ITEM No.:1

To consider and adopt (a) the audited Standalone financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the report of Auditors thereon and to pass, the following resolutions as an Ordinary Resolution:

- a) "RESOLVED THAT the audited Standalone financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered, approved and adopted."
- b) "RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the report of Auditors thereon, as circulated to the members, be and are hereby considered, approved and adopted."

ITEM No.:2

APPOINTMENT OF MR R RAMESH KUMAR (DIN: 00176265) WHO RETIRES BY ROTATION AS A DIRECTOR AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, Mr R Ramesh Kumar (DIN:00176265), who

retires by rotation at this meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

ITEM No.:3

APPOINTMENT OF STATUTORY AUDITORS OF THE COMPANY FOR A TERM OF FIVE CONSECUTIVE YEARS

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provision of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification thereof for the time being in force and as may be enacted from time to time) M/s. Anand & Ponnappan, Chartered Accountants, Chennai (FRN No.000111S) be and is hereby appointed as the Statutory Auditors of the Company for a term of five consecutive financial years from 2022-23 to 2026-27 and to hold office from the conclusion of 36th Annual General Meeting until the conclusion of 41st Annual General Meeting of the Company at a remuneration as fixed by the Audit Committee and Board of Directors in consultation with the statutory auditors and reimbursement of out-of-pocket expenses in connection with the audit."

"RESOLVED FURTHER THAT the Audit Committee and Board of Directors of the Company be authorised on behalf of the Company, including but not limited to determine role and responsibilities/ scope of work of the Statutory auditors and to negotiate, finalise, amend, sign, deliver and execute the terms of appointment, including any contract or document in this regard and to alter and vary the terms and conditions of remuneration arising out of change in scope of work, amendments to the Accounting Standards or the Companies Act, 2013 or Rules framed thereunder or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other requirements resulting in any change in the scope of work without being required to seek any further consent or approval of the Members of the Company and to do all such acts, deeds, matters and things as the Company may in its absolute discretion deem necessary or desirable for the purpose of giving effect to this resolution and with power to the Board to settle all questions, difficulties or doubts that may arise in respect thereof".

SPECIAL BUSINESS

ITEM No.:4

RE-APPOINTMENT OF MR ARJUN GOVIND RAGHUPATHY (DIN:02700864) AS MANAGING DIRECTOR.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force) and the relevant provisions of the Articles of Association of the Company and pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members be and is hereby accorded to the appointment of Mr Arjun Govind Raghupathy (DIN:02700864) as Managing Director for a term of five years from November 11, 2021 to November 10, 2026 on terms and conditions and payment of such remuneration to Mr. Arjun Govind Raghupathy for a period of three years from November 11, 2021 to November 10, 2024 as set out below.”

Terms of appointment:

a. Designation: Managing Director

b. Remuneration

Basic Salary: Rs.4,50,000/- per month

Perquisites & Reimbursements:

- i. In addition to the salary, the appointee shall be entitled to a rent-free furnished accommodation and other perquisites and reimbursements subject to a ceiling of Rs.20,00,000/- per annum. The value of perquisites shall be valued as per the Income Tax Act, 1961 and in the absence of such rules the actual cost incurred by the company in providing such perquisites;
- ii. In addition to the salary and perquisites, the appointee shall be entitled to bonus/ex-gratia and use of chauffeur driven company's car in accordance with the rules of the company.
- iii. Contribution to provident fund and gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

iv. Encashment of earned leave at the end of the tenure as per rules of the company shall not be included in the computation of ceiling on remuneration.

v. Provision of car for use on company's business, telephone and other communication facilities at residence would not be considered as perquisites.

c. Performance linked Incentive (PLI): The Appointee shall be entitled to a performance linked incentive (PLI) of Rs.1,00,00,000/- (Rupees One Crore only) per annum.

d. Long term variable Bonus: Rs.50,00,000/- per annum, cumulatively payable at the end of three years.

e. Minimum remuneration

During the term of the appointment, where in any financial year the company has no profits or the profits are inadequate, the appointee shall be entitled to such remuneration not exceeding the limits specified under section II of part II of Schedule V to the Companies Act, 2013, as applicable and pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or such remuneration as approved by the shareholders by special resolution. The remuneration and perquisites as set out hereinabove shall be further subject to the overall maximum remuneration payable to all managerial personnel of the company in accordance with the provisions of the Companies Act, 2013, as applicable

“RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) be and is hereby authorized to modify the terms and conditions of re-appointment/remuneration or the scale or any other perquisites payable within the limits permitted as they may deem fit and proper from time to time;”

“RESOLVED FURTHER THAT the Board 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”

ITEM No.:5

RATIFICATION OF REMUNERATION TO COST AUDITOR.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs.1,50,000 (Rupees one lakh and fifty thousand only) payable to M/s. A.N. Raman & Associates, Cost Accountants (Firm Registration no.102111), Chennai, who was appointed as Cost Auditor by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost accounting records of the Company for the financial year 2022-23 plus reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit as fixed by the Board of Directors be and is hereby ratified and confirmed.”

Item No. 6.:

RATIFICATION AND APPROVAL OF MATERIAL RELATED PARTY TRANSACTION.

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies

(Meetings of Board and its Powers) Rules, 2014, as amended and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Company’s policy on Related Party transaction(s), ratification and approval of the Shareholders be and is hereby accorded to the Board of Directors of the Company to borrow unsecured loans not exceeding Rs. 200 Crores for the financial year 2022-23 from Mr Arjun Govind Raghupathy, Managing Director (DIN:02700864), a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, on such terms and conditions as set out in the explanatory statement forming a part of this notice and the said transaction shall be carried out at arm’s length basis and in ordinary course of business of the Company.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to the Audit Committee of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

By order of the Board

Place : Chennai
Date : August 12,2022

R. RAMESH KUMAR
Director & Secretary

Notes:

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out material facts in respect to items of special businesses to be transacted at this AGM as set out in the Notice is annexed hereto.
2. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021 and 2/2022 dated 5th May, 2022, issued by the Ministry of Corporate Affairs ("MCA") read with relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through Video Conference ("VC") or Other Audio Visual Means ("OAVM") upto 31st December, 2022, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. However, pursuant to the aforesaid MCA and SEBI Circulars, the facility to appoint proxy by Members under Section 105 of the Act, 2013 to attend and cast vote for the Members is not available for this AGM as the physical attendance of Members has been dispensed with. However, body corporates are entitled to appoint authorised representatives as its Member to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-Voting.
4. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to the members on "first come first served" basis. This will not include large Shareholders (Shareholders holding 2% or more of the total number of shares of the Company as on the cutoff date as defined), 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.
5. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
6. 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), 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 National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

7. In compliance with the aforesaid MCA and SEBI Circulars, the 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.bgrcorp.com, websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
8. AGM will be convened through VC/OAVM in compliance with applicable provisions of the Act, 2013 read with Circulars issued by MCA and SEBI in this regard. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/ Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

General

9. With a view to serving the Members better and for administrative convenience, Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company or the registrar and share transfer agents to consolidate their holdings into one folio.
10. Members may note that the Annual Report will also be available on the Company's website viz., www.bgrcorp.com for their download.

Members holding shares in electronic form

11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are requested to submit their PAN to the Depository Participant(s) (DP) with whom they are maintaining their demat accounts.

12. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC Code, Mandates, Nominations, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., to their DP.
13. Electronic copy of the Annual Report and the Notice of the AGM inter-alia indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.

Members holding shares in physical form

14. Members can submit their PAN details to the Company/ Share Transfer Agent (STA).
15. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, Mandates, Nomination as per Section 72 of the Act, 2013 by filling Form SH-13, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., with the Company / STA. Blank forms (SH-13) will be sent by e-mail.
16. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.

Voting

17. The businesses as set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Members may cast their votes using electronic voting system ('remote e-Voting').
18. In case of joint holders attending AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
19. In terms of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended ('the Rules') and Regulation 44 of the Listing Regulations, the Company has provided facility to exercise votes through electronic voting system to Members holding shares as on September 22, 2022 being the "Cut-off Date" ("Cut-Off" for the purpose of Rule 20(4)(vii) of the Rules) fixed for determining voting rights of Members entitled to participate in the remote e-Voting process through the platform provided by NSDL viz., www.evoting.nsdl.com.

The voting rights of the Members/Beneficial Owners will be reckoned on the Equity Shares held by them as on Cut-off date. Members as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting or voting at the meeting.

During the day of 36th AGM, Members may access the electronic copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on Monday, September 26, 2022 at 09:00 A.M. and ends on Wednesday, September 28, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 22, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 22, 2022.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>1. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>Existing users who have opted for Easi / Easiest, they can login through their 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>1. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<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. Upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & 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. NSDL and CDSL.

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.
How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a. Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - b. **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

7. Now, you will have to click on “Login” button.
8. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rsaevoting@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to evoting@nsdl.co.in
4. CS.R.Sridharan, Practicing Company Secretary (Membership No. 4775), of M/s.R.Sridharan & Associates ,Company Secretaries has been appointed as the Scrutinizer to scrutinize the remote e-Voting

process and casting of votes at the meeting in a fair and transparent manner.

5. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent to the Chairman or a person authorized in this regard, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
6. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.bgrcorp.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of results by the Chairperson or a person authorized by her. The results shall also be immediately forwarded to BSE Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide 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 investors@bgrenergy.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investors@bgrenergy.com . If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be 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 in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number to investors@bgrenergy.com atleast 72 hours in advance before the start of AGM (i.e.) September 26, 2022 by 05.00 P.M.

6. Those members who have registered themselves as a speakers will only be allowed to speak / or to express their views/ask questions during the meeting.
7. The Company reserves the right to restrict the numbers of speakers depending on the availability of time for Annual General meeting.
8. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the AGM from their registered e-mail address, mentioning their name, DP ID/Client ID number/folio no. and mobile number to investors@bgrenergy.com. atleast 72 hours in advance before the start of AGM (i.e) September 26, 2022 by 05.00 PM. Such questions raised by the members shall be taken up during the meeting and replied by the company suitably.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND INFORMATION PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Item No. 3

This explanatory statement to item No.3 is provided pursuant to regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The shareholders may recall that M/s. N R Doraiswami & Co., Chartered Accountants, Chennai were appointed as the Statutory Auditors for a term of five consecutive years at 31st Annual General Meeting held on September 27,2017. The current term of N R Doraiswami & Co., statutory auditor expires at the conclusion of the ensuing 36th Annual General Meeting M/s. N R Doraiswami & Co., Chartered Accountants is not seeking re-appointment as statutory auditors of the Company.

Accordingly, as per the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on August 12,2022 have recommended the appointment of M/s. Anand & Ponnappan Chartered Accountants (FRN No.000111S), Chennai as the statutory auditors for a consecutive term of five years commencing from the financial year 2022-23 to 2026-27 by the members and they shall hold office of the statutory auditors from the conclusion of 36th Annual General Meeting until the conclusion 41st Annual General Meeting of the Company.

M/s. Anand & Ponnappan Chartered Accountants, Chennai have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act.

They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 3 of the notice.

The Board recommends the ordinary resolution set out at Item No. 3 of the notice for approval by the members.

Item no.4

The members of the Company at their 31st Annual General meeting of the Company have appointed Mr Arjun Govind Raghupathy (DIN:02700864) as Deputy Managing Director & Chief Operating Officer for a term of five years commencing from November 11,2016 and Mr Arjun was re-designated as Managing Director by the Board of Directors at their Board Meeting held on June 30,2020. The current term of Mr Arjun Govind Raghupathy expired on November 10,2021.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on November 11,2021 have re-appointed Mr Arjun Govind Raghupathy as Managing Director of the Company for a further term of five years

commencing from November 11,2021, subject to approval of the members.

The terms and conditions of the proposed re-appointment of Mr Arjun Govind Raghupathy are set out in the resolution of this notice.

Pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the said Act, the proposed appointment and the terms of remuneration payable to Mr Arjun Govind Raghupathy requires approval of members by way of Special Resolution. Hence, the Board recommends the Special Resolution set out at Item No. 4 of the notice for approval by the Members.

Except Mr Arjun Govind Raghupathy and Mrs Sasikala Raghupathy none of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 4 of the notice.

Disclosure pursuant to the provisions of Schedule V, Part II, Section II, clause (B) of the Act are as under:

S.No	Description	Particulars
I.	General Information	
1.1	Nature of the Industry	The Company is engaged in Engineering Procurement Construction (EPC), Balance of Plant (BOP) and LSTK contracting tailored to customers' stipulations and provides construction services and technology-oriented projects to the infrastructure and core sectors and manufacture of high tech equipments and systems for power, oil, gas and other process industries.
1.2	Date or expected date of commencement of Commercial Production	Not applicable (Company is an existing Company)
1.3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
1.4	Financial performance based on given indicators:	
		(Rs. In Crore)
	Description	2021-22
		2020-21
	Income from operations	1220.70
	Other income	8.14
	Total Income	1228.84
	Earnings before Interest, Depreciation, Tax and Amortization	73.12
	Profit before exceptional item and tax	(236.41)
	Tax Expense	(58.34)
	Net Profit after tax	(178.07)
	Other Comprehensive income(net)	(3.08)
	Net Worth	881.95
		1063.10
1.5	Foreign investments or collaborations, if any	The Company has not made any Foreign Investments and neither entered into any collaborations during the last financial year.

S.No	Description	Particulars
II.	Information about the appointee	
2.1	Background details	Mr Arjun Govind Raghupathy, is a Graduate in Mechanical Engineering from Anna University, Chennai. Prior to his appointment as Deputy Managing Director & COO in BGR Energy Systems Limited, he was the Managing Director of GEA-BGR Energy systems Limited and was responsible for business development, sales, contracts, delivery, client interaction, financial management and human resources.
2.2	Past remuneration	Mr Arjun's current remuneration is the same as proposed now. In the wake of covid-19 and consequential of critical need for cost optimization, he has voluntarily waived off his remuneration and has not drawn any remuneration from the Company until March 31,2022.
2.3	Recognition or award	--
2.4	Job Profile and his suitability	The Nomination and Remuneration Committee and the Board reviewed the performance of Mr Arjun Govind Raghupathy during his terms of appointment and having due regard to his leadership and contribution since November, 2016 he was found suitable for re-appointment as Managing Director for a further term of five years.
2.5	Remuneration proposed	As mentioned in the resolution. The remuneration remains the same with effect from November 11,2016.
2.6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the skill, knowledge and responsibilities shouldered by Mr Arjun Govind Raghupathy, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other companies.
2.7	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel	1. Mr Arjun Govind Raghupathy is related to Mrs Sasikala Raghupathy, Chairperson/Promoter. 2. Apart from the above, he is not related to any other directors of the Company. 3. He does not hold any shares in the Company.
III. Other Information:		
3.1	Reasons of loss or inadequate profits	The downturn in Indian power industry and the near stagnant power demand scenario had adversely impacted market potential for EPC and BoP opportunities for thermal power projects.
3.2	Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:	The Company has taken necessary steps to mitigate these losses and the Company has multiple strategic plans to overcome the losses and position the Company in diverse filed of opportunities.
3.3	Expected increase in productivity and profits in measurable terms	The Company has drawn up an Annual and Strategic Business Plan which are expected to enable the Company to achieve profits in future years.

Item No. 5

The Board of Directors of the Company, based on the recommendation of the Audit Committee, at its meeting held on May 27, 2022, approved the appointment of M/s. A.N. Raman & Associates, Cost Accountants (Firm Registration no.102111) as Cost Auditor of the Company, in terms of Section 148 of the Companies Act, 2013 and fixed Rs.1,50,000/- (Rupees One Lakh and Fifty Thousand) plus reimbursement of out of pocket expenses, as remuneration payable to him, for the financial year 2022-23. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be approved by the Members of the Company. Accordingly, consent of the Members is sought for the remuneration payable to the Cost Auditors.

The Board of Directors recommends the ordinary resolution as set out at item No.5 of the Notice for approval by the members.

None of the Directors or Key Managerial Personnel and / or their relatives has any concern or interest, financial or otherwise in this item of business

Item No.6:

In the backdrop of losses in the previous and current financial year and considering the critical need to shore up liquidity position of the Company and to discharge of statutory liabilities and payments to banks in due time, the Company borrowed moneys from Mr Arjun Govind Raghupathy, Managing Director (DIN:00176265), a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations.

The Company has sought unsecured loans up to Rs 200 Crores from Mr Arjun Govind Raghupathy to be infused as and when required. In anticipation of requisite approvals, the Company has borrowed Rs. 85.86 Crores in the Q1 and further borrowed Rs.45.65 Crores in July and August 2022, thus totalling to Rs.131.51 Crores in the current financial year 2022-23.

Following are the terms and conditions of unsecured loan:

1. Amount: Not exceeding Rs.200 Crores (Rupees Two Hundred Crores)
2. Period of borrowings: Financial Year 2022-23
3. Security: Unsecured
4. Rate of Interest: Less than interest payable to banks by the Company or such other percentage as may be acceptable to the Company's banks, payable monthly.
5. Nature of borrowing: Loan from Director
6. Repayment: In accordance with banks approval
7. Conversion option: The lending director shall have an option to convert the loan and unpaid interest into equity/ quasi equity/preference shares as may be permissible under and subject to compliance with the Companies Act 2013 and SEBI ICDR and LODR and any other rules and regulations as are relevant and applicable.
8. The Audit Committee is authorised to stipulate and agree any other conditions as are permissible and found necessary and expedient and approve suitable loan agreement.

The agreed terms and conditions are not unfavorable to the Company and no similar transactions has been entered into by the Company with any unrelated party.

Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, related party transaction requires prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) exceeds 10%(Ten Percent) of annual consolidated turnover of the Company as per last audited financial statements of the Company. The value of unsecured loans is in excess of the threshold limit for the financial year 2022-23. Hence, the ratification and approval of the shareholders is sought for this material related party transaction. In the light of severe fund liquidity of the Company prior approval could not be secured.

Information pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014:]

Name of the Related Party	Mr Arjun Govind Raghupathy, Managing Director
Name of the Director or KMP who is related	Mrs Sasikala Raghupathy, Chairperson / Promoter.
Nature of Relationship	Managing Director -KMP; Mother-Son.
Nature, material terms, monetary value and particulars of the contract or arrangement	As per the above terms and conditions
Any other information relevant or important for the members to take a decision on the proposed resolution	As explained in this explanatory Statement.

Information pursuant to SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021.

A summary of the information provided by the management of the listed entity to the audit committee	As set out in this explanatory statement.
Justification for why the proposed transaction is in the interest of the listed entity	Considering the critical need to shore up liquidity position of the Company and to discharge of statutory liabilities and payments to banks in due time, the Company borrowed moneys from Mr Arjun Govind Raghupathy, Managing Director (DIN:00176265), a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations. The terms and conditions of this unsecured loan are favourable and in the interest of the Company.
Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not applicable
A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders	Not applicable
Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	Not applicable
Any other information that may be relevant	In view of urgency prior approval of shareholders could not be sought and hence resolution seeks ratification and approval.

Except Mr Arjun Govind Raghupathy and Mrs Sasikala Raghupathy, none of the Directors and Key Managerial Personnel are interested or concerned in the resolution and no related party shall vote to approve this resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 6 of this Notice as an Ordinary Resolution.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING [PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 & SECRETARIAL STANDARD 2]

Name of the Director	Mr Arjun Govind Raghupathy	Mr R Ramesh Kumar
Age	33 years	60 years
DIN	02700864	00176265
Date of birth	26.12.1989	15.05.1962
Date of first Appointment	11.11.2016	01.07.2020
Qualifications	B.E	M.A., FCS, ACIS(UK,London)
Expertise in Specific functional Area	Mr Arjun is an engineering graduate from Anna University. He has been a Director from 2016. He has expertise and in-depth knowledge in business operations, client interaction and business management and he is responsible for achieving business targets and long term viability, profitability and growth of the Company.	He has been holding leadership position in the Company and has three decades of rich and vast experience in corporate secretarial, compliance, legal, corporate strategic management, finance, accounting, governance, technology collaborations, joint ventures and overseas investment.
Number of Shares held in the Company	NIL	546
List of Directorship/ membership of committees or other position held in other Listed Companies*	NIL	NIL
Relationships, if any, with other Directors and	Mr Arjun and Mrs Sasikala Raghupathy are related inter se.	NIL

*Excludes BGR Energy Systems Limited

By order of the Board

Place : Chennai
Date : August 12,2022

R. RAMESH KUMAR
Director & Secretary



BGR ENERGY SYSTEMS LIMITED

36TH ANNUAL REPORT 2021-22



**UNIT #1 & 2 NTPC 2X660
MW SOLAPUR STPP**



**UNIT #2 NTPC 2x800
MW LARA STPP**



**AIR COOLED HEAT
EXCHANGERS
INSTALLED AT
HABSHAN-5 GAS FIELD
OF ADNOC, ABU DHABI**

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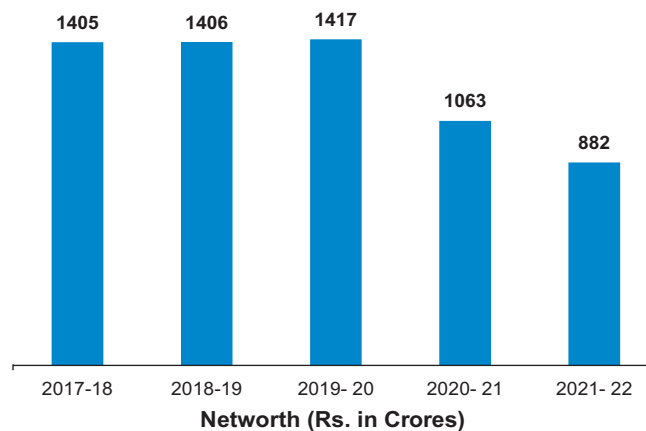
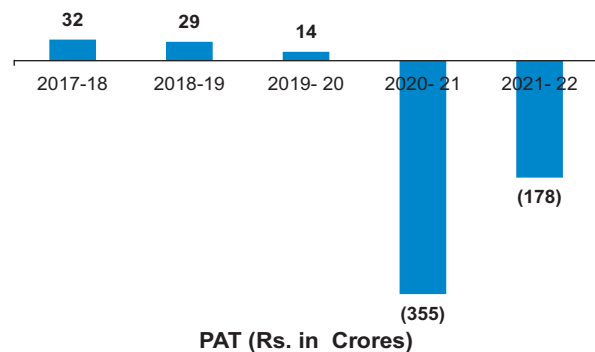
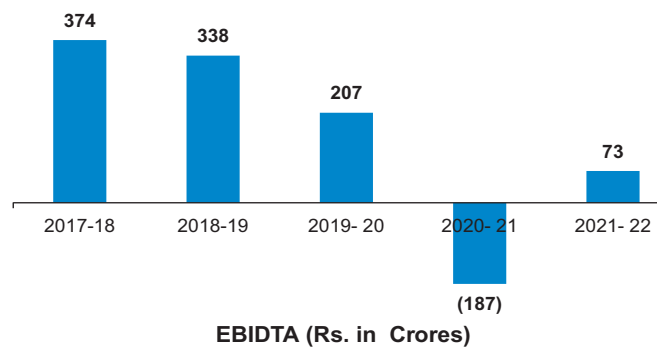
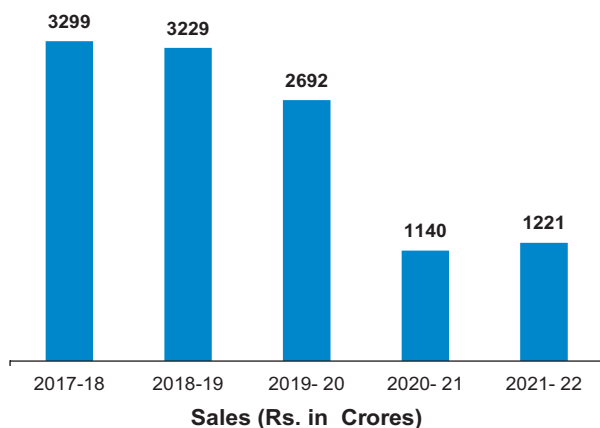
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Financial Highlights

(₹ Crores except per share data)

DESCRIPTION	2017-18	2018-19	2019-20	2020-21	2021-22
SALES & EARNINGS:-					
Sales	3299	3229	2692	1140	1221
Other Income	21	1	41	6	8
EBIDTA	374	338	207	(187)	73
PAT	32	29	14	(355)	(178)
ASSETS					
Fixed Assets	178	177	163	130	96
Investments	364	364	359	360	360
Other Asset (Net)	3333	3334	3283	2651	2386
Total Assets	3874	3875	3806	3141	2842
FUNDED BY					
Equity Share Capital	72	72	72	72	72
Reserves & Surplus	1333	1334	1345	991	810
Networth	1405	1406	1417	1063	882
Deferred Taxes	344	344	259	140	81
Borrowings	2125	2124	2130	1938	1878
Total Liabilities	3874	3875	3806	3141	2842
EPS (RS.)	4.49	4.03	1.87	(49.25)	(24.68)
Dividend per equity Share (Rs.)	-	-	-	-	-



BOARD OF DIRECTORS

Sasikala Raghupathy
Chairperson

M. Gopalakrishna
Director

S. A. Bohra
Director

S. R. Tagat
Director

Janaki C Ambat
Director

Gnana Rajasekaran
Director

Arjun Govind Raghupathy
Managing Director

R. Ramesh Kumar
Whole Time Director & Secretary

CHIEF FINANCIAL OFFICER

P. R. Easwar Kumar

REGISTERED OFFICE

A-5, Pannamgadu Industrial Estate
Ramapuram Post, Sullurpet Taluk
Nellore District,
Andhra Pradesh – 524401
CIN : L40106AP1985PLC005318

CORPORATE OFFICE

443, Anna Salai, Teynampet
Chennai – 600 018 India
Phone : 91 44 24301000
Email : investors@bgrenergy.com

REGIONAL OFFICES

New Delhi

Plot No.1, Sector – 16A, Film City
Noida – 201301, Uttar Pradesh

Mumbai

Room Numbers 301 & 304
Vinayak Chambers
4th Road, Khar (West)
Mumbai – 400052

Hyderabad

Plot No. 44, Sagar Society
Road No.2, Banjara Hills
Hyderabad – 500034

Website

www.bgrcorp.com

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park, L B S Marg,
Vikhroli (west)
Mumbai – 400083

STATUTORY AUDITOR

N. R. Doraiswami & Co.,
Chartered Accountants
No.75, (3H), Third Floor,
Prince Arcade, New No.29,
Old No.22-A, Cathedral Road,
Chennai – 600 086

INTERNAL AUDITOR

R Bupathy & Co
Chartered Accountants
VIBGYOR, First Floor,
#139, Kodambakkam High Road
Nungambakkam, Chennai – 600 034

SECRETARIAL AUDITOR

V Suresh Associates
No.28, 1ST Floor
Ganapathy Colony
3rd Street, Teynampet
Chennai - 600018

BANKERS

State Bank of India
Axis Bank
Bank of Baroda
Bank of India
Central Bank of India
Canara Bank
Export Import Bank of India
ICICI Bank
IDBI Bank
Indian Bank
Kotak Mahindra Bank
Punjab National Bank
The Karur Vysya Bank
Union Bank of India

Board's Report

To the Members of

BGR ENERGY SYSTEMS LIMITED

Your directors have pleasure in presenting their 36th Annual Report together with the audited financial statements for the year ended March 31, 2022.

FINANCIAL RESULTS

The highlights of the standalone financial performance of the Company during the financial year ended March 31, 2022 as compared with the previous financial year ended March 31, 2022 are given below:

(₹ in Crores)

Description	2021-22	2020-21
Income from operations	1220.70	1139.72
Other income	8.14	6.01
Total Income	1228.84	1145.73
Earnings before Interest, Depreciation, Tax and Amortization	73.12	(186.58)
Profit before exceptional item and tax	(236.41)	(475.27)
Tax Expense	(58.34)	(119.85)
Net Profit after tax	(178.07)	(355.42)
Other Comprehensive income(net)	(3.08)	1.31
Net Worth	881.95	1063.10

DIVIDEND AND APPROPRIATION

In view of losses for the financial year 2021-22, the Board of Directors have not recommended dividend for the year.

TRANSFER TO RESERVE

Due to losses in the financial year 2021-22, no amount has been transferred to reserves.

COMPANY'S OPERATING PERFORMANCE AND STATE OF AFFAIRS

The Company's operating performance and state of affairs have been discussed in Management Discussion and Analysis which is enclosed as Annexure I of the Directors Report.

SUBSIDIARIES AND JOINT VENTURES

BGR Boilers Private Limited, which supplies 660 MW super critical steam generators, made an operating income of Rs.11.73 Crores and incurred a loss of Rs.7.72 Crores in the year 2021-22. BGR Turbines Company Private Limited, which supplies 800MW super critical steam turbine generators, has recorded an operating income of Rs. 3.35 Crores and a loss of Rs. 0.25 Crores in the

year 2021-22. There has been no material change to the financial position of the wholly owned subsidiary Sravanaa Properties Limited.

A report on the performance and financial position of each of the subsidiaries and joint ventures as per rule 5 of the Companies (Accounts) Rules, 2014 is provided as annexure to the consolidated financial statement as required under Rule 8(1) of the Companies (Accounts) Rules, 2014.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with Companies Act, 2013 and implementation requirements of Indian Accounting Standards (Ind AS) Rules on accounting and disclosure requirements the Audited Consolidated Financial Statements are provided in this Annual Report.

As required under Section 129 of the Companies Act, 2013, a separate statement containing the salient features of the financial statements of subsidiaries is enclosed along with the financial statements.

In terms of Section 136 of the Companies Act, 2013 the Company has placed on its website the standalone and consolidated financial statements and the separate audited and unaudited annual financial statements of subsidiary companies, as the case may be. The Company will provide a copy of separate financial statements in respect of each of its subsidiary, to any shareholder of the company who asks for it.

BOARD OF DIRECTORS

The composition of Board of Directors of the Company is in conformity with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors on recommendation of Nomination and Remuneration Committee (NRC) and subject to approval of the shareholders have re-appointed Mr. Arjun Govind Raghupathy (DIN: 02700864) as a Managing Director for a term of five years commencing from November 11, 2021 and shall be liable to retire by rotation.

In accordance with the provisions of Companies Act, 2013, Mr. R. Ramesh Kumar (DIN: 00176265) Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommends the proposed re-appointment of Mr. R. Ramesh Kumar as a Director of the Company.

The disclosure required pursuant to regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 on General Meetings are given in the notice convening the 36th Annual General Meeting.

DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from all the Independent Directors of the Company under Section 149 (7) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that the independent directors of the Company meet the criteria of their independence laid down in Section 149(6) including the confirmation that their names are included in the data bank and all the independent directors except Mrs. Janaki C Ambat are exempted from undergoing the online proficiency self-assessment test for the independent directors pursuant to Rule 6(4) of Companies (Appointment and Qualification of Directors) Rules, 2014. Mrs. Janaki C Ambat have time to complete the self-assessment test as per Rule 6(4) of Companies (Appointment and Qualification of Directors) Rules, 2014.

During the year under review, the independent directors met on February 14, 2022 without the presence of Non-Independent Directors and members of the management.

The Board is of the opinion that all independent directors of the Company uphold highest standards of integrity and possess requisite expertise and experience required to meet their duties as Independent Directors.

MEETINGS OF BOARD

During the year, 4 Board meetings and 4 Audit Committee meetings were convened and held. The details of these meetings are given in the Corporate Governance Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013 and as per relaxations provided by Ministry of Corporate Affairs and SEBI.

ANNUAL EVALUATION OF BOARD

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and having due regard to the SEBI's Guidance Note on Board Evaluation, the Board has carried out an annual evaluation of its own performance, individual directors separately as well as the evaluation of the working of its Audit Committee, Committee of Directors, Stakeholders Relationship Committee and Nomination and Remuneration Committee.

A comprehensive evaluation process formulated by the Nomination and Remuneration Committee covering various aspects of the functioning of the Board was circulated to all the Directors to evaluate the performance of the Board. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors and the

performance of Independent Directors was carried out by the entire Board, excluding the independent director being evaluated. The performance evaluation of the Chairperson of the Company was carried out by the independent Directors, taking into account the views of the executive and non-executive directors. The Directors expressed their satisfaction with the evaluation process.

POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS

The Nomination and Remuneration Committee framed a policy on appointment of Directors including criteria for determining qualification, positive attributes and other matters. The main objectives of the policy are given below:

- (i) Enhancement of performance of the Board and facilitate effective Corporate Governance.
- (ii) Encourage diversity of thoughts, expertise and perspectives.
- (iii) Usher in independence in the performance of the Board.
- (iv) Eliminate gender bias, if any, in the constitution and functioning of the Board of Directors.
- (v) Provide and create an environment for succession planning.
- (vi) Identification of senior/key management personnel for appointment as Executive Directors.
- (vii) Provide for appropriate mix of promoter directors, professional directors and independent directors.

On the recommendation of the NRC, the Board has adopted and framed a Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the applicable provisions of the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company's policy on diversity of Board of Directors is available on the Company's website at http://www.bgrcorp.com/policy/Policy_Diversity_Board.pdf.

AUDIT COMMITTEE

The Audit Committee of the Board comprises of four directors of which three members are independent directors and all the members of Audit Committee are financially literate. More details of the Audit Committee are provided in the Corporate Governance Report. All key recommendations and observations of the Audit Committee were accepted and acted upon by the management and compliance thereof are regularly monitored and reviewed by the Committee.

SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2022 was Rs.72.16 Crores. During the year under review, the Company has not issued new shares or shares with differential voting rights nor granted stock options nor sweat equity.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In compliance with Section 124(5) of the Companies Act, 2013 a sum of Rs.7,73,403/- being the unclaimed/unpaid dividend declared by the Company for the financial year ended March 31, 2014 was transferred to the Investor Education and Protection Fund of the Central Government in October 2021 after giving sufficient notice to the respective shareholders.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the rules made thereunder the shares pertaining to the unpaid/unclaimed dividend for the FY 2013-14 were transferred to the demat account of Investor Education and Protection Fund (IEPF).

HUMAN RESOURCES

An overview on the Company's human resources development and efforts to acquire and nurture talent is given in the Management Discussion & Analysis report forming part of this Directors report.

For prevention, prohibition and redressal of sexual harassment of Women at workplace, the Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint was received by the Internal Complaints Committee (ICC) with allegations of sexual harassment.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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 provided elsewhere in the Annual Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the annual report. Having regard

to the provisions of the first proviso to Section 136(1) of the Act, the annual report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the corporate office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

DEPOSITS

The Company did not accept any deposits from the public within the meaning of Chapter V of the Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended March 31, 2022.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure II. During the FY 2021-22, the Foreign exchange earnings and outgo were Rs.15,576 lakhs and Rs.57 lakhs respectively.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Your Company has in place adequate internal controls system which includes financial control, commensurate with the size, scale and complexity of company's operations. The internal audit function evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective and remedial action in their respective areas of responsibility and thereby strengthen the controls. Significant audit observations and corrective actions thereon are periodically reviewed by the Audit Committee. During the year no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was noticed. The Audit Committee based on the advice of the internal auditors directed the Company to improve the internal financial controls in few areas to ensure that the internal financial controls are operating more effectively.

CORPORATE SOCIAL RESPONSIBILITY

The Company has Corporate Social Responsibility Committee constituted by the Board of Directors with Mrs. Sasikala Raghupathy as Chairperson and

Mrs. Swarnamugi R Karthik and Mr. Gnana Rajasekaran as members of the Committee. The CSR Policy formulated and recommended by the Committee is in place.

REMUNERATION POLICY

The Remuneration Policy formulated under section 178 of the Companies Act, 2013 by the Nomination and Remuneration Committee is given in Annexure - III.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has established a vigil mechanism for directors and employees to report genuine concerns as required by Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the policy/mechanism has adequate safeguards against victimization of persons who use such mechanism and provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013 are disclosed in the note no.37 to the Financial Statements.

RELATED PARTY TRANSACTIONS

The transactions with related parties entered into during the financial year, which were in the ordinary course of business and on an arm's length basis were placed before the Audit Committee and approved. There was no material related party contract/arrangement during the year. All related party transactions were made in compliance with Section 188 of the Companies Act, 2013 and Regulation 23 SEBI (LODR) Regulations, 2015. There were no other materially significant related party transactions made by the Company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company. The Policy on related party transactions as approved by the Board is uploaded on Company's website.

DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the Financial year 2021-22 no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company.

RISK MANAGEMENT POLICY

The Company as part of Standard Operating System and Procedure institutionalized risk management covering risk identification, mitigation and management measures. The Risk Charter and Policy have been brought to practice as part of internal control systems and procedures. The Management has applied the risk management policy to business activities and processes, and this is reviewed to ensure that executive management manages risk through means of a properly defined framework. The Company is taking steps to make the risk management process more robust and institutionalized.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' responsibility statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts for the Financial year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the loss of the Company for the Financial year ended for the period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts for the year ended March 31, 2022 on a going concern basis; and
- e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS' AND AUDITORS' REPORT

N R Doraiswami & Co., Chartered Accountants, Chennai (Firm Registration No: 000771S) were appointed as the Statutory Auditors of the Company at the 31st Annual General Meeting held on September 27, 2017 to hold office until the conclusion of the ensuing 36th Annual General Meeting. The Statutory Auditors in their consolidated audited report have qualified that CARO related report has not been obtained for BGR Boilers Private Limited and BGR Turbines Company Private Limited.

N R Doraiswami & Co., Chartered Accountants, Chennai will be completing their term and tenure as Statutory Auditors at the ensuing Annual General Meeting. N R Doraiswami & Co., are not seeking re-appointment for a second term. Based on the recommendation of the Audit Committee and Board of Directors it is proposed to appoint M/s. Anand & Ponnappan, Chartered Accountants, Chennai (FRN No.000111S) as Statutory Auditors of the Company for a consecutive term of five years commencing from 2022-23 to 2026-27 and who shall hold the office of Statutory Auditors from the conclusion of 36th Annual General Meeting until the conclusion of 41st Annual General Meeting.

The Company has obtained necessary certificate under Section 141(3) of the Companies Act, 2013 read with Rule 10 of the Companies (Audit and Auditors) Rules, 2014 from M/s. Anand & Ponnappan, Chartered Accountants, Chennai confirming their eligibility to be appointed as the auditors of the Company and that they are free from any disqualifications and that they do not violate the limits as specified under the Companies Act, 2013.

Necessary resolutions for appointment of M/s. Anand & Ponnappan, Chartered Accountants, Chennai is recommended for shareholders approval.

COST RECORDS AND COST AUDITORS

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly during the year such accounts and records were made and maintained by the Company. The Board of Directors re-appointed A. N. Raman & Associates, Cost Accountants as the Cost Auditor of the Company for the Financial year 2022-23, under Section 148 of the Companies Act, 2013. The Cost Audit Report for the financial year ended March 31, 2021 issued by A. N. Raman & Associates, Cost Accountants was submitted to the Central Government on September 6, 2021. The audit report is unqualified and without reservation or adverse comment on compliance.

SECRETARIAL STANDARDS AND SECRETARIAL AUDIT

The Board of Directors confirm that your Company has complied with the applicable Secretarial Standards during the year 2021-22.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has appointed V Suresh Associates, Company Secretary in Practice to undertake the secretarial audit of the Company. The Report of secretarial auditor is annexed as Annexure – IV. The Secretarial auditor has stated that the Company was in default in making available audited financial statements of BGR Turbines Company Private Limited and BGR Boilers Private Limited in the website of the Company. These two subsidiaries have not completed audit of annual financial statements for the financial year 2020-21 and hence default. The Board impressed upon the management to ensure due compliance in the financial year 2021-22. However, these Companies continue to remain in default during the financial year 2021-22 and hence audited annual financial statements of these two subsidiaries for the financial year 2021-22 are not made available to the shareholders.

REPORTING OF FRAUD BY AUDITORS

During the year under review, the Statutory Auditor, Cost Auditor and Secretarial Auditor have not reported any instance of fraud committed in the Company by its officers or employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be reported.

CORPORATE GOVERNANCE

Corporate Governance report under SEBI (LODR) and the certificate from the auditors confirming compliance of the conditions of Corporate Governance are included in this Annual Report as Annexure V.

MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY.

There were no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134 (3) (a) of the Act, the Annual Return of the company as on March 31, 2022 is available on the company's website. The link is provided here under http://www.bgrcorp.com/annual_report.php

DISCLOSURES

1. There has been no change in the nature of business of the Company during the year under review.
2. Pursuant to Section 197(14) of the Act, 2013, the Managing Director of the Company did not receive any remuneration or commission from any of its subsidiaries.
3. As on March 31, 2022, there were 26 pending proceedings filed against the Company under the Insolvency and Bankruptcy Code, 2016 and proceedings were under various stages of adjudicatory process. The Company has not filed any proceedings under the aforementioned Act.
4. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof: Not Applicable.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the valuable support and co-operation extended by customers, vendors, collaborators, business partners/ associates, statutory authorities, Central and State Governments during the year under review.

Your Directors also record their appreciation to the bankers for their financial support and trust reposed in the Company. The Board further wish to acknowledge the commitment and contribution made by the employees at all levels during current tough times. Your Board conveys its gratitude to the shareholders for their continued patronage and co-operation.

ANNEXURES FORMING PART OF BOARD'S REPORT

The annexures referred to in this report and other information which are required to be disclosed are annexed herewith and form part of this Report of Directors

Annexure	Particulars
I	Management Discussion & Analysis Report
II	Energy conservation and Technology absorption
III	Remuneration Policy
IV	Secretarial Audit Report
V	Corporate Governance Report

For and on behalf of the Board

Place : Chennai
Date : May 27, 2022

Sasikala Raghupathy
Chairperson

Management Discussion & Analysis

ANNEXURE I

MANAGEMENT DISCUSSION & ANALYSIS PERFORMANCE HIGHLIGHTS OF FY 2021-22

The last two years have been difficult for the world economy on account of the COVID-19 pandemic. Repeated waves of infection, supply-chain disruptions and more recently, sudden and high inflation have created challenging times for policymaking and have dampened investment scenario. However, post Covid scenario has seen a sharp revival of the economy with announcements of large capital investments in infrastructure sectors which help to push the demand for goods and services. Some of the new initiatives taken by Company has seen key announcements by the government which promise to open up large scale opportunities in India and abroad and the Company is strategically positioning itself to be a major player in these emerging segments.

During the current year 2022-23 the company's activities are slowly picking up. The progress of activities is moderate due unprecedented increase in raw materials and steel prices in the country. The banking sector's negative view towards funding infrastructure projects particularly to thermal power sector makes it challenging for the company in completing financial closure of the new contracts.

PROJECT PROGRESS OF ENGINEERING AND CONSTRUCTION BUSINESS

During the year 2021-22, the company in North Chennai Thermal power project 1 X 800 MW had achieved significant progress and various sub-systems were completed and handed over to the customer viz., TANGEDCO. Ghatampur 3 X 660 MW project works have witnessed completion of works for many important components viz., Chimney, demineralized water, cooling water and auxiliary cooling water pumps, main distribution control systems and common water treatment plant. Vijayawada 1 X 800 MW project was synchronized with grid on 06.12.2021. Condensate Polishing Unit and AC for main control room were also commissioned. In OPGCL project, during the year performance guarantee test for IDCT Unit and capability test for modified ash handling system were carried out successfully.

Environmental Engineering Division during the year successfully completed the performance guarantee test of Phase 1 of TPL project and commissioned stream 1 of Hindustan Urvarak & Rasayan Limited project.

Electrical Project Division completed and handed over Unit # 3 of Kakrapar Atomic Power Plant to Nuclear Power Corporation of India Limited and operation acceptance certificate has been received from customer. For TANTRANSCO, new 230/110KV AIS Tirupattur Substation

with 100MVA Auto Transformer with 6 Nos. of 230kV Bays and 7 Nos of 110kV bays with associated equipment and allied civil works were successfully commissioned during the year.

MANUFACTURING BUSINESS

In the capital goods segment, which manufacturers equipment for power, oil, gas and infrastructure industries the Company secured orders for Rs. 296 Crores which is a milestone for manufacturing business of the Company resulting in a very high growth. The Company laid focus on high value and tough metal-based opportunities for achieving high value proposition. During the year, the Company was successful against international competition and demonstrated execution excellence. The product division introduced new product viz., Air Pre-Heater and also got an entry into compressor manufacturer segment.

INDUSTRY ANALYSIS

The reduction of devastating effects of covid-19 during the year 2021-22 witnessed slow pick up in industrial activities. The demand for power increased substantially due to pickup in economic activities. Despite the increase in renewable energy generation, the power generation does not meet the National requirement. The country faced the highest power demand during the 4th quarter of the year. The public power generating utilities like NTPC and State Gencos initiated review of the plans for capacity addition in thermal power generation. The Company is exploring various business opportunities in power transmission segment. The proposed modernization and capacity addition in major refineries and introduction of new product lines by the Company are expected to provide substantial fillip to growth in the near future.

PROSPECTS IN DOMESTIC AND INTERNATIONAL MARKETS

The unprecedented power demand in the year 2021-22 end and the slow progress in renewable and nuclear power generation have brought to the critical need to add significant capacity by way of new super critical thermal power projects. The replacement of old and unserviceable projects and projects without fuel linkages have received due and urgent attention of policy makers. These developments are expected to augur well for your Company's future growth. The Pradhan Mantri Gatishakti Bharat Master Plan for integrated Infrastructure growth will offer robust growth potential in various sectors in the years to come. The National Infrastructure Pipeline aimed at easier interconnectivity between road, rail, air and waterways to reduce travel time and improve industrial productivity announced previously and re-emphasized

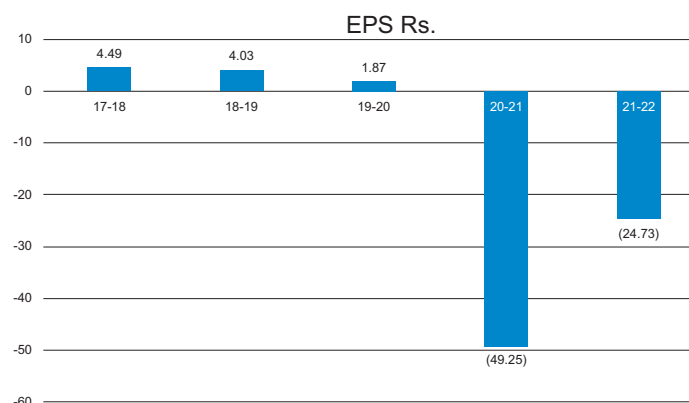
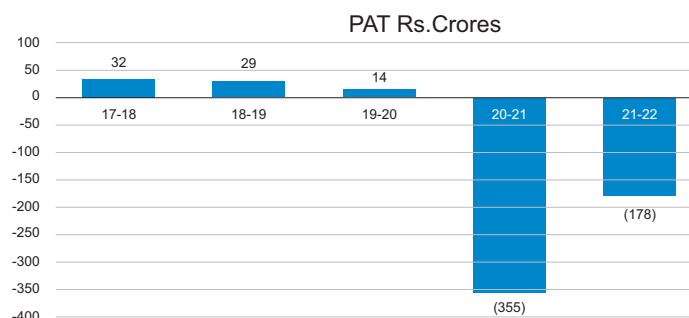
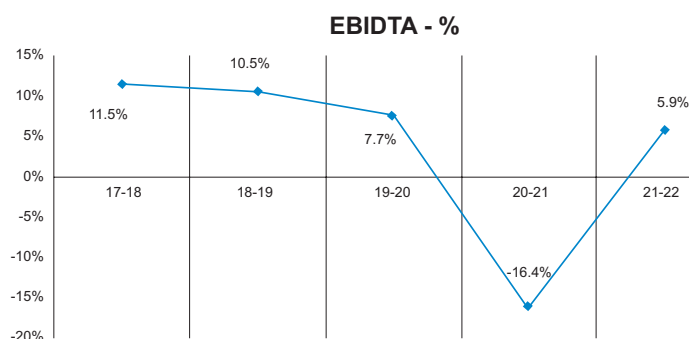
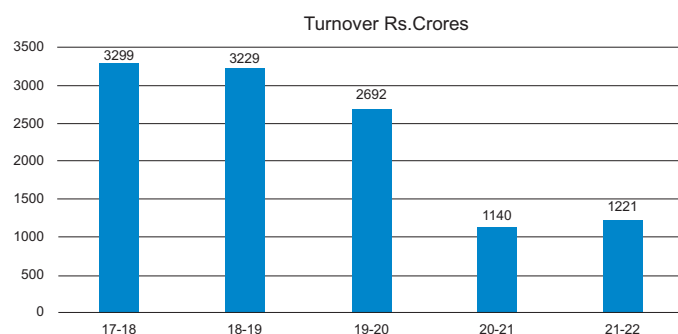
again are envisaged to create multiplier effects on the economy and the Company is well positioned to seize the upcoming prospects. The flagship Jal Jeevan Mission will see huge development under the rural and urban water supply infrastructure development in next couple of years. The Company looks forward to avail huge growth potential and revenue generation in these segments.

LOOKING INTO FUTURE AND STRATEGIC BUSINESS SHIFT

In the backdrop of challenges in thermal power sector in India and global markets as well, your Company initiated number of strategic initiatives. The Company identified critical need for shift from current business segments and identified new sectors as key drivers for growth in the medium term and diversify into adjacent business sectors into which public and private investments will be stepped up. The company's proven and successful track record and competencies could be leveraged for growth in these emerging industrial, core and infrastructure sectors. These segments include: (i) Water and water treatment solutions (ii) Electricity Transmission & Distribution (iii) Transport infrastructure viz., Metro, Railways and Highways (iv) Civil construction; (v) Project exports and (vi) Oil & Gas and manufacture of equipment and systems for Indian industry and international markets. The Company would continue as a significant market player in thermal generation sector, being selective in order booking and would leverage its competencies in focusing and seeking orders from Nuclear power projects and power transmission activities. In capital goods/manufacturing businesses, the Company has taken measures to expand the geographical market reach in international markets by identifying key opportunities for expanding the product portfolio.

FINANCIAL PERFORMANCE (STANDALONE)

DESCRIPTION	Unit	FY 20-21	FY 21-22
Income from Operations	Rs. Crores	1140	1221
EBIDTA	Rs. Crores	(187)	73
EBIDTA	%	-16.40%	5.9%
PBT	Rs. Crores	(475)	(237)
PAT	Rs. Crores	(355)	(178)
Net worth	Rs. Crores	1063	882
PAT Ratio	%	-31.18%	-14.62%
Return on Net worth	%	-33.44%	-20.2%
Debtors Turnover	Days	429	375
Inventory Turnover	Days	15	11
Interest Coverage Ratio	Times	-0.81	0.18
Current Ratio	Times	1.04	1.00
Debt Equity Ratio	Times	1.82	2.13



Management Discussion & Analysis

SIGNIFICANT CHANGES IN FINANCIAL PERFORMANCE METRICS

The Operating earning for the year 2021-22 was positive at 5.9% as compared to negative earnings in the previous year.

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE PREVIOUS FINANCIAL YEAR

During the year Return on Net worth has improved from negative -34% in the previous year 2020-21 to Negative -20% in the year 2021-22. The improvement in return on net worth is due to reduced loss of Rs.237 Crores as compared to a loss of Rs.475 Crores in the previous year. The contributions generated from lower turnover was not sufficient to meet the fixed cost incurred by the company.

STRENGTH AND OPPORTUNITIES

The company has after review of the current macro level developments and competition landscape planned foray into the Infrastructure, Highways Construction and Transmission. The experienced and competent manpower, proven project delivery of the Company are rare strengths. These rich credentials will enable qualification and successful breakthrough in all business segments. The strategic teams of experienced resources are working on bids for these strategic segments.

INTERNAL CONTROL SYSTEMS AND AUDIT

As part of the audit system, the company has an in-house system. Experienced external firm of auditors carries out internal audit. The detailed audit plan is well documented and audit scope is reviewed every year to include key processes that need improvements and address new compliance requirements. The detailed audit plan approved by the Audit Committee is rolled out at the beginning of each year. In addition, all payments to vendors are subjected to pre-audit by an external audit team. The statutory auditors carry out the required audit and compliance checks and review the control systems. The works auditor audits site works books of accounts. The Chairman of Audit committee, key project personnel and the finance team review the audit reports of the internal auditors, pre auditors and in-house auditors in detail every quarter and a time bound action plan is initiated to address the key audit issues that need improvement and resolution. A summary of key audit observations, action taken to fix the gaps and the status is reviewed by the Audit Committee members in the quarterly audit committee meeting. The present internal control and audit systems are adequate.

RISK MANAGEMENT

The business of the Company encompasses design at office, manufacturing at factories and project sites, civil and mechanical construction, erection and commissioning of equipment/systems. The company has a well-documented Standard Operating Systems and Procedures (SOSP). The SOSP mandates concerned officers of the company to review, identify and take timely steps to manage these risks on an ongoing basis. Delegation of Authority is reviewed each year to ensure that adequate controls are in place and required flexibility is available for effective operations at work site and that the commitments made to customers and vendors are met on time. Periodic review of procedural checks and balances are undertaken with a view to improve operational controls and productivity matrix. An experienced team of contract specialists in the Company review all contractual documents with the customers and the vendors in detail to ensure that all risks associated with the terms of contract are fully understood, documented and reviewed for ensuring effective implementation of the contracts.

HUMAN RESOURCE DEVELOPMENT

The Pandemic took a turn and went unabated in wave II. The Company has always had a strong conviction that safety of the human capital is the pivotal force behind the organization's success and therefore went on tie-ups with hospitals for vaccination and provided timely health care to covid infected employees. The human resource team and COVID Marshalls left no stone turned in attending to and ensuring vaccination of all employees including booster doses. The team attended to the needs of employees round the clock and ensured that the employees get the best available treatment, thereby ensuring zero casuality. The company did take the pandemic as a challenge and evolved a hybrid model of work from home and in office.

As part of synergizing the functions of Product business, Air Fin Cooler Division, Oil & Gas Equipment Division and Enviro Tech Divisions were merged as "Product Business Division" during April 2021. This resulted in optimizing the manpower and also effective utilization of design, engineering and manufacturing facilities. In Project Business, Organization restructuring was carried out in Procurement and Proposals areas, to get maximum advantage through synergetic working.

Competency Mapping is made online and now employee's managerial competencies can be measured in a systematic way and initiatives for development can be evolved. Due to COVID Protocols, training was done on virtual mode and in this year 68 training programs were conducted.

“Employee Recognition” as an Employee Value Proposition (EVP) got a fillip after awarding, Employee of the Month on a consistent Manner in year 2021-22. Loyal employees were honored through Long Service Award (20 Years and above), this year 22 employees were honored by the company.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

The Company treats EHS as its core need to carry on and grow the business on a sustained basis. The Company has adopted a structured approach towards implementation of EHS policy and plans to integrate EHS with critical operating processes to continually improve the environment in which the Company operates as well as the safety and health of all employees, workmen, general public and the society. The Company established EHS structure for developing, implementing, and improving EHS Management Systems. These systems are designed

to imbibe and enhance safety culture and to mitigate high potential risks among the employees and contractors through appropriate intervention and guidance.

The Company took up many EHS initiatives viz., monitoring and control of air, noise and water pollution, fitness of all employee's premedical screening, regular health awareness camps, blood donation, safety orientation to all new employees and contractors' men before engaging at work, hazard identification and risk assessment for all critical activities, safety evaluation of contractors and adoption of EHS code of practices by contractor, enhancement of behavior based safety programs, on spot motivation to safety conscious workers and recognition of creditable EHS performance. The EHS team strived to keep up good health of employees at offices, works and sites by strictly following the Standard Operating Procedures and guidelines issued by various Government and health authorities.

Disclaimer:

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non-identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, a global pandemic like Covid-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

ANNEXURE - II

ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

Manufacturing units of the Company have implemented energy conservation measures during the financial year 2021-22 as given below.

A) ENERGY CONSERVATION

i. The steps taken or impact on conservation of energy

1. Advanced Finning Machine - G type is introduced which can deliver the productivity with 20% lesser electrical power consumption
2. Actions initiated to power off of all machines especially welding machines during break times to avoid transformer losses
3. Initiated actions to ensure no leakage of compressed air and water
4. Air conditioners temperature maintained at 26 Degree Centigrade for power saving
5. Proposed to introduce LED lights at the time of replacement of existing lights
6. Planned to introduce solar power generation system.

ii. The steps taken by the Company for using alternate source of energy

Buildings have glass windows all around and use the ambient light for lighting purposes as much as possible. This reduces the electricity consumption due to lesser need of lighting during the day.

iii. The capital investment on energy conservation equipments: NIL.

B) Technology absorption:

The details under Rule 8(3) (B) of the Companies (Accounts)Rules,2014 is not applicable to the Company.

C) Foreign Exchange Earnings and outgo:

The details of foreign exchange and outgo are provided in the Directors report.

ANNEXURE III

REMUNERATION POLICY

1. APPLICABILITY

This remuneration policy applies to all Directors, Key Managerial Personnel and designated employees of the Company.

2. OBJECTS

This policy seeks to achieve the following objectives viz.,

- a. The directors, key managerial personnel and designated employees of the Company are governed by a compensation criteria that fosters meritocracy and industry standards.
- b. Attract and retain high calibre professionals/ personnel required to manage the business, operations and strategic growth of Company successfully.
- c. The remuneration shall be competitive and based on the individual responsibilities, contribution and performance.
- d. To attract, retain and motivate talents and a balance of fixed and variable so as to incentivise high level of performance.

The Remuneration Policy is guided by a common reward framework and set of principles and objectives as morefully and particularly envisaged under Section 178 of the Companies Act, 2013 and principles pertaining to determining qualifications, positives attributes, integrity and independence.

2. REMUNERATION TO DIRECTORS

- a. Fee to Non-executive directors

A non-executive director may receive remuneration by way of sitting fee for attending meetings of the Board or Committee thereof. The amount of fees shall not exceed the amount as may be prescribed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and any amendment thereto.

- b. The amount of fee to Independent directors and women directors shall not be less than the fee payable to other directors.
- c. No sitting fee shall be paid to the executive directors for attending Board or Committee meetings.
- d. The Board may review the fee at reasonable length of time and in doing so consider industry trends, practices, Company's performance, shareholder's interest and regulatory provisions and environment.
- e. No director, other than Chairman of the Board, shall be entitled to commission on profits of the Company and such commission shall be determined by the Board for each financial year and such payment shall be subject to the provisions of the Companies Act, 2013.
- f. Directors shall be entitled to reimbursement of expenses on travelling, lodging, boarding and other out-of-pocket expenses incurred for participation in the Board and Committee meetings and other work related to the Company's business.

4. REMUNERATION TO KEY MANAGERIAL PERSONNEL

- a. The remuneration to Key Managerial Personnel (Managing Director, Deputy Managing director, Whole Time Director, Company Secretary and Chief Financial Officer) shall be determined with due regard to the individual's educational and professional qualifications, age, experience, expertise, knowledge and contribution and competition for such talents in the industry/ corporate sector.
- b. The remuneration payable to Key Managerial Personnel may comprise of ;
 - a. Fixed salary, variable salary, bonus/ex-gratia,
 - b. Perquisites and Allowances, performance-linked incentive and other compensation as the Board may determine.
 - c. Remuneration to any one executive director shall not exceed five per cent of the net profits of the Company and the total remuneration

Remuneration Policy

payable to all executive directors together shall not exceed ten per cent of the net profits of the Company.

d. In case of inadequacy of profits the remuneration to executive directors shall be in accordance with Schedule V of Companies Act, 2013.

5. REMUNERATION TO DESIGNATED EMPLOYEES:

- a. For the purpose of this policy, an employee who is employed by the company and designated as a member of core management but not a director and all Head of functional responsibility or management and holding office one level below executive directors are Designated Employees.
- b. The remuneration shall be determined in an equitable manner having regard to qualifications, age, experience and contribution to the Company, need to retain talent and industry/market trends.
- c. Remuneration to Designated Employees shall include fixed salary, variable salary, bonus/ex-gratia, perquisites and allowances, performance-linked incentive and other compensation as the Board may determine.

6. REMUNERATION TO OTHER EMPLOYEES:

The nature of job and market parity of similar talent will be key factor in pay determination for different levels of employees.

1. Wage and salary structure will be simple and easy to link performance and compensation.
2. Discretionary retention bonus may be given in deserving cases as may be decided by management.
3. Annual pay increases will be based on a combination of appraisal of competency and performance rating.

ANNEXURE-IV

Form No. MR-3 SECRETARIAL AUDIT REPORT For the Financial Year 2021-22

[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,

M/s. BGR ENERGY SYSTEMS LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. BGR ENERGY SYSTEMS LIMITED (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **M/s. BGR ENERGY SYSTEMS LIMITED** 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, the explanations and clarifications given to us and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended 31st March 2022, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. BGR ENERGY SYSTEMS LIMITED** ("the Company") for the financial year ended on 31st March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) 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; -
Not Applicable

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments from time to time;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and amendments from time to time; **(Not applicable to the Company during the audit period)**
 - (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; **(Not Applicable)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**

Other Laws specifically applicable to this Company – NIL

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc., mentioned above, except the followings:

The Company has not uploaded the Audited Financials of its two Subsidiaries Companies viz. BGR Boilers Private Limited and BGR Turbines Company Private Limited, in its website as required under Regulation 46(2)(s) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on

agenda were sent to 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 of the Board and its Committee meeting are carried through while the dissenting members views, if any are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no major events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., have taken place.

For V Suresh Associates
Practising Company Secretaries

V Suresh

Senior Partner

FCS No. 2969

C.P.No. 6032

Peer Review Cert. No. :667/2020

UDIN: F002969D000328525

Place: Chennai

Date :16.05.2022

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members

BGR ENERGY SYSTEMS LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V Suresh Associates
Practising Company Secretaries

V Suresh
Senior Partner
FCS No. 2969
C.P.No. 6032

Peer Review Cert. No. :667/2020
UDIN: F002969D000328525

Place: Chennai
Date :16.05.2022

Report on Corporate Governance

ANNEXURE V TO THE DIRECTORS REPORT

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time on Corporate Governance, your Company is committed to practice high standards of corporate governance across all its business activities, processes and dealing with all stakeholders. The Board of Directors constantly endeavors to create an environment of fairness, equity and transparency in all its affairs. The Company's governance policy framework is designed to secure and enhance long term shareholder value, while respecting the rights and expectations of all other stakeholders viz., Customers, Vendors, Banks, Employees, Central and State Governments and the Society at large. The Company is in constant compliance with the requirements of the guidelines on corporate governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

BOARD OF DIRECTORS

COMPOSITION OF BOARD

The Company's Board of Directors comprise of 9 directors as on March 31, 2022 of whom one is promoter non-executive director, two are promoter executive directors, one professional executive director and five independent directors including one independent women director. The composition of the Board is in conformity with the requirements stipulated under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 ("Regulations") as amended from time to time. The Board includes three women directors.

In line with corporate governance philosophy, all statutory and other significant material information and reports are placed before the Board of Directors ("the Board") to enable it to discharge its responsibility of superintendence, control and direction of the business, management and strategic affairs of the Company. The Board comprises of Directors drawn from diverse fields of expertise viz., Business Management, Finance, Public Administration, Power, Technology, Arts, Culture and International Business. The Board at present consists of five independent directors, one professional whole-time director and two non-independent executive directors and one non-executive promoter director, who is the Chairperson of the Board.

The Company has defined guidelines and established

framework for the meetings of the Board and Committees. The Board critically evaluates business strategies, performance, policies and its effectiveness. The Board reviews all strategic and operating plans, financial reporting, budgets and capital expenditure and matters of exception.

None of the Directors on the Board is a member of more than ten committees or chairman of more than five committees across all the companies in which he/she is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2022 have been made by the Directors. The Board confirms that the Independent Directors fulfil the conditions specified in the regulations and that they are independent of the management.

MEETINGS AND ATTENDANCE OF THE BOARD DURING THE YEAR

During the year under review all the Board Meetings were held through video conferencing. The Agenda for the meeting is prepared by the Director & Secretary in consultation with the Chairperson and Managing Director of the Company. There is constant endeavor to improve the practices with regard to the Board and its Committee meetings. The agenda and the relevant supporting papers are circulated in advance to facilitate the members of the Board and Committees to make informed decisions and discharge their fiduciary responsibility effectively. Where it is not practicable to attach or forward any document/information as part of the agenda papers, the same is tabled at the meeting or presentation by the concerned President of the division to the Board. The Company is continuously improving these practices so as to enable effective strategy formulation, direction, monitoring and reviews by active participation by the Board. The Company Secretary records minutes of proceedings of each Board and Committee meetings. Draft minutes are circulated to the Board/ Committee members within 15 days from the meeting for their comments. Directors communicate their comments, if any on the draft minutes within seven days from the date of circulation. The minutes are then entered in the minutes book within 30 days from the conclusion of the meeting and signed by the Chairperson of the Board or Committee, as the case may be. The certified copy of the approved minutes are then circulated to all the Board / Committee members and to the concerned executives for follow on action.

The Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board / Committee meetings are communicated promptly to the concerned President

or Executive. Action-taken report on decisions / minutes of the previous meeting(s) is placed at the subsequent meeting of the Board / Committee for review or noting.

Apart from Board members and the Company Secretary, the Board and Committee meetings are also attended by the Chief Financial Officer and wherever required by the heads of business divisions and corporate functions. The Audit Committee meetings upon invitation are attended by the Statutory Auditors and the Internal Auditors of the Company.

BOARD PROCESS, DECISION MAKING AND REVIEW

The following information is regularly placed before the Board to enable the Board to make decision and review of operating and strategic performance of the Company:

- i) Appointment, resignation and retirement of directors.
- ii) Constitution and reconstitution of committees of the Board.
- iii) Disclosure of interest of Directors.
- iv) Minutes of the meetings of the Board and its Committees viz., Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Committee of Directors.
- v) Statutory compliance including non-compliance with regulatory and statutory requirements.
- vi) Corporate Governance compliance.
- vii) Statement on investor complaints filed with stock exchanges and investor services.
- viii) Action taken on the minutes of the previous meetings of the Board and Committees.
- ix) Corporate Budget including Annual operating budget, Capital expenditure budget and revisions thereof.
- x) Review of Project wise and division wise budget Vs actual performance.
- xi) Progress of the EPC, BOP and Capital goods business segments.
- xii) Quarterly, Half yearly and Annual financial results/statements of the Company and annual financial statement of Subsidiary companies.
- xiii) Appropriation of profits to dividend and reserves.
- xiv) Investment in and progress of Joint ventures and Subsidiaries including divestments.
- xv) Audit Committee's recommendations on appointment of internal and statutory auditors.
- xvi) Accidents, untoward incidents, dangerous occurrences, judgements, orders and matters arising from vigil mechanism.
- xvii) Show cause notices, prosecution notice, penalty notices and other material legal action against the Company.
- xviii) Approval of related party transaction, where approval of the Board is required.
- xix) Reimbursement and remuneration of KMP and other senior officers' one level below Directors.
- xx) Material default in financial obligations to creditors of and by the Company.
- xxi) Significant labours and human resources, industrial relations, transactions which are not in the ordinary course of business or exceptional in nature, including payment for goodwill, brand or intellectual property.

MEETINGS OF THE BOARD

During the Financial Year 2021-22, 4 (four) Board Meetings were held on June 30, 2021, August 13, 2021, November 11, 2021 and February 14, 2022 and not more than 120 days have elapsed between any two meetings. The information as specified in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are regularly made available to the Board, wherever applicable for discussion and consideration.

MEETING OF INDEPENDENT DIRECTORS

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Company was held on February 14, 2022 without the presence of Non-independent directors and members of management. All the independent directors were present at the meeting. The following items were reviewed at the meeting of independent directors viz.,

1. Performance of non-independent directors and the Board as a whole;
2. Performance of the Chairperson of the company, taking into account the views of the executive directors and non-executive directors;
3. Assessment of quality, quantity and timeliness of flow of information between the company management and the Board.
4. Matters and scope of Board evaluation in terms of the guidance note issued by SEBI vide Circular No. SEBI/Ho/CDD/CMD/CIR/P/ 2017/004 dated January 05, 2017.

Report on Corporate Governance

PARTICULARS OF THE DIRECTORS' ATTENDANCE AT THE BOARD MEETINGS AND AT THE ANNUAL GENERAL MEETING HELD ON SEPTEMBER 17, 2021 AND PARTICULARS OF THEIR DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS IN OTHER COMPANIES ARE GIVEN BELOW:

Name & Category of the Director	Attendance at meetings during 2021-22		No. of Directorship in other Companies @	No. of Committee Membership & Chairmanship in other Companies #
	Board Meetings	At Last AGM held on September 17, 2021		
Mrs. Swarnamugi R Karthik, Director – Corporate Strategy, Executive	4	Yes	8	-
Mr. R. Ramesh Kumar, Director & Secretary, Executive	4	Yes	6	-
Mr. Arjun Govind Raghupathy, Managing Director, Executive	4	Yes	9	-
Mrs. Sasikala Raghupathy, Chairperson, Promoter / Non-Executive - Non-Independent	4	Yes	8	-
Mr. M.Gopalakrishna, Director, Independent	4	Yes	6	5
Mr. S.A.Bohra, Director, Independent	3	Yes	-	-
Mr. S.R.Tagat, Director, Independent	4	Yes	-	-
Mr. Gnana Rajasekaran, Director, Independent	4	Yes	1	1
Mrs. Janaki C Ambat, Director, Independent	4	Yes	-	-

@ Excludes private companies and foreign companies.

Includes only membership of Audit Committee and Shareholders & Investors Grievances Committee.

(ii) Name of other listed entities where Directors of the company are Directors and the category of Directorship:

Name of the Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mr. M. Gopalakrishna Director Independent	i) Suven Life Sciences Limited ii) The Andhra Petrochemicals Limited iii) Pitti Engineering Limited iv) Olectra Greentech Limited	Non – Executive Independent Director
Mr. Gnana Rajasekaran Director Independent	Odyssey Technologies Limited	Non – Executive Independent Director
None of other directors hold directorship in any other listed entity		

(iii) SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD OF DIRECTORS

The following is the list of core skills / expertise /competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities, industry trends, macro-economic and industrial policy impact and knowledge of the industry in which the Company operates.
- Behavioural skills-attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- Business Strategy, Sales & Marketing, Corporate Governance, Financial and Forex Management, Administration, Decision Making.
- Financial and Management skills.
- Technical / Professional skills and specialized knowledge in relation to Company's business

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted.

Name of Director	Areas of Skills, Expertise and Competencies				
	Knowledge on Company's business, policies & Culture	Behavioural Skills	Business Strategy, Sales & Marketing etc.,	Financial and Management Skills	Technical/ Professional skills
Mrs.Sasikala Raghupathy	Y	Y	Y	Y	-
Mr. R. Ramesh Kumar	Y	Y	Y	Y	Y
Mr.Arjun Govind Raghupathy	Y	Y	Y	Y	Y
Mrs. Swarnamugi R Karthik	Y	Y	Y	Y	Y
Mr.M.Gopalakrishna	Y	Y	Y	Y	-
Mr.S.A.Bohra	Y	Y	Y	Y	Y
Mr.S.R.Tagat	Y	Y	Y	Y	Y
Mr. Gnana Rajasekaran	Y	Y	Y	Y	-
Mrs. Janaki C Ambat	Y	Y	Y	Y	Y

Except Mrs. Swarnamugi R Karthik, Director – Corporate Strategy and Mr.Arjun Govind Raghupathy, daughter and son of Mrs. Sasikala Raghupathy, Chairperson respectively, no other directors have any inter-se relationship with other directors of the Company.

The Company has not granted stock options to any of its directors or employees during the year under review. Except Mr. S. R. Tagat, who holds 135 shares, no independent director hold shares in the Company.

The company has formulated and adopted a familiarization programme for independent directors and the same is administered by the Nomination and Remuneration

committee. The familiarization programme for independent directors is uploaded in the website of the company and web link for the same is http://www.bgrcorp.com/policy/familiarization-programme_2021-22.pdf

COMMITTEES OF THE BOARD

The Board constituted the following committees:

AUDIT COMMITTEE

The Audit Committee of the Board comprises of four directors of which three members are independent directors and all the members of Audit Committee are financially literate.

Report on Corporate Governance

The members of the Audit Committee are:

Mr. S. R. Tagat	Chairperson	Independent Director
Mr. M. Gopalakrishna	Member	Independent Director
Mr. S. A. Bohra	Member	Independent Director
Mrs. Swarnamugi R Karthik	Member	Non-Independent Director

The Composition of the Audit Committee is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Managing Director, Chief Financial Officer and Statutory Auditor of the Company are invited to the Audit Committee Meetings, where found necessary and essential. The internal auditors are also invited as are relevant for consideration of audit reports and review of compliance. The quorum for Audit Committee Meeting is two members or one third of the total strength of the Committee, whichever is higher, and such quorum comprise of at least two independent Directors present. The Committee enables the Board to discharge its responsibility for overseeing accounting, financial, auditing, disclosure and reporting process and for ensuring legal and regulatory compliance and oversight.

The Powers and terms of reference of the Audit Committee are as given below, which cover following matters specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

POWERS OF AUDIT COMMITTEE:

The Audit Committee shall have such powers to effectively discharge its role and terms of reference, which includes the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Such other powers as may be necessary for due and proper discharge of role of Audit Committee.

THE ROLE AND TERMS OF REFERENCE OF THE AUDIT COMMITTEE:

1. Oversight of the company's financial reporting process and disclosure of its financial information to ensure

that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company and scope of respective audit viz., Statutory Audit, Internal Audit, Tax Audit and Cost Audit.
3. Approval of payment to statutory auditors for services other than statutory audit rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Formulation and approval/adoption of new accounting policy.
 - c. Changes, if any, in accounting policies and practices and reasons for the same.
 - d. Major accounting entries involving estimates based on the exercise of judgment by management.
 - e. Significant adjustments or treatments made in the financial statements arising out of audit findings.
 - f. Compliance with listing and other legal requirements relating to financial statements.
 - g. Disclosure of related party transactions.
 - h. Qualifications, observations and adverse comments if any in the draft audit report and response or explanations therefor.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
6. Review and monitor the auditor's independence and performance and effectiveness of audit process;
7. Approval of transactions of the company with related parties including modification thereof;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the company, wherever necessary;
10. Evaluation of internal financial controls and risk management systems and process;

11. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the officer heading the department, reporting structure coverage and frequency of internal audit;
13. Review with internal auditors of any significant findings and follow up action thereon;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults, if any in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the Whistle Blower/Vigil mechanism;
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and suitability of the candidate;
19. In addition, reviewing of all other functions as envisaged under Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There were 4 (Four) meetings of the Audit Committee held during the Financial Year 2021-22 on June 29, 2021, August 13, 2021, November 11, 2021 and February 14, 2022.

The number of meetings attended by each member of the Audit Committee is as follows:

Name of the Member	No. of Meetings attended
Mr. S.R. Tagat	4
Mr. S.A. Bohra	3
Mr. M. Gopalakrishna	4
Mrs. Swarnamugi R Karthik	4

The Chairperson of the Audit Committee Mr. S. R. Tagat attended the previous Annual General Meeting of the Company held on September 17, 2021.

COMMITTEE OF DIRECTORS

The Committee of Directors comprise of the following members;

1. Mrs. Sasikala Raghupathy, Chairperson
2. Mr. Arjun Govind Raghupathy, Managing Director
3. Mr. R. Ramesh Kumar, Director & Secretary
4. Ms. Swarnamugi R Karthik, Director – Corporate Strategy;

The quorum for Committee meetings is three.

There were 3 (three) meetings of Committee of Directors held during the Financial Year 2021-22 on June 10, 2021, July 21, 2021 and October 20, 2021.

The number of meetings attended by each member of the Committee is as follows:

Name of the Member	No. of Meetings attended
Mr. Arjun Govind Raghupathy	3
Mrs. Swarnamugi R Karthik	3
Mr. R. Ramesh Kumar	3
Mrs. Sasikala Raghupathy	3

SCOPE OF THE COMMITTEE

The Board has delegated the following powers to the Committee of Directors:

1. To exercise superintendence, direction, guidance and control over the affairs of the company and subsidiaries and to exercise all such powers and to do all such acts and things as the Company and Board are authorised to exercise and do in respect of any business or transaction for which the Managing Director is not vested with power and authority or other matters of importance; provided that the Committee shall not exercise any power or do act or thing which is directed or required to be exercised or done by the Board or at a general meeting under the provisions of the Companies Act, 2013 or Memorandum and Articles of Association of the company or by any other law for the time being in force or by any statutory authority.
2. The Committee of Directors is vested with powers relating to oversight of operating performance of the Company in general and specifically the following:

- 1) Review of execution and delivery of power projects
 - 2) Review of closure of completed power project contracts
 - 3) Review of operating performance of Product Divisions
 - 4) Progress of BGR Boilers and BGR Turbines – operating performance and capital project implementation
 - 5) Cash flow management including collections and borrowings
 - 6) Closure of working capital facilities of completed projects
 - 7) Taxation – Compliance and completion of assessments
 - 8) Litigation and legal matters
 - 9) Progress of Capital Expenditure
 - 10) Transactions of exceptional nature
 - 11) Decisions on matters envisaged under Article 42 of the Articles of Association of the Company.
3. Borrowing moneys from Banks, NBFCs, companies, firms and other institutions by way of overdraft, cash credit, hire purchase, lease and other funded and non-funded facilities (i.e., guarantees, letters of credit), lines of credit or otherwise and hire purchase, leasing, bills discounting or any other form of borrowings provided that the total amount so borrowed and outstanding at any time shall not exceed Rs.10,000 Crore (Rupees Ten Thousand crore) and all such borrowings shall be in the ordinary course of business and be repayable on demand except hire purchase and lease or the like transactions.
 4. To open, close banking accounts for the company; and to determine the day to day operations of all banking accounts of the company and to authorise such persons as the Committee may determine from time to time for operating such accounts.
 5. To delegate and empower officers of the Company and its subsidiaries and other persons to do such acts, deeds and things as may be necessary in carrying on the business of and in the interest of the Company and to comply with statutory requirements and such officers and persons may be empowered by a deed of power of attorney, which shall be executed by any member of the Committee for and on behalf of the Company.
 6. To affix the Common Seal of the company to any document, instrument in the presence of Mrs.Sasikala Raghupathy, Chairperson or Mr.Arjun Govind Raghupathy, Managing Director or Mrs. Swarnamugi R Karthik, Director – Corporate Strategy of the company wherever necessary and countersigned by Mr. Ramesh Kumar, Director & Secretary of the company in terms of article 63 of Articles of Association of the company.
 7. To constitute sub-committee or working group or task force to carry into effect any business or transaction together with such power and authority and discretion in respect of matters delegated to them.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of Mr. S. A. Bohra, Chairperson of the Committee, Mr. S. R. Tagat, Mr. Gnana Rajasekaran and Mrs. Sasikala Raghupathy, Members of the Committee.

The terms of reference, powers and other matters in relation to the Nomination and Remuneration Committee are in accordance with the applicable provisions of the Companies Act, 2013 read with Companies (Meetings of Board & its Powers) Rules, 2014 as amended from time to time and with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

ROLE OF NOMINATION AND REMUNERATION COMMITTEE:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors.
6. Recommended to the board all remuneration in whatever form payable to the management.

There were 2 (Two) meetings of Nomination and Remuneration Committee held during the Financial Year 2021-22 on August 13, 2021 and November 08, 2021

The number of meetings attended by each member of the Nomination and Remuneration Committee is as follows:

Name of the Member	No. of Meetings attended
Mr. S. A. Bohra	2
Mr. S. R. Tagat	2
Mr. Gnana Rajasekaran	2
Mrs. Sasikala Raghupathy	2

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The following are the performance evaluation criteria for independent directors:

1. Ability to understand and contribute to the Board process.
2. Ability to understand and deliberate on agenda/ business.
3. Ability to bring about independent judgment to the transactions.
4. Ability to resolve conflict vis-a-vis interest of the company.
5. Ability to advice, guide and provide insight into business, markets and competition.
6. Ability to see through risks, compliance, fraud, litigation, abuse of office.
7. Ability to bring and fix responsibility for operating performance/ failures/accomplishments.
8. Ability to protect the interest of minority shareholders.
9. Sharing of knowledge and expertise on industry, technology, financial markets and taxation.
10. Attendance in Board Meetings and time spent.
11. Ability to critically analyse financial statements and operating performance data.
12. Ability to act as custodian of the Board and resolve conflicts inter-se directors and with management.
13. Confidentiality of secrets and commercial information and data.

REMUNERATION PAID TO DIRECTORS DURING FY 2021-22 AND NUMBER OF THE SHARES HELD BY DIRECTORS

Name of Director	Remuneration		Sitting Fees* (₹. in lakhs)
	Salary & Allowances (₹. in lakhs)	Bonus/ Ex-gratia	
Mrs. Swarnamugi R Karthik, Director – Corporate Strategy	96.10*	-	-
Mr. R. Ramesh Kumar, Director & Secretary	166.44*	-	-
Mr. Arjun Govind Raghupathy, Deputy Managing Director & COO	-	-	-
Mrs. Sasikala Raghupathy, Chairperson	-	-	4.40
Mr. M. Gopalakrishna, Director	-	-	5.00
Mr. S.A. Bohra, Director	-	-	4.20
Mr. S.R. Tagat, Director	-	-	5.20
Mr. Gnana Rajasekaran, Director	-	-	4.40
Mrs. Janaki C Ambat, Director	-	-	4.00

* Includes eligible reimbursements & Company's contribution to EPF.

There is no separate provision for payment of severance fees. The notice period is mutually agreed between the Directors and the Board. The Company does not have any stock option scheme.

Report on Corporate Governance

Details of Shares of the Company held by Directors as on March 31, 2022.

Name	Number of Shares held
Mrs. Swarnamugi R Karthik	-
Mr. R. Ramesh Kumar	546
Mr. Arjun Govind Raghupathy	-
Mrs. Sasikala Raghupathy	1,73,14,450
Mr. M. Gopalakrishna	-
Mr. S.A. Bohra	-
Mr. S.R. Tagat	135
Mr. Gnana Rajasekaran	-
Mrs. Janaki C Ambat	-

STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Shareholders and Investors Grievance Committee was constituted by the Board on May 30, 2014 and the Committee comprises of Mr. M. Gopalakrishna, Chairman of the Committee, Mr. S. A. Bohra and Mrs. Swarnamugi R Karthik, Members of the Committee. The Committee reviews and redresses all investors' grievances and complaints in general including non receipt of dividend warrants, annual report, etc.

The Company has two unresolved investor complaints and is pending for adjudication before Civil court and consumer Forum. During the Financial Year the Committee had a meeting on August 13, 2021 which was attended by two members of the Committee. The Company has not received any shareholders complaints during the financial year under review.

Mr. R. Ramesh Kumar, Director & Secretary serves as the Compliance officer/ Secretary of the Committee.

Pursuant to Securities and Exchange Board of India's (SEBI) circular dated June 3, 2011 processing of investor complaints is web based redressal system "SCORES" and all complaints pertaining to the company, if any are sent electronically through SCORES. The Company views and submits Action Taken Reports ("ATRs") along with the supporting documents electronically in SCORES. As on March 31, 2022 there were no pending complaints in SEBI Scores.

SHARE TRANSFER COMMITTEE

The Share Transfer Committee consists of Mrs. Sasikala Raghupathy, Chairperson, Mr. S. R. Tagat, Director and Mrs. Swarnamugi R Karthik, Director – Corporate Strategy as members of the Committee.

The following are the terms of reference of the Share Transfer Committee.

- To approve re-mat request and issue physical share certificates.
- To approve and register, transfer and transmission of equity shares.
- To register power of attorney or any similar documents.
- To sub-divide, split, consolidate and issue share certificates.
- To affix or authorise affixation of Common Seal of the Company to the share certificates and
- To do all such acts, things and deeds as may be necessary and incidental for the exercise of the powers; provided that in doing so, the Committee shall comply with the provisions of the Companies Act, Depositories Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities Contracts (Regulation) Act and all other applicable laws.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. R. Ramesh Kumar, Director & Secretary is the Compliance Officer of the Company and acts as the Secretary for Committees of the Board except Committee of Directors of which he is the member and secretary.

GENERAL MEETINGS

- The last three Annual General Meetings were held as per details given below:

Financial Year	Date	Time	Venue
2020-21	September 17, 2021	12 Noon	Through Video Conference / Other Audio-Visual means
2019-20	September 17, 2020	3.00 P.M.	Through Video Conference / Other Audio-Visual means
2018-19	August 14, 2019	3.00 P.M.	Registered Office

2. Special resolution passed in the previous three annual general meetings;

Financial Year	Date of AGM	Details of special resolution
2020-21	17.09.2021	NIL
2019-20	17.09.2020	<ol style="list-style-type: none"> 1. Appointment of Mr.R.Ramesh Kumar as Whole Time Director of the Company. 2. Waiver of recovery of excess remuneration paid to Mr.A.Swaminathan, Director – Engineering & Construction Business during the FY 2019-20. 3. Waiver of recovery of excess remuneration paid to Mr. V. R. Mahadevan, Joint Managing Director during the FY 2019-20. 4. Waiver of recovery of excess remuneration paid to Mrs. Swarnamugi R Karthik, Director – Corporate Strategy during the FY 2019-20. 5. Waiver of recovery of excess remuneration paid to Mr. Arjun Govind Raghupathy, Deputy Managing Director during the FY 2019-20. 6. Payment of minimum remuneration to Mr.Arjun Govind Raghupathy, Managing Director – for rest of his tenure of appointment. 7. Payment of minimum remuneration to Mrs. Swarnamugi R Raghupathy, Director – Corporate Strategy for rest of her tenure of appointment. 8. Payment of minimum remuneration to Mr.V.R.Mahadevan, Joint Managing Director for rest of his tenure of appointment.

Financial Year	Date of AGM	Details of special resolution
2018-19	14.08.2019	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Gnana Rajasekaran as an independent director of the Company. 2. Waiver of recovery of excess remuneration paid to Mr. A. Swaminathan, Director – Engineering & Construction Business during the FY 2018-19. 3. Waiver of recovery of excess remuneration paid to Mr. V. R. Mahadevan, Joint Managing Director during the FY 2018-19. 4. Waiver of recovery of excess remuneration paid to Mrs. Swarnamugi R Karthik, Director-Corporate Strategy during the FY 2018-19. 5. Waiver of recovery of excess remuneration paid to Mr. Arjun Govind Raghupathy, Deputy Managing Director & COO for the FY 2018-19. 6. Approval of Remuneration payable to Executive Directors of Promoter Group exceeding the limits provided in sub-regulation (6)(e) of Regulation 17 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. No special resolution was passed through postal ballot during the Financial Year 2021-22. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

MEANS OF COMMUNICATION

- i. Results: The quarterly, half-yearly and annual results are normally published in leading national (English) business newspaper (i.e) Business Standards and in one vernacular newspaper (Telugu) (i.e) prajasakti. The results and presentations are also displayed on the Company's website www.bgrcorp.com.
- ii. Website: The Company's website contains a dedicated section "Investors" which displays details/information of interest to various stakeholders.

Report on Corporate Governance

- iii. News releases: Material information and official press releases are sent to the Stock Exchanges and the same is hosted on the website of the Company.
- iv. Presentations made to institutional investors or to the analysts – Nil.

GENERAL SHAREHOLDER INFORMATION

Day, date, time and venue of the 36th Annual General Meeting:

AGM Date & Time	:	September 29, 2022 @ 12:00 PM.
Venue	:	Through Video Conferencing- No.443, Anna Salai, Teynampet, Chennai-600 018

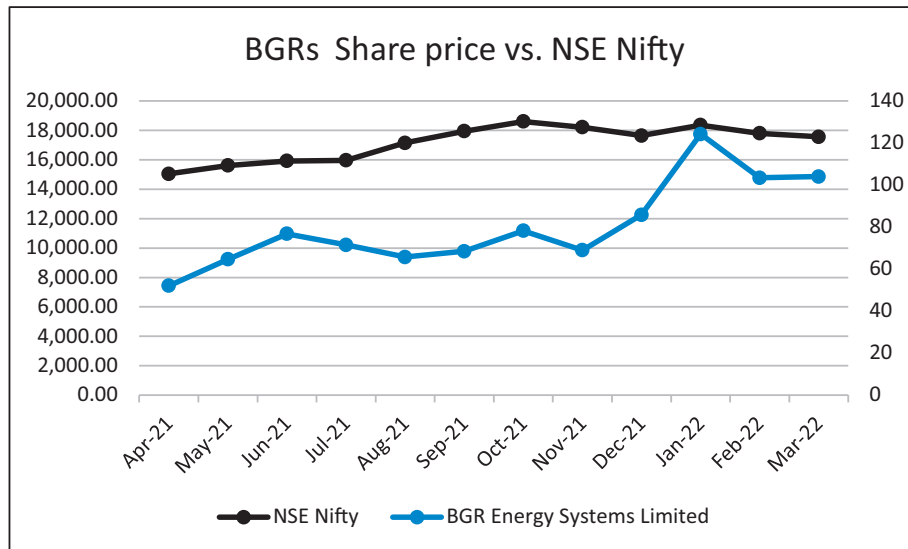
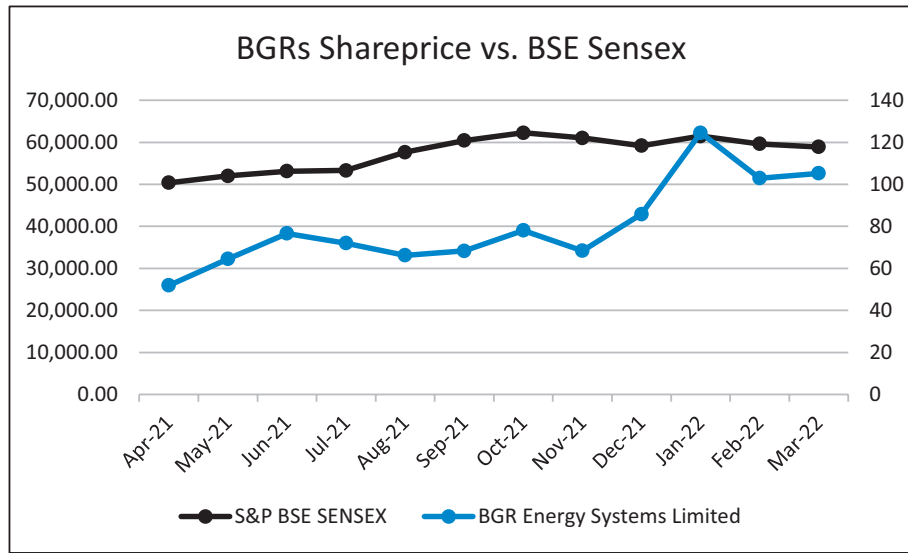
The details about the financial year and listing:

Financial Year	:	April 1, 2022 to March 31, 2023 First Quarter Results- On or before August 14,2022 Second Quarter Results- On or before November 14,2022 Third Quarter Results- On or before February 14,2023 Fourth Quarter Results- On or before May 30,2023
Name and address of Stock Exchange(s) at which company's shares are listed	:	The Equity Shares of the Company are listed on the following Stock Exchanges: BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 The listing fees for the Financial Year 2022-23 have been paid to the above stock exchanges.
Stock Code	:	National Stock Exchange of India Limited – BGREENERGY BSE Limited – 532930
Demat ISIN	:	INE661I01014

Stock Market Price Data & Stock performance in BSE:

Month	BSE				NSE			
	BGR ENERGY SYSTEMS LTD		S&P BSE SENSEX		BGR ENERGY SYSTEMS LTD		NSE NIFTY	
	High (₹)	Low (₹)	High	Low	High (Rs.)	Low (Rs.)	High	Low
Apr-21	51.90	41.10	50,375.77	47,204.50	52.05	41.00	15,044.35	14,151.40
May-21	64.50	45.05	52,013.22	48,028.07	64.60	44.95	15,606.35	14,416.25
Jun-21	76.60	57.50	53,126.73	51,450.58	76.80	57.80	15,915.65	15,450.90
Jul-21	72.00	62.70	53,290.81	51,802.73	71.50	62.30	15,962.25	15,513.45
Aug-21	66.25	48.10	57,625.26	52,804.08	65.75	46.20	17,153.50	15,834.65
Sep-21	68.35	51.00	60,412.32	57,263.90	68.45	50.60	17,947.65	17,055.05
Oct-21	78.05	62.05	62,245.43	58,551.14	78.20	62.05	18,604.45	17,452.90
Nov-21	68.40	56.40	61,036.56	56,382.93	68.95	56.20	18,210.15	16,782.40
Dec-21	85.80	56.60	59,203.37	55,132.68	85.80	56.50	17,639.50	16,410.20
Jan-22	124.50	88.00	61,475.15	56,409.63	124.20	87.60	18,350.95	16,836.80
Feb-22	102.95	70.30	59,618.51	54,383.20	103.45	70.30	17,794.60	16,203.25
Mar-22	105.25	70.95	58,890.92	52,260.82	104.00	70.80	17,559.80	15,671.45

Share performance in comparison with broad-based indices



Registrar and
Share Transfer Agent

: Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083
Phone No: 022 – 4918 6000 E-Mail: mt.helpdesk@linkintime.co.in
Contact Person: Ms. Manasi Kandalkar Associate – Client Relations

Shareholders are requested to correspond with the Registrar and Share transfer agent for transfer / transmission of shares, demat, remat, change of address, nomination, all queries pertaining to their shareholding, dividend, shares transferred to the Demat Account of IEPF Authority etc., at the address given above.

SHARE TRANSFER SYSTEM

Share transfers in physical mode are processed and approved, subject to receipt of all requisite documents. The Company ensures that all transfers are approved for registration within the stipulated period. With a view to expediting the approval process, the Board of Directors has constituted Share Transfer Committee to approve registration of transfer of physical shares.

Report on Corporate Governance

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022

Shareholding	No. of Shareholders	% of total	No. of Shares	% of total
1 – 500	77145	94.1332	5366221	7.4364
501 – 1000	2659	3.2445	2135971	2.96
1001 – 2000	1224	1.4935	1835560	2.5437
2001 – 3000	354	0.432	890911	1.2346
3001 – 4000	174	0.2123	625344	0.8666
4001 – 5000	120	0.1464	564048	0.7816
5001 – 10000	161	0.1965	1177499	1.6318
10001 and above	116	0.1415	59566006	82.5453
TOTAL	81953	100.00	72161560	100.00

SHAREHOLDING PATTERN AS ON MARCH 31, 2022

SI No	Category	Shares	Holders	Percent	% Change during the year
1	Promoter group - Individuals	17318770	2	24.000	-13.24
2	Promoter group - Corporate Bodies	36802400	1	51.000	13.24
3	Mutual Funds	0	0	0	0
4	Foreign Portfolio Investor	610635	5	0.8462	0.8458
5	Financial Institutions & Banks	0	0	0	0
6	Insurance Companies	184971	1	0.2563	0.00
7	Investor Education and Protection Fund Authority (IEPF)	77800	1	0.1078	0.0588
8	Other Bodies Corporate	750652	233	1.040	0.67
9	Foreign Companies	1804057	2	2.50	0.0000
10	NRIs	395095	584	0.5475	-0.0566
11	Trusts	84	1	0.0001	0.0000
12	Public & Others	14103909	81040	19.544	-1.4361
13	Clearing Members	94952	81	0.1316	-0.0841
14	Directors	18235	2	0.0253	0.0000
	Total	72161560	81953	100.00	

DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2022, except 503 equity shares, the entire paid up equity share capital were held in dematerialisation form of which NSDL constitutes 89.34% and CDSL constitutes 10.65%. The ISIN of the Company's equity shares is INE661101014. The Shares of the Company are actively traded in National Stock Exchange of India Limited and BSE Limited.

OUTSTANDING GDRS/ ADRS

The Company has not issued Global Depository Receipt / American Depository Receipt/ Warrant or convertible instruments.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company has the Risk management policy on foreign currency transactions adopted by the Board. During the Financial Year 2021-22, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into derivative financial instruments such as forward contracts for hedging the required foreign exchange exposures. The substantial fluctuations in exchange rates have impacted the Company's operations. The details of foreign currency exposure are disclosed in Note 33 the standalone financial statements.

The Company's activities are exposed to commodity risks like price volatility, availability and quality and liquidity risk. These risks have a bearing on the operating profit of the Company. The Company's senior management oversees the management and mitigative measures, including firm purchase contracts and price escalation clauses in contracts with clients.

The Audit Committee regularly reviews the effectiveness of the risk identification and mitigative process and the steps taken by the Company to identify, address and mitigate foreign exchange and commodity related risks.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT:

As per Regulation 34(3) and 53(f) of SEBI (LODR) Regulations, 2015, the Company reports the following details in respect of Equity shares lying in the "Unclaimed Suspense Account"

PARTICULARS	No. OF SHARE HOLDERS	No. OF EQUITY SHARES
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	NIL	NIL
No. of Shareholders who approached listed entity for transfer of shares from suspense account during the year	NIL	NIL
No. of shareholders to whom shares were transferred from suspense account during the year	NIL	NIL
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	NIL	NIL

Since there is no shares lying in suspense account, the voting rights are not frozen.

PREVENTION OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

The company is committed to provide a work environment which ensures that every employee is treated with dignity, respect and afforded equal treatment. The objective of the company is to promote an environment, which will create awareness about and deter acts of sexual harassment of women so as to enable prevention of sexual harassment at workplace. The Company has complied with provisions relating to the constitution of Internal Complaints Committee and has a policy for the same.

The disclosures regarding the Sexual Harassment of Women at Workplace are as follows:

PARTICULARS	DETAILS DURING THE YEAR 2021-22
No. of complaints filed during the year financial year.	NIL
No. of complaints disposed of during the financial year.	NIL
No. of complaints pending as on end of financial year.	NIL

CREDIT RATING

The company's credit rating is depicted below along with the revisions:

Report on Corporate Governance

Rating Agency: BRICKWORK RATINGS INDIA PRIVATE LIMITED

Date: July 09,2021

FACILITIES / INSTRUMENT	AMOUNT (Rs. Crore)		TENURE	RATING	
	Previous	Present		Previous	Present
Fund Based	2911	2911	Long Term	BWR BBB (Negative)	BWR BBB- (Negative) Downgrade
Non-Fund Based	5394	5394	Short Term	BWR A3	BWR A3 Reaffirmed
Total	8305	8305			

INFORMATION ON COMPANY'S WEBSITE:

Sl. No.	PARTICULARS	WEBSITE LINK FOR DETAILS / POLICY
1.	Details of Company's business	https://www.bgrcorp.com/index.php
2.	Terms and conditions of appointment of independent directors	https://www.bgrcorp.com/board_of_directors.php
3.	Composition of various committees of Board of Directors	https://www.bgrcorp.com/corporate_governance.php
4.	Code of conduct of Board of directors and senior management personnel	https://www.bgrcorp.com/policy/Code_of_Conduct.pdf
5.	Whistle Blower policy and Vigil mechanism	https://www.bgrcorp.com/policy/Whistle-Blower-Policy-Amended-2020.pdf
6.	Criteria of making payments to non-executive directors, if the same has not been disclosed in Annual Report	Disclosed in Annual report
7.	Related party transaction policy	http://www.bgrcorp.com/policy/policy-on-related-party-transactions-and-its-materiality.pdf
8.	Material subsidiaries policy	http://www.bgrcorp.com/policy/Material_subsidary_policy.pdf
9.	Familiarisation programme imparted to independent directors	http://www.bgrcorp.com/policy/policy-on-familiarization-programme.pdf
10.	Grievance redressal and other relevant details	https://www.bgrcorp.com/general_information.php
11.	Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	https://www.bgrcorp.com/general_information.php

SI. No.	PARTICULARS	WEBSITE LINK FOR DETAILS / POLICY
12.	Financial information a) Notice of Board Meeting b) Financial Results c) Annual report	https://www.bgrcorp.com/corporateannouncements.php https://www.bgrcorp.com/financials.php https://www.bgrcorp.com/annual_report.php
13.	Shareholding pattern	https://www.bgrcorp.com/share_ownership.php
14.	Details of agreements entered into with the media companies and / or their associates	NIL
15.	Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors	NIL
16.	Audio or Video recordings and transcripts of post earnings / quarterly calls	NIL
17.	Financial results Notices given to shareholders by advertisement	https://www.bgrcorp.com/financials.php Published regularly
18.	Credit ratings of the company	https://www.bgrcorp.com/corporateannouncements.php
19.	Audited / Unaudited financial statement of subsidiaries	https://www.bgrcorp.com/financials.php
20.	Secretarial Compliance report	https://www.bgrcorp.com/secretarial_compliance_report.php
21.	Disclosure of the policy for determination of materiality of events or information and contact details of KMP who is authorized.	https://www.bgrcorp.com/policy/Determination_of_Materiality_of_events.pdf
22.	Disclosure of events disclosed to Stock exchange	https://www.bgrcorp.com/corporateannouncements.php
23.	Annual Return	http://www.bgrcorp.com/annual_report.php

PLANT LOCATIONS

1. Panjetty Village, Ponneri Taluk, Ponneri, Tamil Nadu. (Two factories).
2. 22, Kamaraj Salai, Thattanchavadi Industrial Estate, Oulgaret Municipality, Puducherry.

MAJOR PROJECT LOCATIONS

1. 2 x 660 MW Boiler and its auxillary project of NTPC at Solapur, Maharashtra.
2. 2 x 660 MW Boiler and its auxillary project of NTPC at Meja, Uttarpradesh.
3. 2 x 800 MW STG and its auxillary plant at NTPC at Lara, Chhattishgarh.
4. 2 x 660 MW BoP project of OPGCL at Banaharpalli Village, Jhasarguda District, Odisha.
5. 1 x 800 MW – Dr. Narla Tata Rao Thermal Power Station, Stage – V (1X800 mw), unit-8 at Ibrahimpatnam, Krishna District, Andhra Pradesh.
6. 1 x 800 MW – North Chennai Supercritical Thermal Power Project, Stage III, in Puzhuhivakkam village, Ponneri Taluk, Tiruvallur District, Tamil Nadu.
7. 3 x 660 MW – Super Critical Ghatampur Thermal Power Project at Ghatampur, Kanpur Nagar District, Uttar Pradesh.
8. 2 x 1000 MW NPCIL- Kudankulam Project for electrical and C&I, Kudankulam village, Tamil Nadu

NAME OF THE COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE

Mr. R. Ramesh Kumar,
Director & Secretary
BGR Energy Systems Limited
443, Anna Salai, Teynampet, Chennai 600 018
Tel : 044-24301000
Fax: 044-24364656
E-mail: investors@bgrenergy.com

DISCLOSURES

a) Risk Management

The business of the Company encompasses design at offices, manufacturing at factories and project sites, civil and mechanical construction, erection and commissioning of equipment's / packages and manufacturing at factories. The company has a well-documented Standard Operating Systems and Procedures (SOSP). The SOSP mandates concerned

officers of the company to review, identify and take timely steps to manage these risks on an ongoing basis. A detailed review and up gradation of the existing SOSP was undertaken during the year. Delegation of Authority is reviewed each year to ensure that the adequate controls are in place and required flexibility are available for effective operations at work site and the commitments made to customers and vendors are met on time. Periodic review of procedural checks and balances are undertaken with a view to improve operational controls and productivity matrix. An experienced team of contract specialists in the Company review all contractual documents with the customers and the vendors in detail to ensure that all risks associated with the terms of contract are fully understood, documented and reviewed for ensuring effective implementation of the contracts.

b) Related Party Transactions

The company has not transacted any material significant related party transactions during the year that may have potential conflict with the interests of the Company at large. The related party transaction policy of the Company is uploaded in the website of the company and the web link for the same is http://bgrcorp.com/policy/Related_party_transactions_policy.pdf

c) Compliance with Securities Law

The Company diligently complies with laws relating to securities and capital markets. The Company has not paid any penalties neither any strictures have been imposed on the Company on any matters related to the capital markets by the Stock Exchange, SEBI or any other statutory authority. The Company is fully compliant with the Corporate Governance requirements as specified by Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d) Establishment of vigil mechanism and Whistle Blower Policy

The Company established a vigil mechanism as per Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177(9) of the Companies Act, 2013 for directors and employees to report genuine concerns relating to transactions and affairs of the Company. This Vigil (Whistle Blower) mechanism provides a channel to the Employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes

of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and directors who avail of the mechanism and also provide for direct access to the Vigilance and Ethics Committee and Chairman of the Audit Committee in exceptional cases. The Whistle blower policy cum Vigil Mechanism has been amended in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the amended Whistle blower policy cum Vigil Mechanism of the Company is uploaded in the website of the company. The Company affirms that no personnel has been denied access to the audit committee.

e) Other Disclosures

The Board of Directors reviewed periodically compliance reports pertaining to all laws applicable to the company. The Board of Directors has adopted a Code of Conduct applicable to the directors and to employees of the company as per the Companies Act, 2013. This has been uploaded on the company's website www.bgrcorp.com for strict compliance. All Board members and the senior management personnel have affirmed compliance to the Code. The declaration by Managing director under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 affirming compliance with code of conduct by all members of the Board and the senior management personnel for the year ended March 31, 2022 is provided elsewhere in the annual report. The senior management personnel disclosed to the Board of Directors relating to all material, financial and commercial transactions wherein they have personal interest that may have a potential conflict with the interest of the company at large. The Directors of the Company are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. Mr. Mohan Kumar, Practicing Company Secretary, has submitted a certificate to this effect.

f) Non-Mandatory Requirements

The company has complied with certain non-mandatory requirements viz., the post of Chairperson and Chief Executive Officer separate, and the internal auditors of the Company are reporting directly to the Audit Committee. The Company is taking steps to comply with the other non-mandatory requirements.

g) Subsidiary Companies

The Company has the following subsidiary companies:

1. BGR Boilers Private Limited;
2. BGR Turbines Company Private Limited and
3. Sravanaa Properties Limited.

None of the subsidiaries is a material unlisted subsidiary, during the financial year 2021-22 as per the material subsidiary policy of the Company. The material subsidiary policy is uploaded in the website of the company and the link for the same is http://www.bgrcorp.com/policy/Material_subsidary_policy.pdf

The Company monitors the performance of its subsidiary, inter alia, by the following means:

1. The financial statements, of subsidiary companies are reviewed by the Audit Committee as well as by the Board on annual basis.
2. The minutes of Board meetings of the subsidiaries are placed and noted at the Board meetings of the Company.
3. The progress, including material developments, of the subsidiaries namely BGR Boilers Private Limited and BGR Turbines Company Private Limited are discussed by the Board.

h) Fees to Statutory Auditors:

Total fees of Rs.40,25,000 has been paid by the Company for all services provided by the statutory auditors during the Financial Year 2021-22.

- i) The Company has complied with all requirements of Corporate governance report.
- j) The Company has disclosed the extent of adoption of discretionary requirements of Part E of Schedule II of SEBI LODR.
- k) The Company and its unlisted subsidiaries has not granted any loans and advances in the nature of loans to firms/Companies in which Directors are interested.

REQUEST TO INVESTORS

- (a) Investors holding shares in physical form are requested to communicate change of address, if any directly to the Registrar and Share Transfer Agent of the Company.

- (b) Investors holding shares in electronic form are requested to deal only with their respective depository participant for change of address, nomination facility and bank account number.
- (c) Investors holding the shares in physical form should provide the National Electronic Clearing Service (NECS) mandate to the Company and investors holding the shares in demat form should ensure that correct and updated particulars of their bank account are available with depository participant (DP). This would facilitate in receiving direct credits of dividends, refunds, etc., from the company and avoid postal delays and loss in transit. Investor must update new bank account number allotted after implementation of
- Core Banking Solution (CBS) to the Company in case of shares held in physical form and to the depository participant in case of shares held in demat form.
- (d) Investors should register their nomination in case of physical shares with the Company and in case of dematerialised shares with their depository participant. Nomination would help the nominees to get the shares transmitted in favour of nominees without any hassle. Investors must ensure that nomination made is in the prescribed form and must be witnessed by two witnesses in order to be effective. The Form may be obtained from Link Intime India Private Limited, Registrar & Share Transfer Agent of the Company.

To

The Members of **BGR Energy Systems Limited,**

DECLARATION TO THE MEMBERS PURSUANT TO SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

I, Arjun Govind Ragupathy, hereby declare that all Board Members and senior management personnel have affirmed compliance with the code of business conduct and Ethics formulated by the Company for the Financial year ended March 31,2022.

Arjun Govind Ragupathy
Managing Director

Place: Chennai
Date: May 27,2022

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members,
BGR Energy Systems Limited.

I have examined the compliance of conditions of Corporate Governance by BGR Energy Systems Limited (hereinafter referred to as 'the Company'), for the year ended March 31, 2022 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I further 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.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

For Mohan Kumar & Associates

A. Mohan Kumar

Practicing Company Secretary

Membership Number: FCS 4347

Certificate of Practice Number: 19145

UDIN: F004347D000401667

Place: Chennai

Date: May 27,2022

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,
BGR Energy Systems Limited,
Plot No A5,
Pannamgadu Industrial Estate,
Ramapuram Post,
Sullurpet (T), Nellore Dist,
Andhra Pradesh - 524401.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BGR Energy Systems Limited, having CIN: L40106AP1985PLC005318 and having registered office at Plot No A5, Pannamgadu Industrial Estate, Ramapuram Post, Sullurpet (T), Nellore District, Andhra Pradesh - 524401 (hereinafter referred to as 'the Company'), produced before me 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 my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I 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 and Ministry of Corporate Affairs.

S. No.	Name of Director	DIN	Date of appointment at current designation	Original Date of appointment in Company
1.	Mr. Gopala Krishna Muddusetty	00088454	19-09-2008	18-07-2007
2.	Mr. Srinath Raghupathy Tagat	01632756	19-09-2008	18-07-2007
3.	Mr. Rajasekaran Gnanaprakasam	03194244	22-09-2011	10-02-2011
4.	Mr. Sharaf Ali Bohra	00791861	19-09-2008	18-07-2007
5.	Mrs. Sasikala Raghupathy	00490686	20-08-1985	20-08-1985
6.	Mr. Raghupathy Arjun Govind	02700864	11-11-2016	11-11-2016
7.	Mr. Ramanujam Ramesh Kumar	00176265	17-09-2020	01-07-2020
8.	Mrs. Swarnamugi R Karthik	03494012	25-09-2013	08-02-2013
9.	Mrs. Janaki C. Ambat	08991954	17-09-2021	14-12-2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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 Mohan Kumar & Associates

A. Mohan Kumar

Practicing Company Secretary

Membership Number: FCS 4347

Certificate of Practice Number: 19145

UDIN: F004347D000401667

Place: Chennai

Date: May 27, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of BGR ENERGY SYSTEMS LIMITED

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of BGR ENERGY SYSTEMS LIMITED ("the Company"), which comprise the Balance Sheet as at 31-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 standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS Financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their state of affairs of the Company as at 31-March-2022, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

We have determined the matters described below to be the Key Audit matters to be communicated in our report.

S. No	Key Audit Matters	Response to Key Audit Matters
1	<p><u>Appropriateness of estimation/revision of budgeted cost and contract value including non-cash consideration:</u></p> <p>The Company recognizes revenue from contracts with customers on percentage completion method as specified under Indian Accounting Standards (Ind AS) 115 – Revenue from contracts with customers. Recognition of Revenue under IND AS 115 involves key judgements relating to</p> <ol style="list-style-type: none"> a. identification of performance obligations, b. determination and allocation of transaction price including non-cash consideration to performance obligation, c. recognition of revenue over the period of contract and d. presentation and disclosures of all relevant items in the financial statements. <p>Determination of revenue requires estimation of total contract costs which involves exercise of significant judgment by the management, making forecasts and assumptions.</p>	<p><u>Principal Audit procedures:</u></p> <p>We have performed the following audit procedures:</p> <ol style="list-style-type: none"> a) We have reviewed the cost estimates including subsequent revisions, if any, as approved by the management for all the contracts in progress. b) We have reviewed the controls placed over the preparation of all relevant information for the purpose of revenue recognition. c) Verified the required documents, provisions made etc., for the actual costs incurred up to the year-end date. d) Discussed the status of the projects with the company's project management team and evaluated the reasonableness of estimates made by the management on cost to be incurred for completion of the respective projects. e) We have reviewed the workings provided by the management with reference to revision in the contract value or budgeted cost of all projects along with approvals.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Independent Auditor's Report

S. No	Key Audit Matters	Response to Key Audit Matters
2	<p>Due to the large variety and complexity of contractual terms, significant judgements are required to estimate the amount applied. Accordingly, considering the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined a key audit matter in our audit.</p> <p>Provision for Receivables: The Company has trade receivable (net) of Rs.127100 lakhs and contract asset (net) of Rs.234009 lakhs as at March 31, 2022. The Company follows the practice of creating life-time expected credit loss (ECL) allowance on the overall trade receivables and contract assets.</p>	<p>f) We further verified the billings made to customers which are in line with the revised contract values.</p> <p>Principal Audit procedures: We have assessed the Company's review mechanism, guidelines and policies relating to trade receivables and contract assets. We have reviewed the ageing of trade receivables and contract assets. We have analyzed the past trend of the trade receivables written off by the company and verified the adequacy of the provisions for loss of trade receivable and contract assets.</p>

INFORMATION OTHER THAN THE STANDALONE IND AS 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 Board's Report including Annexures thereto but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these Standalone Ind AS Financial statements that give a true and fair view of the financial position, financial performance, Changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in

India, including the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the 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 IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements,

including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS 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

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**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting

Independent Auditor's Report

Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31-March-2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31-March-2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- (g) With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 standalone Ind AS financial statements – Refer Note nos. 36 to the standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. - Refer Note 41 to the standalone Ind AS financial statements; The Company did not enter into any derivative contracts; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity (“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 (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“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;
- (c) Based on the 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 iv(a) and iv(b) as provided above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31-March-2022.

For **N R Doraiswami & Co**

Chartered Accountants

Firm's Registration No. 000771S

Suguna Ravichandran

Partner

Place : Chennai

Membership No.207893

Date : 07.06.2022

UDIN : 22207893AJSSWO4862

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report to the members of **M/s BGR ENERGY SYSTEMS LIMITED** for the year ended March 31, 2022, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets;
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner on a rotational basis and in our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending
- against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
 - (ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the management has conducted the physical verification of inventory and we are of the opinion that the frequency of such verification is reasonable. There are no material discrepancies noticed between book stock and physical stock on physical verification conducted by the management.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account of the Company.
 - (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, paragraph 3(iii)(a), (b), (c), (d), (e) and (f) of the Order is not applicable.
 - (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not granted loans or provided any guarantees or security to any parties covered under Section 185 of the Act. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act.
 - (v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the rules framed there under to the extent notified. Therefore, the provisions of clause 3 (v) of the Companies (Auditors' Report) Order, 2020, are not applicable to the Company.
 - (vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of

Independent Auditor's Report

the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Professional Tax, Income-tax, Customs Duty, Goods and Service tax, Cess and other statutory dues have generally been regularly deposited during the year by

the company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Professional Tax, Income-tax, Customs Duty, Goods and Service tax, Cess were in arrears as at March 31, 2022, for a period of more than six months from the date they became payable; and

(b) As per the information and explanations given to us, the following are the details of statutory dues which have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of Due	Disputed Tax Amount (INR Lakhs)	Financial Year	Forum in which dispute is lying in
Central Sales Tax Act, 1956	Central Sales Tax	4.20	1997-98	The Honourable High Court, Andhra Pradesh
Central Sales Tax Act, 1956	Central Sales Tax	35.03	1997-98	The Honourable High Court, Andhra Pradesh
Andhra Pradesh Value Added Tax Act, 2005	Andhra Pradesh Sales Tax	0.12	1998-99	Commercial Tax Officer, Andhra Pradesh
Tamil Nadu General Sales Tax Act, 1959	Tamil Nadu Sales Tax	0.11	1999-00	Commercial Tax Officer, Tamil Nadu
Central Sales Tax Act, 1956	Central Sales Tax	5.58 ⁽³⁾	2004-05	Sales Tax Appellate Tribunal, Vishakhapatnam, Andhra Pradesh.
Andhra Pradesh Value Added Tax Act, 2005	Andhra Pradesh Sales Tax (Penalty)	2.59 ⁽³⁾	2006-07	Sales Tax Appellate Tribunal, Vishakhapatnam, Andhra Pradesh.
Kerala Value Added Tax Act, 2003	Kerala Sales Tax	2.65 ⁽³⁾	2006-07	The Deputy Commissioner (Appeals), Ernakulum, Kerala
Andhra Pradesh Value Added Tax Act, 2005	Andhra Pradesh Sales Tax (Penalty)	7.43 ⁽³⁾	2007-08	Sales Tax Appellate Tribunal, Vishakhapatnam, Andhra Pradesh.
The Rajasthan Value Added Tax, 2003	Rajasthan Sales Tax	9865.96 ⁽³⁾	2009-10	High Court of Judicature at Jaipur
The Rajasthan Value Added Tax, 2003	Rajasthan Sales Tax	9541.31 ⁽³⁾	2010-11	High Court of Judicature at Jaipur
The Rajasthan Value Added Tax, 2003	Rajasthan Sales Tax	4333.66 ⁽³⁾	2011-12	High Court of Judicature at Jaipur
Central Sales Tax Act, 1956	Maharashtra Value Added Tax	53.85 ⁽³⁾	2013-14	The Joint Commissioner of Sales Tax, Appeal VII, Mumbai
Tamil Nadu Value Added Tax Act, 2006	Tamil Nadu Value Added Tax	31.80 ⁽¹⁾	2011-12	The Honourable High Court, Madras.

Name of the Statute	Nature of Due	Disputed Tax Amount (INR Lakhs)	Financial Year	Forum in which dispute is lying in
Tamil Nadu Value Added Tax Act, 2006	Tamil Nadu Value Added Tax	14.36 ⁽¹⁾	2012-13	The Honourable High Court, Madras.
Chapter V of Finance Act, 1994	Service Tax	24482 ⁽¹⁾	2007-08 to 2014-15	CESTAT, Chennai, Tamilnadu.
Chapter V of Finance Act, 1994	Service Tax	11798.95 ⁽¹⁾	2014-15 to 2017-18	CESTAT, Chennai, Tamilnadu.
Chapter V of Finance Act, 1994	Service Tax	306.45 ⁽¹⁾	2007-08 to 2014-15	CESTAT, Chennai, Tamilnadu.
Chapter V of Finance Act, 1994	Service Tax	77.72 ⁽¹⁾	2015-16 to 2017-18	CESTAT, Chennai, Tamilnadu.
Chapter V of Finance Act, 1994	Service Tax	2.50	2017-18	The Deputy Commissioner of Goods and Services Tax(GST) & Central Excise
Odisha Value added Tax Act	Value Added Tax	40.77	2015-16 to 2017 -18	The Joint Commissioner Commercial Tax, Bhubaneswar Range
Central Sales Tax Act, 1956	Central Sales Tax	0.23	2015-16 to 2017 -18	The Joint Commissioner Commercial Tax, Bhubaneswar Range
Central Sales Tax Act, 1956	Maharashtra Value Added Tax	16.89	2014-15	The Joint Commissioner of Sales Tax, Appeal VII, Mumbai
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	408.97 ⁽³⁾	2011-12	Appellate Deputy Commissioner, Tirupathi
Central Sales Tax Act, 1956	Central Sales Tax	109.83 ⁽³⁾	2016-17	Appellate Deputy Commissioner, Tirupathi
The Employee Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	521.15 ⁽³⁾	2006-2010	The Honourable High Court, Hyderabad
Income-tax Act, 1961	Income Tax	137.65 ⁽²⁾	2006-07	The Honourable High Court, Andhra Pradesh
Income-tax Act, 1961	Income Tax	141.55 ⁽²⁾	2007-08	The Honourable High Court, Andhra Pradesh
Income-tax Act, 1961	Income Tax	192.15 ⁽²⁾	2008-09	The Honourable High Court, Andhra Pradesh
Income-tax Act, 1961	Income Tax	101.16 ⁽²⁾	2009-10	The Honourable High Court, Madras.
Income-tax Act, 1961	Income Tax	112.79 ^{(2),(3)}	2010-11	The Honourable High Court, Madras.

Independent Auditor's Report

Name of the Statute	Nature of Due	Disputed Tax Amount (INR Lakhs)	Financial Year	Forum in which dispute is lying in
Income-tax Act, 1961	Income Tax	83.20 ⁽²⁾	2011-12	The Honourable High Court, Madras.
Income-tax Act, 1961	Income Tax	76.35 ⁽²⁾	2012-13	The Honourable High Court, Madras.
Income-tax Act, 1961	Income Tax	100.07 ⁽²⁾	2013-14	The Honourable High Court, Madras.
Income-tax Act, 1961	Income Tax	37.83 ⁽²⁾	2013-14	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income Tax	1468.05 ⁽²⁾	2007-08 to 2013-14	The Honourable High Court, Madras.
Income-tax Act, 1961	Income Tax	67.65 ⁽²⁾	2017-18	Commissioner of Income Tax (Appeals - 19), Chennai
Income-tax Act, 1961	Income Tax	377.34	2015-16	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income Tax	84.95 ⁽²⁾	2016-17	Income Tax Appellate Tribunal

- (1) Excludes Interest and penalty.
- (2) Excludes Interest and penalty which are not ascertainable.
- (3) Represents gross tax liability. Out of total, a sum of INR 1399.27 lakhs was paid as deposit.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any financial institutions or banks
- (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, and the procedures performed by

us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) 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 subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3(x)(a) of the order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- (b) According to the information and explanations given to us, 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 to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and the details of transactions with related parties have been disclosed in the standalone Ind AS financial Statements as required by the applicable accounting standards.
- (xiv) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business. We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us and based on our examinations of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi)(a) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi) (a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) (b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.
- (d) According to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company's cash losses during the financial year covered by our audit and the immediately preceding financial year are as follows:
- FY 2021-22 - Rs. 21,216 lakhs
- FY 2020-21 - Rs. 44,524 lakhs
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and 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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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 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 no CSR obligation during the financial year therefore reporting under clause 3(xx) of the Order is not applicable.

For N R Doraiswami & Co
Chartered Accountants
Firm's Registration No. 000771S

Suguna Ravichandran
Partner

Place : Chennai
Date : 07.06.2022

Membership No.207893
UDIN : 22207893AJSSWO4862

Independent Auditor's Report

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION (3) OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of BGR Energy Systems Limited ("the Company"), as of 31-March-2022, in conjunction with our audit of the standalone Ind AS 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 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 Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS 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:

- (i) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS 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
- (iii) 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 Ind AS 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 31-March-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 **N R Doraiswami & Co**

Chartered Accountants

Firm's Registration No. 000771S

Suguna Ravichandran

Partner

Place : Chennai

Membership No.207893

Date : 07.06.2022

UDIN : 22207893AJSSWO4862

Balance Sheet

₹ Lakhs

Particulars	Note No.	As at Mar 31, 2022	As at Mar 31, 2021
ASSETS			
I Non Current Assets			
(a) Property, plant and equipment	1	9527	12890
(b) Capital work in progress		-	-
(c) Other Intangible assets	2	60	130
(d) Financial assets			
(i) Investments	3 (a)	35994	35971
(ii) Trade receivables	3 (b)	54091	53203
(iii) Loans	3 (c)	1196	4200
(iv) Other financial assets	3 (d)	8003	11832
		108871	118226
II Current Assets			
(a) Inventories	4	3734	4711
(b) Financial assets			
(i) Trade receivables	5 (a)	73009	80759
(ii) Cash and cash equivalent	5 (b)	25911	33187
(iii) Loans	5 (c)	45554	43605
(iv) Other financial assets	5 (d)	1022	634
(c) Other current assets	6	269981	248522
		419211	411418
		528082	529644
TOTAL ASSETS			
EQUITY AND LIABILITIES			
I Equity			
(a) Equity Share Capital	7	7216	7216
(b) Other Equity		80979	99094
Total Equity		88195	106310
II Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	-	-
(ii) Lease Liability	9	-	3
(iii) Trade payables			
Total Outstanding dues of micro enterprises and small enterprises		-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	10	9420	10906
(b) Provisions	11	4558	4432
(c) Deferred tax liabilities (net)	30	8134	13968
		22112	29309
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	187846	193825
(ii) Lease Liability	9	3	431
(iii) Trade payables			
Total Outstanding dues of micro enterprises and small enterprises		12551	13478
Total Outstanding dues of creditors other than micro enterprises and small enterprises	10	88495	94178
(iv) Other financial liabilities	12	170	918
(b) Other Current Liabilities	13	128008	90536
(c) Provisions	14	702	659
(d) Current tax liabilities (net)		-	-
		417775	394025
Total Liabilities		439887	423334
TOTAL EQUITY AND LIABILITIES		528082	529644

SASIKALA RAGHUPATHY
Chairperson

S.R.TAGAT
Director

As per our report of even date
for M/s N.R.DORAISWAMI & CO

ARJUN GOVIND RAGHUPATHY
Managing Director

GNANA RAJASEKARAN
Director

Chartered Accountants
Firm Registration No. : 000771S

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

JANAKI C.AMBAT
Director

SUGUNA RAVICHANDRAN
Partner

R.RAMESH KUMAR
Director & Secretary

P.R.EASWAR KUMAR
President & Chief Financial Officer

Membership No.207893
Chennai
May 27,2022

Statement of Profit and Loss

₹ Lakhs

Particulars	Note No.	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
I Revenue from operations	15	122070	113972
II Other income	16	814	601
III Total Income (I + II)		122884	114573
IV Expenses			
(a) Cost of raw materials and components consumed	17	76142	67650
(b) Cost of manufacturing and construction	18	13399	25174
(c) Other direct cost	19	4313	3654
(d) Changes in inventories of work in progress		19	(17)
(e) Employee benefits expense	20	13138	13521
(f) Finance costs	21	29036	26425
(g) Depreciation and amortization expense	22	2731	3045
(h) Other expenses	23	7747	22648
Total expenses (IV)		146525	162100
V Profit/(Loss) before exceptional items and tax (III-IV)		(23641)	(47527)
VI Exceptional items		-	-
VII Profit/(Loss) before tax (V)+(VI)		(23641)	(47527)
VIII Tax expenses			
(i) Current tax		-	-
(ii) Deferred tax		(5834)	(11985)
(iii) Tax - Earlier years		-	-
IX Profit/(Loss) for the period(VII)-(VIII)		(17807)	(35542)
X Other Comprehensive Income			
(i) items that will not be reclassified to profit or loss	25	(2)	173
(ii) items that will be reclassified to profit or loss	25	(306)	(42)
XI Total Comprehensive Income for the period (IX+X) (Comprising Profit and other Comprehensive Income for the Period)		(18115)	(35411)
XII Earnings per Equity Share :			
1.Basic (Rs.)		(24.68)	(49.25)
2.Diluted (Rs.)		(24.68)	(49.25)

SASIKALA RAGHUPATHY
Chairperson

S.R.TAGAT
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As per our report of even date
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Managing Director

GNANA RAJASEKARAN
Director

Chartered Accountants
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Director & Secretary

P.R.EASWAR KUMAR
President & Chief Financial Officer

Membership No.207893
Chennai
May 27,2022

Cash Flow Statement

₹ Lakhs

S.No	Particulars	For the year ended Mar 31, 2022		For the year ended Mar 31, 2021	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net profit before tax and extraordinary items		(23641)		(47527)
	Adjustments for :				
	Depreciation, impairment and amortization	2731		3045	
	(Profit) / Loss on sale of fixed assets (net)	(223)		(12)	
	Net gain on sale of investment	-		-	
	Provision for Warranty and Contractual Obligation	(115)		(159)	
	Lease Payment	431		500	
	Trade receivables written off	-		16837	
	Interest expense	29036	31860	26425	46636
	Operating profit before working capital changes		8219		(891)
	Changes in working capital				
	(Increase) / decrease in trade receivables	6862		47892	
	(Increase) / decrease in inventories	977		(338)	
	(Increase) / decrease in current assets	(13504)		15370	
	(Increase) / decrease in loans and advances	1055		(376)	
	Increase / (decrease) in trade payables and provisions	29735		(15009)	
			25125		47539
	Cash generated from operations		33344		46648
	Direct taxes (paid) / refund (net)		-		59
	Net cash flow from operating activities		33344		46707
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of fixed assets	(192)		(131)	
	Sale of fixed assets	989		19	
	Sale of Subsidiary	-		-	
	Increase in Market value of Investments	23		36	
	Net cash flow from investing activities		820		(76)
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Long term borrowings (repaid) / availed	-		-	
	Short term borrowings (repaid) / availed	(6719)		(19060)	
	Lease Payment	(431)		(500)	
	Lease Interest Payment	(51)		(90)	
	Interest paid	(29725)		(26224)	
	Net cash flow from financing activities		(36926)		(45874)
	Net increase\ (decrease) in cash and cash equivalents (A+B+C)		(2762)		757
	Cash and cash equivalents as at April 1, 2021		3338		2581
	Cash and cash equivalents as at Mar 31, 2022		576		3338
	Cash on hand		10		18
	On current accounts		341		3075
	On deposit accounts		225		245

SASIKALA RAGHUPATHY
Chairperson

S.R.TAGAT
Director

As per our report of even date
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P.R.EASWAR KUMAR
President & Chief Financial Officer

Membership No.207893
Chennai
May 27,2022

Statement of Changes in Equity (2021-22)

₹ Lakhs

S.No	Particulars	Equity Share Capital	Other Equity					Total (21-22)
			Securities Premium	General Reserves	Retained Earnings	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	
1	Balance at the beginning of reporting Period (01.04.2021)	7216	31895	14427	52830	26	165	106310
2	Profit for the year				(17807)			(17807)
3	Equity Instruments through Other Comprehensive Income					17		17
4	Effective Portion of Cash Flow Hedges						(306)	(306)
5	Remeasurement of net defined benefit Liability/Asset (net)						(19)	(19)
6	Transfer to General Reserve			-				-
7	Dividend							-
8	Any other Change							-
9	Balance at the end of reporting Period (31.03.2022)	7216	31895	14427	35023	43	146	88195

Statement of Changes in Equity (2020-21)

₹ Lakhs

S.No	Particulars	Equity Share Capital	Other Equity					Total (20-21)
			Securities Premium	General Reserves	Retained Earnings	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	
1	Balance at the beginning of reporting Period (01.04.2020)	7216	31895	14427	88372	(1)	19	141722
2	Profit for the year				(35542)			(35542)
3	Equity Instruments through Other Comprehensive Income					27		27
4	Effective Portion of Cash Flow Hedges						(42)	(42)
5	Remeasurement of net defined benefit Liability/Asset (net)						146	146
6	Transfer to General Reserve			-				-
7	Dividend							-
8	Any other Change							-
9	Balance at the end of reporting Period (31.03.2021)	7216	31895	14427	52830	26	165	106310

SASIKALA RAGHUPATHY
Chairperson

ARJUN GOVIND RAGHUPATHY
Managing Director

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As per our report of even date
for M/s N.R.DORAISWAMI & CO

Chartered Accountants
Firm Registration No. : 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893
Chennai
May 27,2022

A. COMPANY OVERVIEW

BGR Energy Systems Limited ('the Company') is a public limited company incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE'). The Company is a manufacturer of capital equipments for Power Plants, Petrochemical Industries, Refineries, Process Industries and undertakes turnkey Balance of Plant ('BOP') and Engineering Procurement and Construction ('EPC') contracts for Power plants. The Company has been achieving its objectives through its five business units: Power projects, Electrical projects, Oil and Gas equipment, Environmental engineering and Air Fin Coolers.

B. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (Act) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard require a change in the accounting policy hitherto in use.

ii) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the applications of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed below:

1. Recognition of revenue

2. Recognition of deferred tax asset : availability of future taxable profit
3. Measurement of defined benefit obligations : Key actuarial assumptions
4. Recognition and measurement of provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources
5. Estimation of useful life of property, plant and equipments and intangible assets
6. Estimation of current tax expense and payable
7. Estimation on assessing the Lease term as the non-cancellable period of a lease including anticipated renewals and the applicable discount rate.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as and when management becomes aware of changes in circumstances surrounding the estimates. Changes in the estimates are reflected in the financial statements in the period in which change are made and, if material, their effects are disclosed in the notes to the financial statements.

iii) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency').

The financial statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

iv) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

Fair value categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)"

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumption made in measuring fair values are included in fair value measurement forming part of notes to accounts.

v) Foreign currency transactions

Transactions in foreign currencies are recorded in the functional currency at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on the historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the profit or loss.

vi) Employee benefits

a) Short-term employee benefits :

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which related services are rendered.

b) Post employment benefits:

i) Defined contribution plan:

Company's contributions paid/payable during the year towards provident fund, pension scheme and employees' state insurance ('ESI') scheme are recognized in the statement of profit and loss.

ii) Defined benefit plan:

Company's liability towards gratuity in accordance with the Payment of Gratuity Act, 1972 is determined based on actuarial valuation using the Projected Unit Credit Method as at the reporting date. The company contributes all the ascertained liabilities to SBI Life Insurance which administers the contributions and makes the payment at retirement, death, incapacitation or termination of employment."

c) Other Long-term employee benefits:

The Company provides for compensated absences subject to certain rules. The employees are entitled to accumulate such absences for availment as well as encashment. As per the regular past practice followed by the employees, it is not expected that the entire accumulated absence shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as other long-term employee benefits. The liability is recognized on the basis of the present value of the future benefit obligations as determined by actuarial valuation.

d) All actuarial gains/losses in respect of post employment benefits and other long term employee benefits are charged to Other Comprehensive Income.

vii) Financial instruments

a. 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 instruments."

The Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

b. Financial assets - Classification

On initial recognition, a financial asset is classified as, measured at

1. Amortised cost;
2. Fair value through other comprehensive income (FVOCI) - debt instrument;
3. Fair value through other comprehensive income (FVOCI) - equity instrument;
4. 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 measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL :

1. The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
2. 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.

A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

1. The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and
2. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise from recognising them as measured at amortised cost or at FVOCI.

c. Financial assets - Measurement

Financial assets at amortised cost:

These assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. 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.

Financial assets measured at FVTOCI - Debt investments:

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

Financial assets measured at FVTOCI - Equity investments:

These assets are measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of cost the cost of the investment. Other net gains or losses are recognised in OCI and are not reclassified to profit or loss.

Financial assets at FVTPL:

These assets are measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss."

d. Financial assets - Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which subsequently all of the risk and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transaction whereby it transfers asset recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

e. Financial liabilities - Classification

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.

f. Financial liabilities - Measurement

Financial liabilities measured 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 measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss."

g. Financial liabilities - Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognises a financial liability when its term are modified and the cash flows under the modified terms are substantially different, where a new financial liability based on the modified terms is recognised at fair value. Any gain or loss on derecognition in these cases, shall be recognised in profit or loss.

h. Offsetting

Financial assets and 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.

viii) Investments in subsidiaries and joint venture

Investment in subsidiaries and joint ventures is carried at cost in the financial statements.

ix) Cash flow hedge

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash

flow hedging reserve. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Statement of Profit and Loss.

x) Property, Plant and Equipment

a) Recognition & Measurement

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Cost of Property, plant and equipment comprises its purchase cost, including import duties and non - refundable taxes or levies and any directly attributable cost to bring the item to working condition as intended by management. Further, any trade discounts and rebates are deducted. Any gain or loss on disposal of property, plant and equipment is recognised as profit or loss. Property, Plant and Equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress" at cost, less impairment losses, if any.

b) Transition to Ind AS

On transition to Ind AS, the Company has decided to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015, measured as per previous GAAP and use that carrying amount as the deemed cost of such property, plant and equipment.

c) Subsequent Recognition

Expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

d) Depreciation

The Company depreciates the property, plant and equipment over their estimated useful life of the items using Straight-line method. Freehold land is not depreciated. The useful life of the property, plant and equipment are as follows:

Assets	Estimate of Useful Life in Years
Tangible Assets	
Buildings	30
Furniture & Fixtures	10
Plant & Equipment *	7.50-15
Office Fixtures	5
Office equipments	3, 5
Electrical Installations	10
Vehicles	8

* The Management believes that the useful lives as given above best represents the period over which Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

xi) Intangible Assets

a) Recognition & Measurement

Intangible assets are stated at cost, less accumulated amortisation and impairment losses, if any.

b) Transition to Ind AS

On transition to Ind AS, the Company has decided to continue with the carrying value of all its Intangible asset recognised as at April 1, 2015, measured as per previous GAAP and use that carrying amount as the deemed cost of such Intangible asset.

c) Subsequent Recognition

Expenditure is capitalised only if it increases the future economic benefits embodied in the related specific asset. All other expenditure is recognised in profit or loss as incurred.

d) Amortisation

The Company amortises the intangible assets over their estimated useful life using Straight-line method, and is included in Depreciation and amortisation in the Statement of Profit and Loss.

The useful life of the intangible assets are as follows:

Intangible Assets	
Asset	Estimate of Useful Life in Years
Technical Know-How	6
Softwares	5

xii) Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used are expected to be sold at or above cost. Work-in-progress and finished goods are valued at lower of cost and net realizable value. Finished goods and work-in-progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is determined on a weighted average basis. Saleable scrap, whose cost is not identified, is valued at net realizable value. In the case of manufactured inventory, cost includes an appropriate share of fixed production overhead based on normal operating capacity.

xiii) Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair value through profit or loss. Loss allowance for trade receivables and contract assets with no significant financing component is measured at an amount equal to lifetime ECL. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

b. Non-financial assets (Intangible assets and property, plant and equipment)

"Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be

recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.”

xiv) Provisions (other than for employee benefits)

- a) A Provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.
- b) Provision for contractual obligation has been provided for in accounts based on management’s assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.
- c) The Company makes provision towards warranty obligation arising under the contract, while progressively recognising the revenue, based on management estimate and past experience of similar contracts. Such provision is maintained until the warranty period is completed. The unutilised provision if any, is reversed on expiry of the warranty period.

xv) Revenue

The Company has adopted Ind AS 115 ‘Revenue from Contracts with Customers’ with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition.

Ind AS 115 replaces Ind AS 18 ‘Revenue’ and Ind AS 11 ‘Construction Contracts’.

- a) Sale of goods and services - Performance obligation at a point in time

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts. Revenue is recognised on the basis of despatches in accordance with the terms of sale when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of the goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with the goods, and the amount of revenue can be measured reliably. The timing of transfers of risk and rewards varies depending on the individual terms of sale.

Revenue from services is recognized in accordance with the specific terms of contract on performance.

Other operating revenue includes interest income, scrap sales etc. The entire income under other operating revenue is recognised on accrual basis except in the case of interest income which is recognised using effective rate of interest method.

- b) Construction contracts - Performance obligation over time

The Company uses the ‘percentage of completion method’ to determine the appropriate amount to recognise revenue in a given period. The stage of completion is measured by reference to the contract costs incurred upto the end of the reporting period as percentage of total estimated costs for each contract. Expected loss, if any, on the construction / project related activity is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included is taken into consideration. In respect of construction contracts, revenue includes variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

xvi) Other Income

Other income is comprised primarily of dividend income and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities.

Dividend income: Dividend income is recognised in profit or loss on the date on which the Company's right to receive payments is established.

Others: Any other income is recognised only on accrual basis.

xvii) Finance Cost

Interest expense is recognised using the effective interest method.

xviii) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

xix) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company's lease asset classes primarily consist of leases for land and buildings.

Recognition & Measurement

The Company recognizes a right of use (ROU) asset and a corresponding lease liability, at the date of commencement of the lease. The Company recognize ROU asset and lease liability for all lease arrangements except for leases with a term of 12 months or less (Short Term Lease) and low value leases.

The ROU assets are initially recognized at cost which is the initial measurement of lease liability adjusted for any lease payment made at or prior to the commencement date of the lease plus any initial direct cost less any lease incentives.

The Lease Liability is recognized at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments discounted using the company's incremental borrowing rate.

In cases of short-term leases and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Subsequent Recognition

The ROU assets are subsequently measured at cost less accumulated depreciation, impairment loss, if any and adjusted for any re-measurement of the lease liability.

The lease liabilities are subsequently measured by adding interest on lease liability to the carrying value, reducing the lease payments made to the carrying value and adjusting any reassessment or lease modification to the carrying value.

Amortization

The ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the lease assets.

Impairment

The ROU assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable and impairment loss, if any, is recognized in the statement of profit and loss.

The lease liability has been separately presented in the Balance Sheet. The ROU assets have been classified under Property, Plant and Equipment. In the statement of cash flow, the lease payments, which comprises of principal payment of lease liability and interest thereon, have been classified under financing activities. The Lease payment on account of Short-Term Leases or low value lease have been classified under operating activities.

xx) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantially enacted by the

reporting date. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended realise the asset and settle the liability on a net basis or simultaneously.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purpose. Deferred tax is recognised in respect of carried forward losses and tax credits. Deferred tax also not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of transaction.

Deferred tax assets and liabilities are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets — unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

xxi) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

1. Expected to be realised or intended to be sold or consumed in normal operating cycle, or
2. Held primarily for the purpose of trading, or
3. Expected to be realised within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle, or
2. It is held primarily for the purpose of trading, or
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified project life as its operating cycle for construction contracts and twelve months for Capital goods segment .

Operating cycle for the business activities of the Company covers the duration of the specific project/ contract/product line/service including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention money) within the agreed credit period normally applicable to the respective lines of business.

xxii) Segment Reporting

a) Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted

for preparing and presenting the financial statements of the Company as a whole.

b) Identification of segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Company and makes strategic decisions.

c) Segment Revenue and Segment Result:

Segment revenue includes revenue from operations and other income directly identifiable with / allocable to the segment. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Revenue and expenses which relate to the Company as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

d) Segment Assets and Liabilities:

Segment assets and liabilities include those directly identifiable with respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

xxiii) Cash flows

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institution, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known cash and which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xxiv) Cash and cash equivalents

Cash and cash equivalents consist of cash and cash on deposit with scheduled banks, including margin money deposits held under lien to banks and maturing within twelve months from the reporting date.

xxv) Dividends

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company' Board of Directors.

xxvi) Earnings per share

a. Basic earning per share

Basic earnings per share is calculated by dividing

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

b. Diluted earnings per share

Diluted earning per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

xxvii) Contingent liabilities

The company recognizes contingent liability for disclosure in notes to accounts, if any of the following conditions is fulfilled:

- 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 enterprise; or
- a present obligation that arises from past events but is not recognized because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability."

xxviii) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

1 PROPERTY, PLANT AND EQUIPMENT

₹ Lakhs

Particulars	Land	Building *	Plant and Equipment	Right of Use Asset	Furniture and fixtures	Office fixtures	Office equipments	Electrical installations	Vehicles	Total
Cost or valuation										
At 1 April 2021	1402	2661	26425	1208	849	240	2284	360	1275	36704
Additions	-	-	183	-	2	-	7	-	-	192
Impairment		439								439
Disposals	856	-	945	-	2	-	-	2	114	1919
At 31 Mar 2022	546	2222	25663	1208	849	240	2291	358	1161	34538
Depreciation and impairment										
At 1 April 2021	-	803	17944	820	622	234	2054	289	1049	23814
Depreciation and Impairment charge for the year **	-	396	1609	385	66	3	120	25	57	2661
Disposals	-	439	908	-	1	-	-	1	115	1464
At 31 Mar 2022	-	760	18645	1205	687	237	2174	313	991	25011
Net book value										
At 31 Mar 2022	546	1462	7018	3	162	3	117	45	170	9527
At 31 Mar 2021	1402	1858	8481	388	227	6	230	71	226	12890

* Buildings include original cost of Rs. 1585 lakhs (Rs. 1585 lakhs), which are constructed on lease hold land.

** Includes Impairment of Rs.312 Lakhs

2 INTANGIBLE ASSETS

₹ Lakhs

Particulars	Technical Knowhow	Software	Total
Cost or valuation			
At 1 April 2021	1348	2187	3535
Additions	-	-	-
At 31 Mar 2022	1348	2187	3535
Amortisation and impairment			
At 1 April 2021	1348	2057	3405
Amortisation	-	70	70
At 31 Mar 2022	1348	2127	3475
Net book value			
At 31 Mar 2022	-	60	60
At 31 Mar 2021	-	130	130

Notes to Financial Statements

3 FINANCIAL ASSETS

3 (a) Investments

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Investments at Cost		
Investments in Equity instruments of Subsidiaries		
Unquoted equity shares		
9,49,00,000 BGR Boilers Private Limited (9,49,00,000) of Rs. 10 each (India)	9490	9490
13,61,62,900 BGR Turbines Company Private Limited (13,61,62,900) of Rs. 10 each (India)	13616	13616
1,65,000 Sravanaa Properties Limited (1,65,000) of Rs. 10 each (India)	12787	12787
Total Investments carried at cost (A)	35893	35893
Investments at fair value through OCI (fully paid)		
Quoted equity shares		
13,970 Indian Bank (13,970) of Rs.91 per share Market Value Rs.153.90 (Rs.115.40) per share	22	16
Quoted Investments in Mutual Funds		
50,000 SBI Mutual Fund-Magnum Multi Cap Fund - Dividend (50,000) units Market Value Rs.34.1122 (Rs.28.1166) per unit	17	14
2,50,000 SBI Mutual Fund-Infrastructure Fund - I - Growth (2,50,000) units Market Value Rs.25.0112 (Rs.19.2759) per unit	62	48
Investments carried at fair value through Other Comprehensive Income (B)	101	78
Total Investments	35994	35971
Current	-	-
Non-Current	35994	35971
Aggregate cost of quoted investments	43	43
Aggregate market value of quoted investments	101	78
Aggregate value of unquoted investments	35893	35893

Information about subsidiaries and joint ventures

The separate financial statements of the Company includes below mentioned subsidiaries and joint venture

Subsidiary Companies

Name	Principal place of business	Method used for measurement	Extent of holding (%)	
			At at Mar 31, 2022	At at Mar 31, 2021
i. BGR Boilers Private Limited	Chennai, India	Carried at Cost	70%	70%
ii. BGR Turbines Company Private Limited	Chennai, India	Carried at Cost	74%	74%
iii. Sravanaa Properties Limited	Chennai, India	Carried at Cost	100%	100%

3 (b) Trade receivables - Non current

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	55478	54567
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	55478	54567
Less: Allowance for Credit Loss	(1387)	(1364)
Total Trade receivables	54091	53203

3 (c) Loans - Non current

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Loans considered good - secured	-	-
Loans considered good - unsecured		
- Deposits	629	1101
- Other loans and advances	567	3099
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total loans	1196	4200

3 (d) Other financial Assets

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Margin money deposit held under lien to banks - maturity more than 12 months	7712	11093
Interest accrued on margin money deposits	291	739
Total Other financial Assets	8003	11832

Notes to Financial Statements

4 INVENTORIES

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Raw materials and components	3734	4692
Work-in-progress	-	19
Total of inventories at lower of cost or net realisable value	3734	4711

5 FINANCIAL ASSETS

5 (a) Trade receivables

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured		
- From related parties	1219	1180
- From Others	73662	81695
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	74881	82875
Less: Allowance for Credit Loss	(1872)	(2116)
Total Trade receivables	73009	80759

Ageing of Trade Receivables

₹ Lakhs

S.No	Particulars	Outstanding for following periods from due date of payments					Total
		Less than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
1	Undisputed Trade Receivables - Considered Good	23,474	10,011	9,063	12,904	30,266	85,720
2	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
3	Sub Total	23,474	10,011	9,063	12,904	30,266	85,720
4	Disputed Trade Receivables - Considered Good	-	-	-	-	44,639	44,639
5	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
6	Sub Total	-	-	-	-	44,639	44,639
	Total	23,474	10,011	9,063	12,904	74,906	1,30,359

5 (b) Cash and cash equivalent

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Balances with banks:		
– On current accounts	341	3075
– On deposits accounts	225	245
Cash on hand	10	18
Margin money deposits held under lien to banks	25335	29841
On unpaid dividend accounts	-	8
Total Cash and cash equivalent	25911	33187

Bank balances of Rs.3 lakhs (Rs.3 lakhs) are subject to confirmation.

5 (c) Loans

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Loans considered good - secured	-	-
Loans considered good - unsecured		
- Advance to related party	-	458
- Other loans and advances *	41473	38708
- Deposits	4081	4439
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total loans	45554	43605

* Includes employee loans, travel advances, prepaid expenses, DGFT refund, GST credit and VAT refunds.

5 (d) Other Financial Assets

₹ Lakh

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Interest accrued on fixed deposits	1022	634
Sub Total	1022	634

6 OTHER CURRENT ASSETS

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Advances other than capital advances		
Advance to suppliers	25406	29179
Others	8698	8698
Prepayments	1868	1776
Contract asset	238785	213132
Sub Total	274757	252785
Less : Allowance for Credit Loss on Contract Asset	(4776)	(4263)
Total Other Current Assets	269981	248522

Notes to Financial Statements

* During the FY 2018-19, a client arbitrarily encashed three performance bank guarantees totalling to Rs.8698 Lakhs. The Company has initiated arbitration proceedings and pending such proceedings, the amount of Rs.8698 Lakhs is grouped under " Other Current Assets ".

** Contract Assets (deferred debtors and unbilled revenue) represent the amount not yet due for payment as per contract terms / agreed schedule with customers. The same will be contractually due on completion of related activities / milestones.

7 SHARE CAPITAL

Authorised Share Capital

₹ Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Share Capital at the beginning of the year (Face value Rs.10 each)	10,00,00,000	10,000	10,00,00,000	10,000
Increase / (Decrease) during the year	-	-	-	-
Share Capital at the end of the year	10,00,00,000	10,000	10,00,00,000	10,000

Issued, Subscribed and Paid-up Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Issued, Subscribed and Paid-up Share Capital	7,21,61,560	7,216	7,21,61,560	7,216

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	7,21,61,560	7216	7,21,61,560	7216
Issued during the year	-	-	-	-
Outstanding at the end of the year	7,21,61,560	7216	7,21,61,560	7216

b. Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% held	% Change during the year	No. of Shares	% held	% Change during the year
Mrs. Sasikala Raghupathy	1,73,14,450	23.99	(13.24)	2,68,68,450	37.23	-
BGR Investment Holdings Company Limited	3,68,02,400	51.00	13.24	2,72,48,400	37.76	-

c. Details of shareholdings held by promoters

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% held	% Change during the year	No. of Shares	% held	% Change during the year
Mrs. Sasikala Raghupathy	1,73,14,450	23.99	(13.24)	2,68,68,450	37.23	-
BGR Investment Holdings Company Limited	3,68,02,400	51.00	13.24	2,72,48,400	37.76	-
Mr.S.K Sridhar	4,320	0.01	-	4,320	0.01	-

d. Terms/rights attached to equity shares

The Company has one class of shares referred to as equity shares having a Face value of Rs 10. Each holder of equity shares is entitled to one vote per share.

8 BORROWINGS

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Secured		
Term Loans from Banks	-	-
Borrowings (Non Current)	-	-
Working capital loans from banks	187846	193825
Borrowings (Current)	187846	193825
Total Borrowings	187846	193825

- a) The balance in project specific escrow,current and EEFC accounts have been netted off against respective project's working capital loan accounts.
- b) The Company has availed working capital loan from State Bank of India on sole banking basis for its Product business and project business which have not been specifically funded by other banks. The loan is secured by hypothecation of inventories, trade receivables and movable assets of Product Division viz AFC, ETD, OGED, EED and EPD excluding Project assets specifically charged to the banks / Consortium of banks. The loan from State Bank of India is further secured by first charge on land property at Panjetti Village, Tiruvallur Dist, Tamilnadu and first charge on the fixed assets of the Product Division.

The Loan is further secured by corporate guarantee and collateral of land held by Sravanaa Properties Limited (Subsidiary Company), pledge of shares held by BGR Investment Holdings Company Limited in BGR Energy Systems Limited and the corporate guarantee of BGR Investment Holdings Company Limited.

- c) The Company has availed contract specific working capital loans from State Bank of India, IDBI Bank, Punjab National Bank, Canara Bank, Bank of Baroda, Indian Bank, Bank of India, Central Bank of India, Axis Bank, ICICI Bank, Kotak Mahindra Bank Ltd, Export Import Bank of India, Union Bank of India and The Karur Vysya Bank Limited. These loans are secured by hypothecation of inventories, trade receivables and movable current assets of the respective contracts. The participating banks share the securities on pari-passu basis.
- d) The working capital loan from Export Import Bank of India, is further secured by the second charge on current assets of the product divisions.

Notes to Financial Statements

- e) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Financial Liabilities

9 LEASE LIABILITY

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Lease Liability - Non Current	-	3
Lease Liability - Current	3	431
Total Lease Liability	3	434

10 TRADE PAYABLES

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Micro enterprises and small enterprises	12551	13478
Others		
Trade Payables	97915	105084
Total Trade Payables	110466	118562
Trade Payables Current	101046	107656
Trade Payables Non Current	9420	10906

Ageing of Trade Payables

₹ Lakhs

S.No	Particulars	Outstanding for following periods from due date of payments				
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
1	MSME	4,365	1,913	2,651	1,572	10,501
2	Others	31,176	9,239	19,406	37,428	97,249
3	Sub Total	35,541	11,152	22,058	39,000	1,07,750
4	MSME - Disputed Dues	117	234	606	1,093	2,050
5	Others - Disputed Dues	180	0	80	405	666
6	Sub Total	297	234	686	1,498	2,716
	Total	35,838	11,386	22,744	40,498	1,10,466

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006.

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Principal amount remaining unpaid	12922	13573
Interest due thereon remaining unpaid	3494	2159
Payments made to the supplier beyond the appointed day during the year	6227	6480
Interest paid to the supplier	-	-
Interest due and payable for the period of delay in making payment without adding interest specified under this Act.	-	-
Interest accrued and remaining unpaid	3494	2159
Amount of further interest remaining due and payable in succeeding years	2159	1146

11 PROVISIONS

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Employee benefit obligations		
Provision for leave encashment	231	253
Provision for gratuity	899	822
Provision for contractual obligation	1300	1300
Provision for warranty	2128	2057
Total Non Current Provisions	4558	4432

12 OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Current maturities of long-term borrowings	-	-
Unpaid dividends	-	8
Interest accrued	170	910
Total Financial liabilities	170	918

13 OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Advance from customers	109083	67682
Other payables *	10530	9335
Contract liability	8395	13519
Total Other Current Liabilities	128008	90536

* Other payables include expenses payable, employee dues, withholding taxes and other statutory dues.

Notes to Financial Statements

14 PROVISIONS

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Employee benefit obligations		
Provision for bonus	19	30
Provision for leave encashment	109	105
Provision for gratuity	334	332
Others		
Provision for warranty	240	192
Total Provisions	702	659

PROFIT AND LOSS

15 REVENUE FROM OPERATIONS

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Capital goods	18892	19623
Construction and EPC contracts	101353	91685
Other operating revenues	1825	2664
Total Revenue from operations	122070	113972

16 OTHER INCOME

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Dividend from investments - quoted	-	-
Others		
Net gain on disposal of property, plant and equipment	223	12
Net gain on sale of investment	-	-
Interest Income	11	9
Interest Income - Tax Refund	580	580
Total Income	814	601

17 COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Opening inventory	4692	4371
(Raw materials, consumables, bought outs and components)		
Add : Purchases	75184	67971
	79876	72342
Less: Closing inventory	3734	4692
(Raw materials, consumables, bought outs and components)		
Cost of raw material and components consumed	76142	67650

18 COST OF MANUFACTURING AND CONSTRUCTION

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Subcontracting and processing charges	13271	25020
Power and fuel	128	154
Cost of manufacturing and construction	13399	25174

19 OTHER DIRECT COST

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Insurance	839	688
Bank charges	3359	2852
Packing and forwarding	115	114
Other direct cost	4313	3654

20 EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Salaries, allowances and bonus	11713	12239
Contribution to P.F., E.S.I.	424	465
Workmen and staff welfare expenses	715	385
Compensated Absences	84	17
Gratuity	202	415
Employee benefits expense	13138	13521

21 FINANCE COSTS

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Interest on working capital loans	19121	21081
Hedging Premium-Expense	1034	664
Interest - others	8881	4680
Finance costs	29036	26425

22 DEPRECIATION AND AMORTIZATION EXPENSE

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Depreciation of tangible assets	2661	2975
Amortization of intangible assets	70	70
Depreciation and amortization expense	2731	3045

Notes to Financial Statements

23 OTHER EXPENSES

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Rent	479	533
Payment to auditors (refer details below)	40	40
Bank charges	3468	3588
Conveyance and vehicle running expenses	512	502
Trade receivables written off	-	16837
Electricity charges	142	129
Foreign exchange (gain)/loss (net)	(430)	437
Insurance	43	75
Loss on sale of fixed assets (net)	-	-
Miscellaneous expenses	353	(2656)
Printing and Stationery	41	50
CSR expenses	1	-
Provision for contractual obligation	-	-
Professional charges	1461	1452
Rates and taxes	125	130
Repairs and maintenance	887	927
Security charges	250	235
Selling expenses	23	20
Sitting fees	27	30
Telephone expenses	78	97
Travelling expenses	247	222
Total Other expenses	7747	22648

PAYMENT TO AUDITORS

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
- For audit fees	36	36
- For certification and others	4	4
Total Payment to Auditors	40	40

24 CORPORATE SOCIAL RESPONSIBILITY (CSR)

₹ Lakhs

S.No	Particulars	2021-22	2020-21
1	Amount required to be spent by the Company during the year	-	1
2	Amount of expenditure incurred	1	-
3	Shortfall at the end of the year	-	1
4	Total of previous years shortfall	-	-

S.No	Particulars	2021-22	2020-21
5	Reasons for shortfall	-	-
6	Nature of CSR activities	Deposited in to Swachh Bharat Kosh	
7	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		-
8	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	

25 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Items that will not be reclassified to Profit/Loss		
Remeasurement of net defined benefit Liability/Asset (net)	(19)	146
Equity Instruments through Other Comprehensive Income (net)	17	27
Items that will be reclassified to Profit/Loss		
Fair value changes on cash flow hedges (net)	(306)	(42)
Total Other Comprehensive Income for the Year	(308)	131

26 EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computation :-

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Basic EPS		
Profit after tax as per accounts	(17807)	(35542)
Weighted average number of equity shares (face value Rs.10 per share) (lakh Nos.)	722	722
Basic EPS (Rs.)	(24.68)	(49.25)
Diluted EPS		
Profit for the year for basic EPS	(17807)	(35542)
Less : Adjustment	-	-
Adjusted profit for diluted EPS	(17807)	(35542)
Weighted average number of equity shares for Basic EPS (lakh Nos.)	722	722
Add : Adjustment	-	-
Weighted average number of equity shares (face value Rs.10 per share) for diluted EPS (lakh Nos.)	722	722
Diluted EPS (Rs.)	(24.68)	(49.25)

Notes to Financial Statements

27 FINANCIAL RATIOS

₹ Lakhs

S.No	Ratios	Particulars	Units	2021-22	2020-21	% Inc \ Dec	Reasons
1	Current Ratio	Current Assets / Current Liabilities	Times	1.00	1.04	-4%	
2	Debt-Equity Ratio	Debt / Total Equity	Times	2.13	1.82	17%	
3	Debt Service Coverage Ratio	EBIDTA / (Interest+Principal)	Times	0.25	(0.71)	136%	Reduction in loss
4	Return on Equity Ratio	PAT / Tangible Networkth	%	-20.55%	-33.35%	38%	Reduction in loss
5	Inventory Turnover	Inventory / COGS * 360	No of Days	14	18	-19%	
6	Trade Receivables Turnover	Trade Receivables / Turnover * 360	No of Days	375	423	-11%	
7	Trade Payables Turnover	Trade Payables / COGS * 360	No of Days	424	442	-4%	
8	Net Capital Turnover Ratio	Turnover / Total Equity	Times	1.38	1.07	29%	Reduction in total equity due to loss
9	Net Profit Ratio	PAT / Turnover	%	-14.84%	-31.07%	52%	Reduction in loss
10	Return on Capital Employed	PBT / Total Equity	%	-26.81%	-44.71%	40%	Reduction in loss
11	Return on Investment	Income from Investments / Investments	%	-	-	0%	

28 CONSTRUCTION CONTRACTS

In respect of all construction contracts in progress at the end of the year :

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
The aggregate amount of costs incurred and recognized profits (less recognized losses) (including amounts carried forward from previous years)	1011427	929444
The amount of advances received	109083	67682
The amount of retentions	121641	113796
The gross amount due from customers for contract work as an asset (unbilled revenue)	117145	99336
The gross amount due to customers for contract work as a liability (unearned revenue)	8395	13519

The contract value includes non cash consideration as per the requirement of Ind AS 115. The non cash consideration is valued based on the fair value \ input by the customer.

29 EMPLOYEE BENEFITS

As per Ind AS -19 “ Employee Benefits”, the disclosure of employee benefits are given below:

DEFINED CONTRIBUTION PLAN:

₹ Lakhs

Particulars	2021-22	2020-21
Employer's contribution to Provident fund	247	249
Employer's contribution to pension scheme	144	174
Employer's contribution to employee's state insurance	5	7

Defined benefit plan and other long term employee benefits:**Gratuity plan**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation ₹ Lakhs

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As of March 31, 2022	As of March 31, 2021	As of March 31, 2022	As of March 31, 2021
Projected benefit obligation at the beginning of the year	358	500	1468	1385
Service cost	66	70	118	134
Interest cost	25	34	92	83
Remeasurement (gain)/loss	(109)	(247)	8	196
Benefits paid	-	-	(218)	(329)
Projected benefit obligation at the end of the year	340	358	1468	1468

Change in the fair value of the plan assets

₹ Lakhs

Particulars	Gratuity (funded)	
	As at Mar 31, 2022	As at Mar 31, 2021
Fair value of the plan assets at the beginning of the year	314	505
Expected return on plan assets	18	35
Actuarial gain/(loss)	1	(247)
Employer contribution	120	350
Benefits paid	(218)	(329)
Fair value of plan assets at the end of the year	235	314
Actual return on plan asset	19	(212)

Notes to Financial Statements

Amount recognised in the Balance sheet

₹ Lakhs

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As of March 31, 2022	As of March 31, 2021	As of March 31, 2022	As of March 31, 2021
Present value of projected benefit obligation at the end of the year	340	358	1468	1468
Fair value of plan assets at the end of the year	-	-	235	314
Funded status amount of liability recognised in the Balance Sheet	340	358	1233	1154
Current Liability	109	105	334	332
Non Current Liability	231	253	899	822

Expense recognised in the Statement of Profit and Loss

₹ Lakhs

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Service cost	66	70	118	134
Interest cost	25	34	92	83
Expected return on plan assets	-	-	(18)	(35)
Actuarial Gain / Loss due to Demographic Assumption changes in Defined Benefit Obligation	-	-	-	-
Actuarial Gain / Loss due to Financial Assumption changes in Defined Benefit Obligation	(4)	17	(15)	61
Actuarial Gain / Loss due to Experience on Defined Benefit Obligation	(105)	(263)	23	135
Return on Plan Assets (Greater) / Less than Discount Rate	-	-	(1)	247
Total cost recognised in P & L and OCI (Defined Benefit Cost)				
Cost recognised in P & L	91	104	192	182
Remeasurement Effect Recognised in OCI	(109)	(247)	7	442
Total defined Benefit Cost	(18)	(143)	199	625

Summary of actuarial assumptions

₹ Lakhs

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Mortality table (LIC)	(Indian assured Lives Mortality) 2006-08	(Indian assured Lives Mortality) 2006-08	(Ultimate) 2006-08	(Ultimate) 2006-08
Discount rate (per annum)	7.07%	6.77%	7.07%	6.77%

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Expected rate of return on plan assets (per annum)	-	-	7.07%	6.77%
Rate of escalation in salary (per annum)	3.00% F5Y & 3.00% TA	3.00% F5Y & 3.00% TA	3.00%	3.00%
Attrition	10.00%	10.00%	10.00%	10.00%
Leave accounting & consumption technique	LIFO	LIFO	-	-
Proportion of Leave availment	5.00%	5.00%	-	-
Proportion of encashment in Service / Lapse	-	-	-	-
Proportion of encashment on separation	95.00%	95.00%	-	-

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors. The discount rate has been chosen by reference to market yields on Government bonds. The above information is certified by an actuary.

The overall expected rate of return on assets is determined based on the market prices prevailing on the date applicable to the period over which the obligation is to be settled.

The expected cash flows over the next few years are as follows:

₹ Lakhs

Year	Leave encashment (unfunded)	Gratuity (funded)
	Amount	Amount
1 year	43	137
2 to 5 years	101	382
6 to 10 years	54	261
More than 10 years	143	689

Plan asset : The Gratuity plan's weighted-average asset allocation at March 31, 2022 and March 31, 2021. ₹ Lakhs

Particulars	As of March 31, 2022	As of March 31, 2021
Funds managed by insurers	100%	100%

Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below

Notes to Financial Statements

Particulars	Leave encashment	
	As of March 31, 2022	As of March 31, 2021
	% increase in Defined Benefit Obligation	
Discount rate + 100 basis points	-3.73%	-4.51%
Discount rate - 100 basis points	4.10%	5.04%
Salary growth rate + 100 basis points	3.73%	4.83%
Salary growth rate - 100 basis points	-3.45%	-4.39%
Attrition Rate + 100 basis points	0.52%	0.75%
Attrition Rate - 100 basis points	-0.59%	-0.85%
Mortality Rate 10% UP	0.02%	0.02%

Gratuity	As of March 31, 2022	As of March 31, 2021
	% increase in Defined Benefit Obligation	
	Discount rate + 100 basis points	-3.40%
Discount rate - 100 basis points	3.77%	4.00%
Salary growth rate + 100 basis points	3.82%	4.00%
Salary growth rate - 100 basis points	-3.49%	-3.65%
Attrition Rate + 100 basis points	0.71%	0.60%
Attrition Rate - 100 basis points	-0.77%	-0.66%
Mortality Rate 10% UP	0.02%	0.02%

While one of the parameters mentioned above is changed by 100 basis points, other parameters are kept unchanged for evaluating the defined benefit obligation. While there is no change in the method used for sensitivity analysis from previous period, the change in assumptions now considered are with reference to the current assumptions.

30 DEFERRED TAXES

Major components of deferred tax assets and liabilities are as under:

₹ Lakhs

Particulars	Deferred tax asset as at March 31, 2022	Deferred tax liability as at March 31, 2022	Deferred tax asset as at March 31, 2021	Deferred tax liability as at March 31, 2021
Property, plant and equipment	-	167	-	331
Other Intangibles	28	-	11	-
ECL on Trade Receivables	820	-	876	-
Provisions	326	-	270	-
Customer Retention	-	26711	-	25521
ECL on Contract Asset	1202	-	1073	-
Carry forward tax loss	16368	-	9642	-
Lease Liability (net)	-	-	12	-
Sub Total	18744	26878	11884	25852
Net		8134		13968

INCOME TAX RECONCILIATION

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Profit before Income Tax	(23641)	(47527)
Enacted Tax Rates in India	25.17%	25.17%
Computed expected Tax expense	(5950)	(11963)
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	(5950)	(11963)
Tax Effects of amounts which are deductible in calculating taxable income	-	-
Tax Reversals	-	-
Income Tax Expense	-	-

The applicable Indian statutory tax rate for fiscal year 2022 is 25.17% and fiscal year 2021 is 25.17%.

Notes to Financial Statements

31 FINANCIAL INSTRUMENTS

The Carrying Value and Fair Value of Financial Instruments as of March 31, 2022 were as follows

₹ Lakhs

Particulars	Financial Assets carried at Amortised Cost	Financial Assets carried at FVTPL	Financial Assets carried at FVTOCI	Total Carrying Value	Total Fair Value
ASSETS					
Cash & Cash Equivalents	25911			25911	25911
Investments:					
Equity Securities and others			22	13	22
Liquid mutual fund units			79	30	79
Trade Receivables	127100			127100	127100
Loans and advances	45656	1094		46792	46750
Other Financial Assets	9025			9025	9025
Total	207692	1094	101	208871	208887
LIABILITIES					
Borrowings	187846			187846	187846
Other Financial Liabilities	170			170	170
Trade Payables	110466			110466	110466
Total	298482	-	-	298482	298482

The Carrying Value and Fair Value of Financial Instruments as of March 31, 2021 were as follows

₹ Lakhs

Particulars	Financial Assets carried at Amortised Cost	Financial Assets carried at FVTPL	Financial Assets carried at FVTOCI	Total Carrying Value	Total Fair Value
ASSETS					
Cash & Cash Equivalents	33187			33187	33187
Investments:					
Equity Securities and others			16	13	16
Liquid mutual fund units			62	30	62
Trade Receivables	133962			133962	133962
Loans and advances	46711	1094		48735	47805
Other Financial Assets	12466			12466	12466
Total	226326	1094	78	228394	227498
LIABILITIES					
Borrowings	193825			193825	193825
Other Financial Liabilities	918			918	918
Trade Payables	118562			118562	118562
Total	313305	-	-	313305	313305

32 FAIR VALUE HIERARCHY

The following table shows the levels in the fair value hierarchy :

₹ Lakhs

Fair value measurement at the end of the reporting period	As at Mar 31, 2022	As at Mar 31, 2021
ASSETS		
Investments		
Mutual Fund Investments	Level 1	Level 1
Equity Instruments	Level 1	Level 1
Loans and Advances	Level 3	Level 3

Fair value of mutual fund and equity investments is based on quoted price.

For loans and advances fair value is determined using discounted cash flow.

33 RISK MANAGEMENT STRATEGIES**Financial risk management:**

The Company's activities exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks.

Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and the market value of its investments. Thus the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign currency risk

The Company has entered into various contracts in several currencies and consequently the Company is exposed to foreign exchange risk through its sales, services and purchases from suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward contract to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years. The fluctuations in exchange rate may have an impact on Company's operations.

Foreign currency sensitivity

a. Particulars of unhedged foreign currency exposure are as under :

₹ Lakhs / Foreign Currency in lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Assets (Trade receivables / advance to suppliers / bank balances)		
In foreign currency		
In USD	362.35	370.86
In EURO	190.91	224.07
In GBP	0.01	3.90

Notes to Financial Statements

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
In JPY	2.35	3.05
In AED	0.17	-
In CHF	0.04	0.04
In CNY	-	0.01
In SAR	0.17	-
In Indian currency		
In USD	27,658.21	27,387.98
In EURO	16,372.14	19,568.17
In GBP	0.57	399.52
In JPY	1.48	2.05
In AED	3.61	-
In CHF	3.37	3.20
In CNY	-	0.15
In SAR	3.46	-
Liabilities (Advance from customers/trade payables/buyers credit)		
In foreign currency		
In USD	70.48	70.90
In EURO	163.50	164.06
In GBP	0.24	-
In SAR	-	0.28
In AED	-	0.02
In Indian currency		
In USD	5,379.44	5,236.31
In EURO	14,021.64	14,326.93
In GBP	23.88	-
In SAR	-	5.71
In AED	-	0.39

An appreciation / depreciation of 0.50 percentage points in exchange rate between the INR and USD, the operating margins at the reporting date (31.03.2022) would have increased / (decreased) equity and profit by Rs.138 Lakhs (Rs.137 Lakhs)

The Sensitivity analysis is computed based on the change in the income and expenses in the foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting and the current reporting period

b. Particulars of derivative contracts entered into for hedging purpose outstanding are as under:

₹ Lakhs / Foreign Currency in lakhs

Particulars	As at Mar 31,2022		As at Mar 31,2021	
	Forex Working Capital Demand Loans	Trade payables	Forex Working Capital Demand Loans	Trade payables
Number of contracts	10	-	7	-
Value in foreign currency				
USD	567.36	-	281.50	-
EURO	-	-	-	-
Value in INR	43,307	-	20,789	-

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to the Company's long-term debt obligations with floating interest rates.

As at the reporting date the Company's interest – bearing financial instruments were as follows:

₹ Lakhs

Particulars	Carrying amount	
	Mar 31, 2022	Mar 31, 2021
Fixed rate instruments		
Financial assets		
Fixed deposits with banks	33272	41179
Variable rate instruments		
Financial liabilities		
Borrowings from banks	-	-
Working Capital Loans	187846	193825

Interest rate sensitivity

Fair value sensitivity for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity for variable rate instruments

An decrease / increase of 50 basis points in interest rates at the reporting date (31.03.2022) would have increased / (decreased) equity and profit by Rs.954 Lakhs

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of Steel, Cement and other materials. Due to the significantly increased volatility of the price of the raw material, the Company also entered into various purchase contracts for supply of Steel, Cement & other material. The Company has escalation clause in some of their client contracts for variation in the price of commodities.

Notes to Financial Statements

Equity price risk

The Company's listed securities are susceptible to market price risk arising from uncertainties about future value of the investment securities.

At the reporting date, the exposure to listed securities at fair value was Rs.101 lakhs (Rs.78 lakhs). An increase / decrease of 10% on the BSE Market Index could have an impact of approximately Rs.10.10 lakhs (Rs. 7.80 lakhs) on the OCI or equity attributable to the Group.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Outstanding customer receivables are regularly monitored and any major export shipments to customers are generally covered by letters of credit. The maximum exposure to the credit risk at reporting date is primarily from trade receivables amounting to Rs.127100 Lakhs

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is limited as the Company generally invests in banks and financial institutions with high credit ratings. Other financial instruments includes primarily investment in fixed deposits.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings.

The following are the contractual maturities of financial liabilities.

₹ Lakhs

Particulars	Upto 12 months	More than 12 months
Trade payables	101046	9420
Borrowings	187846	-
Other financial liabilities	170	-

Collateral risk

The Company has pledged its short-term deposits of Rs. 33047 lakhs to fulfil the security requirements for the contractual obligations. As at 31 March, 2022, 31 March, 2021 the fair values of the short-term deposits pledged were Rs. 33047 lakhs and Rs. 40934 lakhs respectively.

34 LEASES

The changes in carrying value ROU assets and Lease liabilities for the year ended March 31, 2022 are as follows:

₹ Lakhs

Particulars	ROU Assets As at Mar 31,2022	Lease Liabilities As at Mar 31,2022	ROU Assets As at Mar 31,2021	Lease Liabilities As at Mar 31,2021
Opening balance	388	434	1264	1335
Add : Additions during the year	-	-	-	-
Add : Interest cost during the year	-	51	-	115

Particulars	ROU Assets As at Mar 31,2022	Lease Liabilities As at Mar 31,2022	ROU Assets As at Mar 31,2021	Lease Liabilities As at Mar 31,2021
Less : Deletions during the year	-	-	401	426
Less : Depreciation during the year	385	-	475	-
Less : Payment of Lease Liabilities	-	482	-	590
Closing Balance	3	3	388	434

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the ROU asset, and finance cost for interest accrued on lease liability.

Lease payments of Rs. 479 lakhs (Rs. 533 lakhs) relating to leases with a term of 12 months or less and low value leases are charged to statement of profit and loss

35 SEGMENT INFORMATION

Primary segment information (business segments)

₹ Lakhs

S. No	Particulars	2021-22				2020-21			
		Capital goods segment	Construction and EPC contracts segment	Inter Segment eliminations	Total	Capital goods segment	Construction and EPC contracts segment	Inter Segment eliminations	Total
a)	Revenue (net)	19108	102962	-	122070	21024	92948	-	113972
b)	Inter Segment sales	67	285	(352)	-	334	-	(334)	-
	Total Revenue	19175	103247	(352)	122070	21358	92948	(334)	113972
c)	Result	132	4449	-	4581	418	(22121)	-	(21703)
	Add: Unallocated income (net of expenditure)				814				601
	Profit before interest and tax	(185)	5580	-	5395	417	(21519)	-	(21102)
	Interest	422	28614	-	29036	435	25990	-	26425
	Profit before tax	(607)	(23034)	-	(23641)	(18)	(47509)	-	(47527)
	Tax expenses								
	- Current tax				-				-
	- Deferred tax				(5834)				(11985)
	- Tax - Earlier years				-				-
	- Total				(5834)				(11985)
	Profit for the year				(17807)				(35542)

Notes to Financial Statements

S. No	Particulars	2021-22				2020-21			
		Capital goods segment	Construction and EPC contracts segment	Inter Segment eliminations	Total	Capital goods segment	Construction and EPC contracts segment	Inter Segment eliminations	Total
d)	Assets	26283	458797	-	485080	31772	453329	-	485101
	Add: Unallocated corporate assets				43002				44543
	Total assets				528082				529644
e)	Liabilities	9084	422669	-	431753	12255	397111	-	409366
	Add: Unallocated corporate liabilities				8134				13968
	Total liabilities				439887				423334

Revenue of approximately INR Rs. 56166 lakhs (31.03.2021 - INR Rs.61624 lakhs) are derived from three external customers.

These revenues are attributed to the Construction and EPC contracts segment.

Reconciliations to amounts reflected in the financial statements

₹ Lakhs

Reconciliation of profit	31-Mar-22	31-Mar-21
Segment profit	4,581	(21,703)
Dividend Income	-	-
Net gain on disposal of property, plant and equipment	223	12
Net gain on sale of investment	-	-
Interest Income	11	9
Interest Income - Tax Refund	580	580
Profit before interest and tax	5,395	(21,102)

Reconciliation of assets	31-Mar-22	31-Mar-21
Segment operating assets	4,85,080	4,85,101
Investments	35,994	35,971
TDS receivable	7,008	8,572
Total assets	5,28,082	5,29,644

Reconciliation of liabilities	31-Mar-22	31-Mar-21
Segment operating liabilities	4,31,753	4,09,366
Deferred tax liabilities (net)	8,134	13,968
Total liabilities	4,39,887	4,23,334

Secondary segment information (geographic segments)

Particulars	Domestic		Overseas		Total	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
External revenue by location of Customers	1,18,709	1,12,425	3,361	1,547	1,22,070	1,13,972
Carrying amount of segment non current assets by location of assets	1,08,871	1,18,226	-	-	1,08,871	1,18,226

36 CONTINGENT LIABILITIES AND COMMITMENTS

₹ Lakhs

Particulars	As at Mar 31,2022	As at Mar 31,2021
Contingent liabilities		
Claims against the company not acknowledged as debt		
a) On account of Sales tax *	24437	24768
b) On account of Income-tax *	2981	3754
c) On account of Service tax *	36668	36665
d) On account of Provident fund	521	521
e) Others *	14400	15931
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	181	115

* Excludes interest, penalty and self assessment tax paid.

37 RELATED PARTY TRANSACTIONS

Subsidiary companies

1. BGR Boilers Private Limited
2. BGR Turbines Company Private Limited
3. Sravanaa Properties Limited

Enterprises where significant influence exists and enterprises where key management personnel have significant influence

1. Enexio Power Cooling Solutions Limited
2. GEA BGR Energy System India Limited
3. Pragati Computers Limited
4. Progen Systems and Technologies Limited
5. ANI Constructions Private Limited
6. Sasikala Estate Private Limited
7. BGR Investment Holdings Company Limited
8. Swadhika Foods LLP
9. Nannilam Property Private Limited

Key Managerial Personnel

1. Mr.R.Rameshkumar
2. Ms.Swarnamugi Karthik
3. Mr.Arjun Govind Raghupathy

Relatives of Key Managerial Personnel

1. Mrs. Sasikala Raghupathy (Mother of Ms. Swarnamugi Karthik and Mr.Arjun Govind Raghupathy)
2. Ms. Priyadarshini Raghupathy (Sister of Ms. Swarnamugi Karthik and Mr.Arjun Govind Raghupathy)
3. Ms. Vaani Raghupathy (Sister of Ms. Swarnamugi Karthik and Mr.Arjun Govind Raghupathy)

Notes to Financial Statements

(information provided in respect of revenue items for the year ended Mar 31, 2022 and in respect of assets / liabilities as at Mar 31, 2022)

₹ Lakhs

Particulars	Subsidiary Companies	Related parties where significant influence exists and where key management personnel have significant influence	Key Management Personnel	Relatives of Key Management Personnel	2021-22	2020-21
Sales	-	1,361	-	-	1,361	2,400
Purchases	1,508	349	-	-	1,857	2,101
Remuneration						
a) Short Term Employee Benefits	-	-	281	50	331	274
b) Post Employment Benefits	-	-	-	-	-	-
c) Other Long Term Employee Benefits	-	-	-	-	-	-
d) Termination Benefits	-	-	-	-	-	-
e) Share Based Payment	-	-	-	-	-	-
Rent expenses	18	272	-	-	290	325
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Others	-	-	-	25	25	25
Advances given	-	-	-	-	-	-
Repayment of advance given	-	-	-	-	-	-
Other Obligations	-	-	-	-	-	-
Loans & Advances						
- Loan availed	-	-	-	-	-	-
- Loan repaid	-	-	-	-	-	-
Interest on Loan	-	-	-	-	-	-
Sale of investments	-	-	-	-	-	-
Balances outstanding	(11,059)	(457)	-	(111)	(11,627)	(10,553)

38 IMPAIRMENT OF ASSETS

a. Cash generating units :

There is no impairment loss in cash generating units and hence no provision was made in the financial statements.

b. Other assets :

The Company has recognised impairment loss of Rs. 312 Lakhs (Rs. Nil) in the books of accounts towards impairment of Buildings subsequent to closure of Lease period.

39 REGISTRATION OF CHARGES OR SATISFACTION YET TO BE REGISTERED WITH REGISTRAR OF COMPANIES (ROC)**Satisfaction of Charge pending beyond the statutory period**

S.No	Charge Holder Name	Rs.Lakhs	Reasons
1	STATE BANK OF INDIA	4,420	Pending NOC from Charge holder
2	AXIS BANK LIMITED	635	Pending NOC from Charge holder
3	ABN AMRO BANK	189	Pending NOC from Charge holder
4	HDFC BANK LIMITED	126	Pending NOC from Charge holder
5	ICICI BANK LIMITED	114	Pending NOC from Charge holder
	TOTAL	5,484	

40 RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company has no transactions \ outstanding balances as on 31.03.2022 with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

41 PROVISIONS

a) The company has made a provision / transfer of Rs.132 lakhs, (Rs.131 lakhs) towards warranty and contractual obligations on the products supplied / contracts executed by the company during the year. The expenses on account of provision for warranty is grouped under other expenses.

b) Movement in provisions

₹ Lakhs

Particulars	Provision for Warranty	Provision for Contractual Obligations	Provision for Warranty	Provision for Contractual Obligations
	2021-22	2021-22	2020-21	2020-21
Opening balance	2249	1300	2179	1300
Add : Addition / transfers	132	-	131	-
Less : (a) Provision utilised	-	-	(61)	-
(b) Provision reversed	(13)	-	-	-
Closing balance	2368	1300	2249	1300

42 COVID-19 IMPACT

The Company has considered the possible effects that may result from COVID-19 pandemic in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non financial assets. The Company has concluded that the impact of COVID-19 pandemic is not significant based on these estimates. Due to the nature of COVID-19 pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

43 PREVIOUS YEAR FIGURES

Figures of previous year have been regrouped / rearranged, wherever required to conform to the current year presentation.

SASIKALA RAGHUPATHY
Chairperson

S.R.TAGAT
Director

As per our report of even date
for M/s N.R.DORAISWAMI & CO

ARJUN GOVIND RAGHUPATHY
Managing Director

GNANA RAJASEKARAN
Director

Chartered Accountants
Firm Registration No. : 000771S

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

JANAKI C.AMBAT
Director

SUGUNA RAVICHANDRAN
Partner

R.RAMESH KUMAR
Director & Secretary

P.R.EASWAR KUMAR
President & Chief Financial Officer

Membership No.207893
Chennai
May 27,2022

Independent Auditor's Report

To the Members of BGR ENERGY SYSTEMS LIMITED

REPORT ON THE AUDIT OF THE IND AS CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated Ind AS financial statements of BGR ENERGY SYSTEMS LIMITED ("the Company") and its subsidiaries and unincorporated joint Venture (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31-March-2022, the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

(hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 prescribed under section 133 of the Act read with the Companies (Indian Accounting standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of consolidated state of affairs of the Group as at 31-March-2022, of consolidated loss, consolidated total comprehensive income, consolidated

changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated Ind AS 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 Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the rules made there under, 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 audit opinion on the consolidated Ind AS 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 Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS 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.

S. No	Key Audit Matters	Response to Key Audit Matters
1	<p><u>Appropriateness of estimation/revision of budgeted cost and contract value including non-cash consideration:</u></p> <p>The Company recognizes revenue from contracts with customers on percentage completion method as specified under Indian Accounting Standards (Ind AS) 115 – Revenue from contracts with customers. Recognition of Revenue under IND AS 115 involves key judgements relating to</p> <ol style="list-style-type: none">identification of performance obligations,determination and allocation of transaction price including non-cash consideration to performance obligation,recognition of revenue over the period of contract andpresentation and disclosures of all relevant items in the financial statements.	<p><u>Principal Audit procedures:</u></p> <p>We have performed the following audit procedures:</p> <ol style="list-style-type: none">We have reviewed the cost estimates including subsequent revisions, if any, as approved by the management for all the contracts in progress.We have reviewed the controls placed over the preparation of all relevant information for the purpose of revenue recognition.Verified the required documents, provisions made etc., for the actual costs incurred up to the year-end date.Discussed the status of the projects with the company's project management team and evaluated the reasonableness of estimates made by the management on cost to be incurred for completion of the respective projects.

S. No	Key Audit Matters	Response to Key Audit Matters
	<p>Determination of revenue requires estimation of total contract costs which involves exercise of significant judgment by the management, making forecasts and assumptions.</p> <p>Due to the large variety and complexity of contractual terms, significant judgements are required to estimate the amount applied. Accordingly, considering the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined a key audit matter in our audit.</p>	<p>e) We have reviewed the workings provided by the management with reference to revision in the contract value or budgeted cost of all projects along with approvals.</p> <p>f) We further verified the billings made to customers which are in line with the revised contract values.</p>
2	<p><u>Provision for Receivables:</u></p> <p>The Company has trade receivable (net) of Rs.127100 lakhs and contract asset (net) of Rs.234009 lakhs as at March 31, 2022. The Company follows the practice of creating life-time expected credit loss (ECL) allowance on the overall trade receivables and contract assets.</p>	<p><u>Principal Audit procedures:</u></p> <p>We have assessed the Company's review mechanism, guidelines and policies relating to trade receivables and contract assets.</p> <p>We have reviewed the ageing of trade receivables and contract assets.</p> <p>We have analyzed the past trend of the trade receivables written off by the company and verified the adequacy of the provisions for loss of trade receivable and contract assets.</p>

OTHER MATTERS

- a. We did not audit the financial statements of the subsidiary Sravanaa Properties Limited, whose financial statements reflect total assets of Rs.13,087.73 lakhs as at 31-March-2022, total revenues of Rs.20.66 lakhs and net cash outflows amounting to Rs.4.34 lakhs for the year ended on that date, as considered in the consolidated financial statements. We also did not audit the financial statements of the unincorporated joint venture, namely, Mecon –GEA Energy System (India) Limited (JV) whose financial statements reflect total assets of Rs.454.99 lakhs as at 31-March-2022, total loss of Rs. 0.21 lakhs for the year ended. These financial statements 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 entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, 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.72,215.63 lakhs as on 31-March-2022, total revenue of Rs.1,555.85 lakhs and net cash outflows amounting to Rs.722.76 lakhs for the year ended on that date. These unaudited financial statements are taken on record by the Board of directors of the respective subsidiary companies, have been furnished to us by the Company and our report in so far as it relates to the amounts included in respect of these subsidiaries are based solely on such unaudited financial statements.

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

INFORMATION OTHER THAN THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures thereto but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Independent Auditor's Report

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

MANAGEMENT RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 consolidated Ind AS 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 Ind AS 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 Act, we are also responsible for expressing our opinion on whether the company and its subsidiary companies which are companies incorporated in India, 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 Group 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS 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 Group to express an opinion on the consolidated Ind AS 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 Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated Ind AS 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 Ind AS 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 Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 Cash Flow Statement and Consolidated Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - e. On the basis of the written representations received from the directors of the Company as on 31-March-2022 taken on record by the Board of Directors of the Company and the reports of the other statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31-March-2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

Independent Auditor's Report

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note nos.33 to the consolidated Ind AS financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. - Refer Note.38 to the consolidated Ind AS financial statements; The Company did not enter into any derivative contracts; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
 - iv. (a) The respective Management of the Company and its subsidiaries, which are incorporated in India, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or any of its subsidiaries to or in any other person or entity, including foreign entity ("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 or any of its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The respective Management and its subsidiaries, which are incorporated in India, has represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of its subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of its subsidiaries 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;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are incorporated in India, nothing has come to our notice that has caused us to believe that the representations under iv(a) and iv(b) as provided above, contain any material misstatement.
 - v. The Company or any of its subsidiaries have not declared or paid any dividend during the year ended 31-March-2022.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

For N R Doraiswami & Co
Chartered Accountants
Firm's Registration No. 000771S

Suguna Ravichandran
Partner

Place : Chennai
Date : 07.06.2022

Membership No.207893
UDIN : 22207893AJSTDB5062

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31-March-2022, we have audited the internal financial controls over financial reporting of BGR Energy Systems Limited ("the Company") and its subsidiary companies 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 subsidiary 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 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by ICAI 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 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 Ind AS 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 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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
- iii. 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 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,

Independent Auditor's Report

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 and its subsidiary companies, which are companies incorporated in India, have, 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 31-March-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 ICAI.

OTHER MATTERS

1. Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary company incorporated in India, Sravanaa Properties Limited, is

based on the corresponding reports of the auditors of such companies incorporated in India.

2. In respect of two subsidiary companies incorporated in India, namely, BGR Boilers Private Limited & BGR Turbines Company Private Limited, which have been included in the consolidated Ind AS financial statements based on the unaudited financial statements of such subsidiary companies as taken on record by the Board of Directors of the respective subsidiary companies, have been furnished to us by the Company and hence no report under Internal Financial Controls over Financial Reporting is available, and accordingly, the possible effects of the same on our reporting under Internal Financial Controls over Financial Reporting has not been considered.

For **N R Doraiswami & Co**

Chartered Accountants

Firm's Registration No. 000771S

Suguna Ravichandran

Partner

Membership No.207893

UDIN : 22207893AJSTDB5062

Place : Chennai

Date : 07.06.2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Annexure B referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of the Consolidated IND AS Financial Statements for the year ended March 31, 2022, we report that:

(xxi) According to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary Sravanaa Properties Limited 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.

Further in respect of the following companies incorporated in India and included in the consolidated financial statements, the CARO report relating to them has not been issued by their auditors till the date of this audit report:

Name of the Entities	CIN	Relationship
BGR Boilers Private Limited	U74200TN2009PTC070539	Subsidiary
BGR Turbines Company Private Limited	U40300TN2009PTC070541	Subsidiary

For **N R Doraiswami & Co**
Chartered Accountants
Firm's Registration No. 000771S

Suguna Ravichandran
Partner
Membership No.207893
UDIN : 22207893AJSTDB5062

Place : Chennai
Date : 07.06.2022

Consolidated Balance Sheet

₹ Lakhs

Particulars	Note No.	As at Mar 31, 2022	As at Mar 31, 2021
ASSETS			
I Non Current Assets			
(a) Property, plant and equipment	1	33450	36816
(b) Other Intangible assets	2	60	131
(c) Goodwill	2	59	59
(d) Financial assets			
(i) Investments	3 (a)	101	78
(ii) Trade receivables	3 (b)	54091	53203
(iii) Loans	3 (c)	5055	8001
(iv) Other financial assets	3 (d)	8003	11832
		100819	110120
II Current Assets			
(a) Inventories	4	3734	4711
(b) Financial assets			
(i) Trade receivables	5 (a)	73009	80759
(ii) Cash and cash equivalent	5 (b)	27379	35381
(iii) Loans	5 (c)	45578	43639
(iv) Other financial assets	5 (d)	1024	645
(c) Other current assets	6	284942	263675
		435666	428810
TOTAL ASSETS		536485	538930
EQUITY AND LIABILITIES			
I Equity			
(a) Equity Share Capital	7	7216	7216
(b) Other Equity		51125	69792
Equity attributable to owners of BGR Energy Systems Limited		58341	77008
II Non-Controlling Interest		(3735)	(3497)
Total Equity		54606	73511
III Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8 (a)	-	-
(ii) Lease Liability	8 (b)	-	3
(iii) Trade payables			
Total Outstanding dues of micro enterprises and small enterprises		-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	8 (c)	9420	10906
(b) Provisions	9	4609	4510
(c) Deferred tax liabilities (net)	27	8134	13968
		22163	29387
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8 (a)	187846	193825
(ii) Lease Liability	8 (b)	3	431
(iii) Trade payables	8 (c)		
Total Outstanding dues of micro enterprises and small enterprises		12551	13478
Total Outstanding dues of creditors other than micro enterprises and small enterprises		108845	113800
(iv) Other financial liabilities	10	170	918
(b) Other Current Liabilities	11	149596	112674
(c) Provisions	12	702	660
(d) Current tax liabilities (net)		3	246
		459716	436032
Total Liabilities		481879	465419
TOTAL EQUITY AND LIABILITIES		536485	538930

SASIKALA RAGHUPATHY
Chairperson

ARJUN GOVIND RAGHUPATHY
Managing Director

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

R.RAMESH KUMAR
Director & Secretary

S.R.TAGAT
Director

GNANA RAJASEKARAN
Director

JANAKI C.AMBAT
Director

P.R.EASWAR KUMAR
President & Chief Financial Officer

As per our report of even date
for M/s N.R.DORAISWAMI & CO

Chartered Accountants
Firm Registration No. : 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893
Chennai
May 27,2022

Consolidated Statement of Profit and Loss

₹ Lakhs

Particulars	Note No.	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
I Revenue from operations	13	122070	113972
II Other income	14	864	712
III Total Income (I + II)		122934	114684
IV Expenses			
(a) Cost of raw materials and components consumed	15	76142	67604
(b) Cost of manufacturing and construction	16	13399	25174
(c) Other direct cost	17	4313	3654
(d) Changes in inventories of work in progress		19	(17)
(e) Employee benefits expense	18	13563	14108
(f) Finance costs	19	29036	26425
(g) Depreciation and amortization expense	20	2736	3052
(h) Other expenses	21	8155	23426
Total expenses (IV)		147363	163426
V Profit/(Loss) before exceptional items and tax (III-IV)		(24429)	(48742)
VI Exceptional items		-	-
VII Profit/(Loss) before tax (V)+(VI)		(24429)	(48742)
VIII Tax expenses			
(i) Current tax		2	3
(ii) Deferred tax		(5834)	(11985)
(iii) Tax - Earlier years		-	71
IX Profit/(Loss) for the period(VII)-(VIII)		(18597)	(36831)
X Other Comprehensive Income			
(i) items that will not be reclassified to profit or loss	23	(2)	173
(ii) items that will be reclassified to profit or loss	23	(306)	(42)
XI Total Comprehensive Income for the Period(IX+X)(Comprising Profit and other Comprehensive Income for the Period)		(18905)	(36700)
Profit or Loss attributable to:			
Owners of BGR Energy Systems Ltd		(18359)	(36448)
Non Controlling Interests		(238)	(383)
		(18597)	(36831)
Total Comprehensive Income attributable to:			
Owners of BGR Energy Systems Ltd		(18667)	(36317)
Non Controlling Interests		(238)	(383)
		(18905)	(36700)
XII Earnings per Equity Share : (for Continuing Operation):			
1.Basic		(25.44)	(50.51)
2.Diluted		(25.44)	(50.51)

SASIKALA RAGHUPATHY
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As per our report of even date
for M/s N.R.DORAISWAMI & CO

Chartered Accountants
Firm Registration No. : 00771S

SUGUNA RAVICHANDRAN
Partner

Membership No.207893
Chennai
May 27,2022

Consolidated Cash Flow Statement

₹ Lakhs

S.No	Particulars	For the year ended Mar 31, 2022		For the year ended Mar 31, 2021	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net profit before tax and extraordinary items		(24429)		(48742)
	Adjustments for :				
	Depreciation, impairment and amortization	2736		3052	
	Dividend from investments - quoted	-		-	
	(Profit) / Loss on sale of fixed assets (net)	(223)		(12)	
	Net gain on sale of investment	-		-	
	Provision for warranty and Contractual Obligation	(115)		(159)	
	Lease Payment	431		500	
	Trade Receivables written off	-		16837	
	Interest expense	29036	31865	26425	46643
	Operating profit before working capital changes		7436		(2099)
	Changes in working capital				
	(Increase) / decrease in trade receivables	6862		47892	
	(Increase) / decrease in inventories	977		(338)	
	(Increase) / decrease in current assets	(13303)		18031	
	(Increase) / decrease in loans and advances	1007		306	
	Increase / (decrease) in trade payables and provisions	29884		(16847)	
			25427		49044
	Cash generated from operations		32863		46945
	Direct taxes (paid) / refund (net)		(245)		(15)
	Net cash flow from operating activities		32618		46930
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of fixed assets	(192)		(131)	
	Sale of fixed assets	989		19	
	Sale of Subsidiary				
	Dividend from investments - quoted	-		-	
	Increase in Market value of Investments	23		36	
	Net cash flow from investing activities		820		(76)
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Long term borrowings (repaid) / availed	-		-	
	Short term borrowings (repaid) / availed	(6719)		(19060)	
	Lease Payment	(431)		(500)	
	Lease Interest Payment	(51)		(90)	
	Interest paid	(29725)		(26224)	
	Net cash flow from financing activities		(36926)		(45874)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		(3488)		980
	Cash and cash equivalents as at April 1, 2021		5532		4552
	Cash and cash equivalents as at Mar 31, 2022		2044		5532
	Cash on hand		19		18
	On current accounts		352		3096
	On deposit accounts		1673		2418

SASIKALA RAGHUPATHY
Chairperson

S.R.TAGAT
Director

As per our report of even date
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President & Chief Financial Officer

Membership No.207893
Chennai
May 27,2022

Consolidated Statement of Changes in Equity

Statement of Changes in Equity (2021-22)

₹ Lakhs

Particulars	Other Equity							Total Equity share capital and Other Equity	Non-Controlling interests	Total (2021-22)		
	Equity Share Capital	Securities Premium Reserve	General Reserves	Revaluation Reserves	Retained Earnings	Capital reserve on consolidation	Equity Instruments through Other Comprehensive Income				Effective Portion of Cash Flow Hedges	Other Items of Other Comprehensive Income
Balance at the beginning of reporting Period (01.04.2021)	7216	31895	14427	-	23284	242	26	(248)	165	77008	(3497)	73511
Profit for the year					(18359)					(18359)	(238)	(18597)
Amount transferred from Statement of Profit and Loss							17	(306)		17		17
Equity Instruments through Other Comprehensive Income										(306)		(306)
Effective Portion of Cash Flow Hedges									(19)	(19)		(19)
Remeasurement of net defined benefit Liability/Asset (net)												
Transfer to General Reserve												
Balance at the end of reporting Period (31.03.2022)	7216	31895	14427	-	4925	242	43	(554)	146	58341	(3735)	54606

Statement of Changes in Equity (2020-21)

₹ Lakhs

Particulars	Other Equity							Total Equity share capital and Other Equity	Non-Controlling interests	Total (2020-21)		
	Equity Share Capital	Securities Premium Reserve	General Reserves	Revaluation Reserves	Retained Earnings	Capital reserve on consolidation	Equity Instruments through Other Comprehensive Income				Effective Portion of Cash Flow Hedges	Other Items of Other Comprehensive Income
Balance at the beginning of reporting Period (01.04.2020)	7216	31895	14427	-	59733	242	(1)	(206)	19	113325	(1159)	112166
Profit for the year					(36448)					(36448)	(2338)	(38786)
Amount transferred from Statement of Profit and Loss							27	(42)		27		27
Equity Instruments through Other Comprehensive Income										(42)		(42)
Effective Portion of Cash Flow Hedges									146	146		146
Remeasurement of net defined benefit Liability/Asset (net)												
Transfer to General Reserve												
Balance at the end of reporting Period (31.03.2021)	7216	31895	14427	-	23284	242	26	(248)	165	77008	(3497)	73511

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As per our report of even date
for M/s N.R.DORAISWAMI & CO

Chartered Accountants
Firm Registration No. : 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893
Chennai
May 27,2022

B. SIGNIFICANT ACCOUNTING POLICIES

I) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (Act) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard require a change in the accounting policy hitherto in use.

II) PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

Subsidiaries

Subsidiaries' are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries' are fully consolidated from the date on which control is transferred to the Group.

The Group combines the financial statements of the parent and its subsidiaries' line by line adding together like items of assets, liabilities, income and expense. Intercompany transactions, balances and unrealised gains on transactions between Group company's are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries' have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non controlling interest in the results and equity of the subsidiaries' are shown separately in that consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Joint venture

Interest in joint ventures are accounted using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Group's share of post acquisition profits or loss of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from the joint venture are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity account investment equals or excess its interest in the entity, including any other unsecured long term receivables, the Group does not recognize further losses, unless it has incurred obligations and made payments on behalf of the other entity.

Unrealised gain on transactions between the Groups and its joint ventures are eliminated to the extent of the Group's interest in these entities. Un realised losses are eliminated unless the transaction provides evidence of an impairment of the asset transfer. The accounting policies of equity accounted investees have been changed where necessary to ensure consistency to the policy adopted by the group.

III) USE OF ESTIMATES

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the applications of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed below:

1. Recognition of revenue
2. Recognition of deferred tax asset : availability of future taxable profit
3. Measurement of defined benefit obligations : Key actuarial assumptions
4. Recognition and measurement of provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources

5. Estimation of useful life of property, plant and equipments and intangible assets
6. Estimation of current tax expense and payable
7. Estimation on assessing the Lease term as the non-cancellable period of a lease including anticipated renewals and the applicable discount rate.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as and when management becomes aware of changes in circumstances surrounding the estimates. Changes in the estimates are reflected in the financial statements in the period in which change are made and, if material, their effects are disclosed in the notes to the financial statements.

IV) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency').

The financial statements are presented in Indian Rupee (INR), which is Group's functional and presentation currency.

V) MEASUREMENT OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values.

Fair value categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the

fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumption made in measuring fair values are included in fair value measurement forming part of notes to accounts.

VI) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded in the functional currency at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on the historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the profit or loss.

VII) EMPLOYEE BENEFITS

- a) Short-term employee benefits :

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which related services are rendered.

- b) Post employment benefits:

- i) Defined contribution plan:

Group's contributions paid/payable during the year towards provident fund, pension scheme and employees' state insurance ('ESI') scheme are recognized in the statement of profit and loss.

- ii) Defined benefit plan:

Group's liability towards gratuity in accordance with the Payment of Gratuity Act, 1972 is determined based on actuarial valuation using the Projected Unit Credit Method as at the reporting date. The Group contributes all the ascertained liabilities to SBI Life Insurance which administers the contributions and makes the payment

at retirement, death, incapacitation or termination of employment.”

c) Other Long-term employee benefits:

The Group provides for compensated absences subject to certain rules. The employees are entitled to accumulate such absences for avilment as well as encashment. As per the regular past practice followed by the employees, it is not expected that the entire accumulated absence shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as other long-term employee benefits. The liability is recognized on the basis of the present value of the future benefit obligations as determined by actuarial valuation.

d) All actuarial gains/losses in respect of post employment benefits and other long term employee benefits are charged to Other Comprehensive Income.

VIII) FINANCIAL INSTRUMENTS

a. 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 Group becomes a party to the contractual provisions of the instruments.

The Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

b. Financial assets - Classification

On initial recognition, a financial asset is classified as, measured at

1. Amortised cost;
2. Fair value through other comprehensive income (FVOCI) - debt instrument;
3. Fair value through other comprehensive income (FVOCI) - equity instrument;
4. Fair value through profit and loss (FVTPL)

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL :

1. The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
2. 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.

A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

1. The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and
2. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise from recognising them as measured at amortised cost or at FVOCI.

c. Financial assets - Measurement

Financial assets at amortised cost:

These assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. 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.

Financial assets measured at FVTOCI - Debt investments:

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

Financial assets measured at FVTOCI - Equity investments:

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of cost the cost of the investment. Other net gains or losses are recognised in OCI and are not reclassified to profit or loss.

Financial assets at FVTPL:

These assets are measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

d. Financial assets - Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which subsequently all of the risk and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transaction whereby it transfers asset recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

e. Financial liabilities - Classification

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.

f. Financial liabilities - Measurement

Financial liabilities measured at FVTPL are subsequently 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.

g. Financial liabilities - Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognises a financial liability when its term are modified and the cash flows under the modified terms are substantially different, where a new financial liability based on the modified terms is recognised at fair value. Any gain or loss on derecognition in these cases, shall be recognised in profit or loss.

h. Offsetting

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

IX) CASH FLOW HEDGE

The Group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in

Notes to Consolidated Financial Statements

cash flow hedging reserve is reclassified to net profit in the Statement of Profit and Loss.

X) PROPERTY, PLANT AND EQUIPMENT

a) Recognition & Measurement

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Cost of Property, plant and equipment comprises its purchase cost, including import duties and non - refundable taxes or levies and any directly attributable cost to bring the item to working condition as intended by management. Further, any trade discounts and rebates are deducted. Any gain or loss on disposal of property, plant and equipment is recognised as profit or loss. Property, Plant and Equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress" at cost, less impairment losses, if any.

b) Transition to Ind AS

On transition to Ind AS, the Group has decided to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015, measured as per previous GAAP and use that carrying amount as the deemed cost of such property, plant and equipment.

c) Subsequent Recognition

Expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

d) Depreciation

The Group depreciates the property, plant and equipment over their estimated useful life of the items using Straight-line method. Freehold land is not depreciated. The useful life of the property, plant and equipment are as follows:

Assets	Estimate of Useful Life in Years
Tangible Assets	
Buildings	30
Furniture & Fixtures	10
Plant & Equipment *	7.50-15
Office Fixtures	5
Office equipments	3, 5
Electrical Installations	10
Vehicles	8

* The Management believes that the useful lives as given above best represents the period over which Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

In the financial statements of BGR Boilers Private Limited and BGR Turbines Company Private Limited, depreciation is being measured and recognised using written down method unlike straight line method by the Group.

XI) INTANGIBLE ASSETS

a) Recognition & Measurement

Intangible assets are stated at cost, less accumulated amortisation and impairment losses, if any.

b) Transition to Ind AS

On transition to Ind AS, the Group has decided to continue with the carrying value of all its Intangible asset recognised as at April 1, 2015, measured as per previous GAAP and use that carrying amount as the deemed cost of such Intangible asset.

c) Subsequent Recognition

Expenditure is capitalised only if it increases the future economic benefits embodied in the related specific asset. All other expenditure is recognised in profit or loss as incurred.

d) Amortisation

The Group amortises the intangible assets over their estimated useful life using Straight-line method, and is included in Depreciation and amortisation in the Statement of Profit and Loss.

The useful life of the intangible assets are as follows:

Intangible Assets	
Asset	Estimate of Useful Life in Years
Technical Know-How	6
Softwares	5

XII) INVENTORIES

Raw materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used are expected

to be sold at or above cost. Work-in-progress and finished goods are valued at lower of cost and net realizable value. Finished goods and work-in-progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is determined on a weighted average basis. Saleable scrap, whose cost is not identified, is valued at net realizable value. In the case of manufactured inventory, cost includes an appropriate share of fixed production overhead based on normal operating capacity.

XIII) IMPAIRMENT

a. Financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair value through profit or loss. Loss allowance for trade receivables and contract assets with no significant financing component is measured at an amount equal to lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

b. Non-financial assets (Intangible assets and property, plant and equipment)

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this

amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

XIV) PROVISIONS (OTHER THAN FOR EMPLOYEE BENEFITS)

- a) A Provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.
- b) Provision for contractual obligation has been provided for in accounts based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.
- c) The Group makes provision towards warranty obligation arising under the contract, while progressively recognising the revenue, based on management estimate and past experience of similar contracts. Such provision is maintained until the warranty period is completed. The unutilised provision if any, is reversed on expiry of the warranty period.

XV) REVENUE

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'.

- a) Sale of goods and services - Performance obligation at a point in time

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts. Revenue is recognised on the basis of despatches in accordance with the terms of sale when the significant risks and

rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of the goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risk and rewards varies depending on the individual terms of sale.

Revenue from services is recognised in accordance with the specific terms of contract on performance.

Other operating revenue includes interest income, scrap sales etc. The entire income under other operating revenue is recognised on accrual basis except in the case of interest income which is recognised using effective rate of interest method.

- b) Construction contracts - Performance obligation over time

The Company uses the 'percentage of completion method' to determine the appropriate amount to recognise revenue in a given period. The stage of completion is measured by reference to the contract costs incurred upto the end of the reporting period as percentage of total estimated costs for each contract. Expected loss, if any, on the construction / project related activity is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included is taken into consideration. In respect of construction contracts, revenue includes variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

XVI) OTHER INCOME

Other income is comprised primarily of dividend income and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities.

Dividend income: Dividend income is recognised in profit or loss on the date on which the Group's right to receive payments is established.

Others: Any other income is recognised only on realisation basis.

XVII) FINANCE COST

Interest expense is recognised using the effective interest method.

XVIII) BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

XIX) LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company's lease asset classes primarily consist of leases for land and buildings.

Recognition & Measurement

The Company recognizes a right of use (ROU) asset and a corresponding lease liability, at the date of commencement of the lease. The Company recognize ROU asset and lease liability for all lease arrangements except for leases with a term of 12 months or less (Short Term Lease) and low value leases.

The ROU assets are initially recognized at cost which is the initial measurement of lease liability adjusted for any lease payment made at or prior to the commencement date of the lease plus any initial direct cost less any lease incentives.

The Lease Liability is recognized at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments discounted using the company's incremental borrowing rate.

In cases of short-term leases and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Subsequent Recognition

The ROU assets are subsequently measured at cost less accumulated depreciation, impairment loss, if any and adjusted for any re-measurement of the lease liability.

The lease liabilities are subsequently measured by adding interest on lease liability to the carrying value, reducing the lease payments made to the carrying value and adjusting any reassessment or lease modification to the carrying value.

Amortization

The ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the lease assets.

Impairment

The ROU assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable and impairment loss, if any, is recognized in the statement of profit and loss.

The lease liability has been separately presented in the Balance Sheet. The ROU assets have been classified under Property, Plant and Equipment. In the statement of cash flow, the lease payments, which comprises of principal payment of lease liability and interest thereon, have been classified under financing activities. The Lease payment on account of Short-Term Leases or low value lease have been classified under operating activities.

XX) INCOME TAX

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting date. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended realise the asset and settle the liability on a net basis or simultaneously.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used

for taxation purpose. Deferred tax is recognised in respect of carried forward losses and tax credits. Deferred tax also not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of transaction.

Deferred tax assets and liabilities are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets — unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

XXI) CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

1. Expected to be realised or intended to be sold or consumed in normal operating cycle, or
2. Held primarily for the purpose of trading, or

3. Expected to be realised within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle, or
2. It is held primarily for the purpose of trading, or
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified project life as its operating cycle for construction contracts and twelve months for Capital goods segment .

Operating cycle for the business activities of the Group covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

XXII) SEGMENT REPORTING

- a) Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

- b) Identification of segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Group assesses the financial performance and position of the Group and makes strategic decisions.

- c) Segment Revenue and Segment Result:

Segment revenue includes revenue from operations and other income directly identifiable with / allocable to the segment. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Revenue and expenses which relate to the Group as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

- d) Segment Assets and Liabilities:

Segment assets and liabilities include those directly identifiable with respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

XXIII) CASH FLOWS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institution, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to know cash and which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

XXIV) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and cash on deposit with scheduled banks, including margin money deposits held under lien to banks and maturing within twelve months from the reporting date.

XXV) DIVIDENDS

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group' Board of Directors.

XXVI) EARNINGS PER SHARE

a. Basic earning per share

Basic earnings per share is calculated by dividing

- i. the profit attributable to owners of the Group
- ii. by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

b. Diluted earnings per share

Diluted earning per share adjusts the figures used in the determination of basic earnings per share to take into account:

- i. the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- ii. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

XXVII) CONTINGENT LIABILITIES

The Group recognizes contingent liability for disclosure in notes to accounts, if any of the following conditions is fulfilled:

- 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 enterprise; or
- b) a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.”

XXVIII) ROUNDING OF AMOUNTS

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

Notes to Consolidated Financial Statements

1 PROPERTY, PLANT AND EQUIPMENT

₹ Lakhs

Particulars	Land	Building	Plant and Equipment	Right of Use Assets	Furniture and fixtures	Office fixtures	Office equipments	Electrical installations	Vehicles	Total
Cost or valuation										
At 1 April 2021	25,294	2,728	26,425	1,208	891	240	2,301	360	1,280	60,727
Additions	-	-	183	-	2	-	7	-	-	192
Impairment		439								439
Disposals	856	-	945	-	2	-	-	2	114	1,919
At 31 Mar 2022	24,438	2,289	25,663	1,208	891	240	2,308	358	1,166	58,561
Depreciation and impairment										
At 1 April 2021	-	841	17,944	820	660	234	2,068	289	1,054	23,911
Depreciation and Impairment charge for the year **	-	398	1,609	385	67	3	120	25	57	2,665
Disposals	-	439	908	-	1	-	-	1	115	1,464
At 31 Mar 2022	-	800	18,645	1,205	727	237	2,189	313	996	25,111
Net book value										
At 31 Mar 2022	24,438	1,489	7,018	3	164	3	119	45	170	33,450
At 31 March 2021	25,294	1,888	8,480	388	230	6	232	71	226	36,816

* Buildings include original cost of Rs. 1585 lakhs (Rs. 1585 lakhs), which are constructed on lease hold land.

** Includes Impairment of Rs.312 Lakh

2 INTANGIBLE ASSETS

₹ Lakhs

Particulars	Goodwill	Technical Knowhow	Software	Total
At 1 April 2021	59	1,348	2,236	3,643
Additions	-	-	-	-
Disposal	-	-	-	-
At 31 Mar 2022	59	1,348	2,236	3,643
Amortisation and impairment				
At 1 April 2021	-	1,348	2,106	3,454
Amortisation	-	-	71	71
Disposal	-	-	-	-
At 31 Mar 2022	-	1,348	2,177	3,525
Net book value				
At 31 Mar 2022	59	-	60	119
At 31 March 2021	59	-	131	190

3 FINANCIAL ASSETS

3 (a) Non Current Investments

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Investments at Cost		
Investments in Subsidiaries		
Unquoted equity shares	-	-
Total Investments carried at cost (A)	-	-
Investments at fair value through OCI (fully paid)		
Quoted equity shares		
13,970 Indian Bank (13,970) of Rs.91 per share Market Value Rs.153.90 (Rs.115.40) per share	22	16
Quoted Investments in Mutual Funds		
50,000 SBI Mutual Fund-Magnum Multi Cap Fund - Dividend (50,000) units Market Value Rs.34.1122 (Rs.28.1166) per unit	17	14
2,50,000 SBI Mutual Fund-Infrastructure Fund - I - Growth (2,50,000) units Market Value Rs.25.0112 (Rs.19.2759) per unit	62	48
Investments carried at fair value through Other Comprehensive Income (B)	101	78
Total Investments	101	78
Current	-	-
Non-Current	101	78
Aggregate cost of quoted investments	43	43
Aggregate market value of quoted investments	101	78
Aggregate value of unquoted investments	-	-

Notes to Consolidated Financial Statements

3 (b) Trade receivables - Non current

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	55478	54567
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
	55478	54567
Less: Allowance for Credit Loss	(1387)	(1364)
Total Trade receivables	54091	53203

3 (c) Loans - Non current

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Loans considered good - secured	-	-
Loans considered good - unsecured		
- Deposits	719	1190
- Other loans and advances	4336	6811
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total loans	5055	8001

3 (d) Other financial Assets

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Margin money deposit held under lien to banks - maturity more than 12 months	7712	11093
Interest accrued on margin money deposits	291	739
Total Other financial Assets	8003	11832

4 INVENTORIES

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Raw materials and components	3734	4692
Work-in-progress	-	19
Total of inventories at lower of cost or net realisable value	3734	4711

5 FINANCIAL ASSETS

5 (a) Trade receivables

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured		
- from related parties	1219	1180
- from Others	73662	81695
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
	74881	82875
Less: Allowance for Credit Loss	(1872)	(2116)
Total Trade receivables	73009	80759

Ageing of Trade Receivables

₹ Lakhs

S.No	Particulars	Outstanding for following periods from due date of payments					Total
		Less than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
1	Undisputed Trade Receivables - Considered Good	23,474	10,011	9,063	12,904	30,266	85,720
2	Undisputed Trade Receivables - Considered Doubtfull						-
3	Sub Total	23,474	10,011	9,063	12,904	30,266	85,720
4	Disputed Trade Receivables - Considered Good	-	-	-	-	44,639	44,639
5	Disputed Trade Receivables - Considered Doubtfull						-
6	Sub Total	-	-	-	-	44,639	44,639
	Total	23,474	10,011	9,063	12,904	74,906	1,30,359

Notes to Consolidated Financial Statements

5 (b) Cash and cash equivalent

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Balances with banks:		
– On current accounts	352	3096
– On deposits accounts	1673	2418
Cash on hand	19	18
Margin money deposits held under lien to banks	25335	29841
On unpaid dividend accounts	-	8
Total Cash and cash equivalent	27379	35381

Bank balances of Rs.3 lakhs (Rs.3 lakhs) are subject to confirmation.

5 (c) Loans

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Loans Considered good - Secured	-	-
Loans Considered good - Unsecured	-	-
- Advance to related party	-	458
- Other loans and advances *	41497	38742
- Deposits	4081	4439
Loans which have significant increase in credit risk	-	-
Loans - Credit impaired	-	-
Total loans	45578	43639

* Includes employee loans, travel advances, prepaid expenses, DGFT refund, GST credit and VAT refunds.

5 (d) Other Financial Assets

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Interest accrued on fixed deposits	1024	645
Total Other Financial Assets	1024	645

6 OTHER CURRENT ASSETS

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Unsecured, considered good		
Advance to suppliers	40365	44327
Others	8698	8698
Contracts Asset	238785	213132
Prepayments	1870	1781
Sub Total	289718	267938
Less : Allowance for Credit Loss on Contract Asset	(4776)	(4263)
Total Other Current Assets	284942	263675

Notes to Consolidated Financial Statements

* During the FY 2018-19, a client arbitrarily encashed three performance bank guarantees totalling to Rs.8698 Lakhs. The Company has initiated arbitration proceedings and pending such proceedings, the amount of Rs.8698 Lakhs is grouped under " Other Current Assets " .

** Contract Assets (deferred debtors and unbilled revenue) represent the amount not yet due for payment as per contract terms \ agreed schedule with customers. The same will be contractually due on completion of related activities / milestones.

7 SHARE CAPITAL

Authorised Share Capital

₹ Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Share Capital at the beginning of the year (Face value Rs.10 each)	10,00,00,000	10,000	10,00,00,000	10,000
Increase / (Decrease) during the year	-	-	-	-
Share Capital at the end of the year	10,00,00,000	10,000	10,00,00,000	10,000

Issued, Subscribed and Paid-up Share Capital

₹ Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Issued, Subscribed and Paid-up Share Capital	7,21,61,560	7,216	7,21,61,560	7,216

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

₹ Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	7,21,61,560	7,216	7,21,61,560	7,216
Issued during the year	-	-	-	-
Outstanding at the end of the year	7,21,61,560	7,216	7,21,61,560	7,216

b. Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% held	% Change during the year	No. of Shares	% held	% Change during the year
Mrs. Sasikala Raghupathy	1,73,14,450	23.99	(13.24)	2,68,68,450	37.23	-
BGR Investment Holdings Company Limited	3,68,02,400	51.00	13.24	2,72,48,400	37.76	-

Notes to Consolidated Financial Statements

c. Details of shareholdings held by promoters

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% held	% Change during the year	No. of Shares	% held	% Change during the year
Mrs. Sasikala Raghupathy	1,73,14,450	23.99	(13.24)	2,68,68,450	37.23	-
BGR Investment Holdings Company Limited	3,68,02,400	51.00	13.24	2,72,48,400	37.76	-
Mr.S.K Sridhar	4,320	0.01	-	4,320	0.01	-

d. Terms/rights attached to equity shares

The Company has one class of shares referred to as equity shares having a Face value of Rs 10. Each holder of equity shares is entitled to one vote per share.

Non-Current Liabilities

8 FINANCIAL LIABILITIES

8 (a) Borrowings

₹ Lakhs

Non-Current Borrowings	As at Mar 31, 2022	As at Mar 31, 2021
Secured		
Term Loans from Banks	-	-
Borrowings (Non Current)	-	-
Working capital loans from banks	187846	193825
Borrowings (Current)	187846	193825
Total Borrowings	187846	193825

- The balance in project specific escrow, current and EEFC accounts have been netted off against respective project's working capital loan accounts.
- The Company has availed working capital loan from State Bank of India on sole banking basis for its Product business and project business which have not been specifically funded by other banks. The loan is secured by hypothecation of inventories, trade receivables and movable assets of Product Division viz AFC, ETD, OGED, EED and EPD excluding Project assets specifically charged to the banks / Consortium of banks. The loan from State Bank of India is further secured by first charge on land property at Panjetti Village, Tiruvallur Dist, Tamilnadu, land at Nandambakkam, Chennai, corporate guarantee of Sravanaa Properties Limited and first charge on the fixed assets of the Product Division. The Loan is further secured by pledge of shares held by BGR Investment Holdings Company Limited in BGR Energy Systems Limited and the corporate guarantee of BGR Investment Holdings Company Limited.
- The Company has availed contract specific working capital loans from State Bank of India, IDBI Bank, Punjab National Bank, Canara Bank, Bank of Baroda, Indian Bank, Bank of India, Central Bank of India, Axis Bank, ICICI Bank, Kotak Mahindra Bank Ltd, Export Import Bank of India, Union Bank of India and The Karur Vysya Bank Limited. These loans are secured by hypothecation of inventories, trade receivables and movable current assets of the respective contracts. The participating banks share the securities on pari-passu basis.

Notes to Consolidated Financial Statements

- d) The working capital loan from Export Import Bank of India, is further secured by the second charge on current assets of the product divisions.
- e) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Financial Liabilities

8(b) Lease Liability

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Lease Liability - Non Current	-	3
Lease Liability - Current	3	431
Total Lease Liability	3	434

8(c) Trade Payables

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Micro and small enterprises	12551	13478
Others		
Trade Payables	118265	124706
Total Trade Payables	130816	138184
Trade Payables Current	121396	127278
Trade Payables Non Current	9420	10906

Ageing of Trade Payables

₹ Lakhs

S.No	Particulars	Outstanding for following periods from due date of payments				
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
1	MSME	4,365	1,913	2,651	1,573	10,502
2	Others	32,084	10,440	34,981	40,095	1,17,600
3	Sub Total	36,449	12,352	37,632	41,668	1,28,101
4	MSME - Disputed Dues	117	234	606	1,093	2,050
5	Others - Disputed Dues	180	-	80	405	665
6	Sub Total	297	234	686	1,498	2,715
	Total	36,746	12,586	38,318	43,166	1,30,816

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006.

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Group, the following are the details:

Notes to Consolidated Financial Statements

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Principal amount remaining unpaid	12922	13573
Interest due thereon remaining unpaid	3494	2159
Payments made to the supplier beyond the appointed day during the year	6227	8055
Interest paid to the supplier	-	-
Interest due and payable for the period of delay in making payment without adding interest specified under this Act.	-	-
Interest accrued and remaining unpaid	3494	2159
Amount of further interest remaining due and payable in succeeding years	2159	1146

9 NON CURRENT PROVISIONS

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Employee benefit obligations		
Provision for leave encashment	241	272
Provision for gratuity	940	881
Provision for contractual obligation	1300	1300
Provision for warranty	2128	2057
Total Non Current Provisions	4609	4510

10 OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Current maturities of long-term borrowings	-	-
Unpaid dividends	-	8
Interest accrued	170	910
Total	170	918

11 OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Advance from customers	109083	67682
Other payables *	32118	31473
Contract Liability	8395	13519
Total Other Current Liabilities	149596	112674

* Other payables include expenses payable, employee dues, withholding taxes and other statutory dues.

12 PROVISIONS

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Employee benefit obligations		
Provision for bonus	19	30
Provision for leave encashment	109	105
Provision for gratuity	334	333
Others		
Provision for warranty	240	192
Total Provisions	702	660

PROFIT AND LOSS

13 REVENUE FROM OPERATIONS

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Capital Goods	18892	19623
Construction and EPC contracts	101353	91685
Other operating revenues	1825	2664
Total	122070	113972

14 OTHER INCOME

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Dividend from investments - quoted	-	-
Others		
Net gain on disposal of property, plant and equipment	223	12
Net gain on sale of investment	-	-
Interest on advances / deposit / IT-refunds	641	700
Total Income	864	712

15 COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Opening inventory	4692	4371
(Raw materials, consumables, bought outs and components)		
Add : Purchases	75184	67925
	79876	72296
Less: Closing inventory	3734	4692
(Raw materials, consumables, bought outs and components)		
Cost of raw material and components consumed	76142	67604

Notes to Consolidated Financial Statements

16 COST OF MANUFACTURING AND CONSTRUCTION

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Subcontracting and processing charges	13271	25020
Power and fuel	128	154
Cost of manufacturing and construction	13399	25174

17 OTHER DIRECT COST

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Insurance	839	688
Bank charges	3359	2852
Packing and forwarding	115	114
Other direct cost	4313	3654

18 EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Salaries, allowances and bonus	12125	12797
Contribution to P.F., E.S.I.	437	485
Workmen and staff welfare expenses	715	385
Compensated Absences	84	17
Gratuity	202	424
Employee benefits expense	13563	14108

19 FINANCE COSTS

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Interest on working capital loans	19121	21081
Hedging Premium-Expense	1034	664
Interest - others	8881	4680
Finance costs	29036	26425

20 DEPRECIATION AND AMORTIZATION EXPENSE

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Depreciation of tangible assets	2666	2981
Amortization of intangible assets	70	71
Depreciation and amortization expense	2736	3052

21 OTHER EXPENSES

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Rent	480	538
Payment to auditors (refer details below)	79	75
Bank charges	3468	3589
Conveyance and vehicle running expenses	512	502
Trade receivables written off	-	16837
Electricity charges	142	129
Foreign exchange (gain)/loss (net)	(422)	464
Insurance	45	79
Miscellaneous expenses	657	(2033)
CSR expenses	1	-
Professional charges	1511	1491
Rates and taxes	133	169
Repairs and maintenance	903	946
Security charges	255	241
Selling expenses	23	20
Sitting fees	27	30
Telephone expenses	78	97
Travelling expenses	263	252
Total Other expenses	8155	23426

PAYMENT TO AUDITORS

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
- For audit fees	75	71
- For certification and others	4	4
Total Payment to Auditors	79	75

22 CORPORATE SOCIAL RESPONSIBILITY (CSR)

₹ Lakhs

S.No	Particulars	2021-22	2020-21
1	Amount required to be spent by the Company during the year	-	1
2	Amount of expenditure incurred	1	-
3	Shortfall at the end of the year	-	1
4	Total of previous years shortfall	-	-

Notes to Consolidated Financial Statements

S.No	Particulars	2021-22	2020-21
5	Reasons for shortfall	-	-
6	Nature of CSR activities	Deposited in to Swachh Bharat Kosh	
7	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	-	
8	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	

23 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Items that will not be reclassified to Profit/Loss		
Remeasurement of net defined benefit Liability/Asset (net)	(19)	146
Equity Instruments through Other Comprehensive Income (net)	17	27
Items that will be reclassified to Profit/Loss		
Fair value changes on cash flow hedges (net)	(306)	(42)
Total Other Comprehensive Income for the Year	(308)	131

24 EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computation :

₹ Lakhs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Basic EPS		
Profit after tax as per accounts	(18,359)	(36,448)
Weighted average number of equity shares (face value Rs.10 per share) (lakh Nos.)	722	722
Basic EPS (Rs.)	(25.44)	(50.51)
Diluted EPS		
Profit for the year for basic EPS	(18,359)	(36,448)
Less : Adjustment	-	-
Adjusted profit for diluted EPS	(18,359)	(36,448)
Weighted average number of equity shares for Basic EPS (lakh Nos.)	722	722
Add : Adjustment	-	-
Weighted average number of equity shares (face value Rs.10 per share) for diluted EPS (lakh Nos.)	722	722
Diluted EPS (Rs.)	(25.44)	(50.51)

25 FINANCIAL RATIOS

₹ Lakhs

S.No	Ratios	Particulars	Units	2021-22	2020-21	% Inc \ Dec	Reasons
1	Current Ratio	Current Assets / Current Liabilities	Times	0.95	0.98	-4%	
2	Debt-Equity Ratio	Debt / Total Equity	Times	3.44	2.64	30%	
3	Debt Service Coverage Ratio	EBIDTA / (Interest+Principal)	Times	0.22	(0.76)	130%	Reduction in loss
4	Return on Equity Ratio	PAT / Tangible Networkth	%	-34.58%	-49.84%	31%	Reduction in loss
5	Inventory Turnover	Inventory / COGS * 360	No of Days	14	18	-19%	
6	Trade Receivables Turnover	Trade Receivables / Turnover * 360	No of Days	375	423	-11%	
7	Trade Payables Turnover	Trade Payables / COGS * 360	No of Days	502	516	-3%	
8	Net Capital Turnover Ratio	Turnover / Total Equity	Times	2.24	1.55	44%	Reduction in total equity due to loss
9	Net Profit Ratio	PAT / Turnover	%	-15.49%	-32.20%	52%	Reduction in loss
10	Return on Capital Employed	PBT / Total Equity	%	-44.74%	-66.31%	33%	Reduction in loss
11	Return on Investment	Income from Investments / Investments	%	-	-	0%	

26 CONSTRUCTION CONTRACTS

In respect of all construction contracts in progress at the end of the year :

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
The aggregate amount of costs incurred and recognized profits (less recognized losses) (including amounts carried forward from previous years)	1011427	929444
The amount of advances received	109083	67682
The amount of retentions	121641	113796
The gross amount due from customers for contract work as an asset (unbilled revenue)	117145	99336
The gross amount due to customers for contract work as a liability (unearned revenue)	8395	13519

The contract value includes non cash consideration as per the requirement of Ind AS 115. The non cash consideration is valued based on the fair value \ input by the customer.

Notes to Consolidated Financial Statements

27 DEFERRED TAXES

Major components of deferred tax assets and liabilities are as under:

₹ Lakhs

Particulars	Deferred tax asset as at Mar 31, 2022	Deferred tax liability as at Mar 31, 2022	Deferred tax asset as at Mar 31, 2021	Deferred tax liability as at Mar 31, 2021
Property, plant and equipment	-	167	-	331
Other Intangibles	28	-	11	-
Trade Receivables	820	-	876	-
Provisions	326	-	270	-
Customer Retention	-	26711	-	25521
ECL on Contract Asset	1202	-	1073	-
Carry forward tax loss	16368	-	9642	-
Lease Liability (net)	-	-	12	-
Sub Total	18744	26878	11884	25852
Net		8134		13968

INCOME TAX RECONCILIATION

₹ Lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Profit before Income Tax	(24,429)	(48,742)
Enacted Tax Rates in India	25.17%	25.17%
Computed expected Tax expense	(6,149)	(12,268)
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	6,151	12,271
Tax Effects of amounts which are deductible in calculating taxable income	-	-
Tax Reversals	-	-
Income Tax Expense	2	3

The applicable Indian statutory tax rate for fiscal year 2022 is 25.17% and fiscal year 2021 is 25.17%.

28. INTEREST IN OTHER ENTITIES

a) Subsidiaries

The group's subsidiaries at 31st Mar, 2022 are set out below. Unless otherwise states, they have Share capital consisting solely of equity share capital that are directly held by the group, and the proportion of ownership interests held equals to the voting right held by the group.

Name of the entity	Place of business / country of incorporation	Ownership interest held by the Group		Ownership interest held by non controlling interests		Principal activities
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	
i. BGR Boilers Private Limited	Chennai, India	70%	70%	30%	30%	Sales of goods
ii. BGR Turbines Company Private Limited	Chennai, India	74%	74%	26%	26%	Sales of goods
iii Sravanaa Properties Limited	Chennai, India	100%	100%	0%	0%	Leasing of assets

b) Non- Controlling interests (NCI)

Set out below is summarized financial information for each subsidiary that has non controlling interest that are material to the Group. The amounts disclosed for each subsidiary are before inter company eliminations.

₹ Lakhs

Summarized balance sheet	BGR Boilers Private Limited		BGR Turbines Company Private Limited	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Current assets	5994	7416	5207	5092
Current liabilities	19240	16964	3379	3191
Net current assets	(13246)	(9548)	1828	1901
Non-current assets	6343	4003	2877	2830
Non-current liabilities	16	936	1524	1478
Net non-current assets	6327	3068	1354	1351
Net assets	(6919)	(6480)	3182	3252

Accumulated Non-Controlling interests

₹ Lakhs

Summarized balance sheet	BGR Boilers Private Limited		BGR Turbines Company Private Limited	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Revenue	1181	886	375	612
Profit for the Year	(772)	(6998)	(25)	(121)
Other Comprehensive Income	-	-	-	-
Profit allocated to NCI	(232)	(2099)	(6)	(31)
Dividends paid to NCI	-	-	-	-

Notes to Consolidated Financial Statements

29 FINANCIAL INSTRUMENTS

The Carrying Value and Fair Value of Financial Instruments as of Mar 31, 2022 were as follows

₹ Lakhs

Particulars	Financial Assets carried at Amortised Cost	Financial Assets carried at FVTPL	Financial Assets carried at FVTOCI	Total Carrying Value	Total Fair Value
ASSETS					
Cash & Cash Equivalents	27379			27379	27379
Investments:					
Equity Securities and others			22	13	22
Liquid mutual fund units			79	30	79
Trade Receivables	127100			127100	127100
Loans	49539	1094		51741	50633
Other Financial Assets	9027			9027	9027
Total	213045	1094	101	215290	214240
LIABILITIES					
Other Financial Liabilities	170			170	170
Trade Payables	130816			130816	130816
Borrowings	187846			187846	187846
Total	318832	-	-	318832	318832

The Carrying Value and Fair Value of Financial Instruments as of March 31, 2021 were as follows

₹ Lakhs

Particulars	Financial Assets carried at Amortised Cost	Financial Assets carried at FVTPL	Financial Assets carried at FVTOCI	Total Carrying Value	Total Fair Value
ASSETS					
Cash & Cash Equivalents	35381			35381	35381
Investments:					
Equity Securities and others			6	13	6
Liquid mutual fund units			36	30	36
Trade Receivables	133962			133962	133962
Loans	50546	1094		52748	51640
Other Financial Assets	12477			12477	12477
Total	232366	1094	42	234611	233502
LIABILITIES					
Other Financial Liabilities	918			918	918
Trade Payables	138184			138184	138184
Borrowings	193825			193825	193825
Total	332927	-	-	332927	332927

30 FAIR VALUE HIERARCHY

The Following table shows the levels in the fair value hierarchy :

₹ Lakhs

Fair Value measurement at the end of reporting period	As at Mar 31, 2022	As at Mar 31, 2021
ASSETS		
Investments		
Mutual Fund Investments	Level 1	Level 1
Equity Instruments	Level 1	Level 1
Loans and Advances	Level 3	Level 3

Fair value of mutual fund and equity investments is based on quoted price.

For loans and advances fair value is determined using discounted cash flow.

31 RISK MANAGEMENT STRATEGIES

Financial risk management:

The Group's activities exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Group is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and the market value of its investments. Thus the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign currency risk

The Group has entered into various contracts in several currencies and consequently the Group is exposed to foreign exchange risk through its sales, services and purchases from suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward contract to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years. The fluctuations in exchange rate may have an impact on Group's operations.

Foreign currency sensitivity

a. Particulars of unhedged foreign currency exposure are as under :

₹ Lakhs / Foreign Currency in lakhs

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Assets (Trade receivables / advance to suppliers / bank balances)		
In foreign currency		
In USD	362.35	370.86
In EURO	190.91	224.07
In GBP	0.01	3.90

Notes to Consolidated Financial Statements

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
In JPY	2.35	3.05
In AED	0.17	-
In CHF	0.04	0.04
In CNY	-	0.01
In SAR	0.17	-
In Indian currency		
In USD	27,658.21	27,387.98
In EURO	16,372.14	19,568.17
In GBP	0.57	399.52
In JPY	1.48	2.05
In AED	3.61	-
In CHF	3.37	3.20
In CNY	-	0.15
In SAR	3.46	-
Liabilities (Advance from customers/trade payables/buyers credit)		
In foreign currency		
In USD	70.48	70.90
In EURO	163.50	164.06
In GBP	0.24	-
In SAR	-	0.28
In AED	-	0.02
In Indian currency		
In USD	5,379.44	5,236.31
In EURO	14,021.64	14,326.93
In GBP	23.88	-
In SAR	-	5.71
In AED	-	0.39

An appreciation / depreciation of 0.50 percentage points in exchange rate between the INR and USD, the operating margins at the reporting date (31.03.2021) would have increased / (decreased) equity and profit by Rs.138 Lakhs (Rs.137 Lakhs)

The Sensitivity analysis is computed based on the change in the income and expenses in the foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting and the current reporting period

b. Particulars of derivative contracts entered into for hedging purpose outstanding are as under:

₹ Lakhs / Foreign Currency in lakhs

Particulars	As at Mar 31,2022		As at Mar 31,2021	
	Forex Working Capital Demand Loans	Trade payables	Forex Working Capital Demand Loans	Trade payables
Number of contracts	10	-	7	-
Value in foreign currency				
USD	567.36	-	281.50	-
EURO	-	-	-	-
Value in INR	43307	-	20789	-

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates to the Group's long-term debt obligations with floating interest rates.

As at the reporting date the Group's interest – bearing financial instruments were as follows:

₹ Lakhs

Particulars	Carrying amount	
	Mar 31, 2022	Mar 31, 2021
Fixed rate instruments		
Financial assets		
Fixed deposits with banks	34720	43352
Variable rate instruments		
Financial liabilities		
Borrowings from banks	-	-
Working Capital Loans	187846	193825

Interest rate sensitivity

Fair value sensitivity for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity for variable rate instruments

An decrease / increase of 50 basis points in interest rates at the reporting date (31.03.2022) would have increased / (decreased) equity and profit by Rs.954 Lakhs

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of Steel, Cement and other materials. Due to the significantly increased volatility of the price of the raw material, the Group also entered into various purchase contracts for supply of Steel, Cement & other material. However we have escalation clause with some of our clients for variation in the price of commodities.

Notes to Consolidated Financial Statements

Equity price risk

The Group's listed and non-listed securities are susceptible to market price risk arising from uncertainties about future value of the investment securities.

At the reporting date, the exposure to listed securities at fair value was Rs.101 lakhs (Rs.78 lakhs). An increase / decrease of 10% on the BSE Market index could have an impact of approximately Rs. 10.10 Lakhs (Rs. 7.80 lakhs) on the OCI or equity attributable to the Group.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Outstanding customer receivables are regularly monitored and any major export shipments to customers are generally covered by letters of credit. The maximum exposure to the credit risk at reporting date is primarily from trade receivables amounting to Rs.127100 Lakhs

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is limited as we generally invest in banks and financial institutions with high credit ratings. Other financial instruments includes primarily investment in fixed deposits.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings.

The following are the contractual maturities of financial liabilities.

₹ Lakhs

Particulars	Upto 12 months	More than 12 months
Trade payables	121396	9420
Borrowings	187846	-
Other financial liabilities	170	-

Collateral risk

The Company has pledged its short-term deposits of Rs. 33047 lakhs to fulfil the security requirements for the contractual obligations. As at 31 March, 2022, 31 March, 2021 the fair values of the short-term deposits pledged were Rs. 33047 lakhs and Rs. 40934 lakhs respectively.

32 LEASES

The changes in carrying value ROU assets and Lease liabilities for the year ended March 31, 2022 are as follows:

₹ Lakhs

Particulars	ROU Assets As at Mar 31,2022	Lease Liabilities As at Mar 31,2022	ROU Assets As at Mar 31,2021	Lease Liabilities As at Mar 31,2021
Opening balance	388	434	1,264	1,335
Add : Additions during the year	-	-	-	-
Add : Interest cost during the year	-	51	-	115

Notes to Consolidated Financial Statements

Particulars	ROU Assets As at Mar 31,2022	Lease Liabilities As at Mar 31,2022	ROU Assets As at Mar 31,2021	Lease Liabilities As at Mar 31,2021
Less : Deletions during the year	-	-	401	426
Less : Depreciation during the year	385	-	475	-
Less : Payment of Lease Liabilities	-	482	-	590
Closing Balance	3	3	388	434

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the ROU asset, and finance cost for interest accrued on lease liability.

Lease payments of Rs. 479 lakhs (Rs. 533 lakhs) relating to leases with a term of 12 months or less and low value leases are charged to statement of profit and loss

33 CONTINGENT LIABILITIES AND COMMITMENTS

₹ Lakhs

Particulars	As at Mar 31,2022	As at Mar 31,2021
Contingent liabilities		
Claims against the Group not acknowledged as debt		
a) On account of sales tax *	24437	24768
b) On account of income-tax *	2981	3754
c) On account of service tax *	36668	36665
d) On account of provident fund	521	521
e) Others *	20980	49183
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	181	115

* Excludes interest, penalty and self assessment tax paid.

34 SEGMENT INFORMATION

Primary segment information (business segments)

₹ Lakhs

Particulars	2021-22 (Mar-22)				2020-21 (Mar-21)			
	Capital goods segment	Construction and EPC contracts segment	Inter Segment eliminations	Total	Capital goods segment	Construction and EPC contracts segment	Inter Segment eliminations	Total
a) Revenue (net)	19108	102962	-	122070	21024	92948	-	113972
b) Inter Segment sales	67	285	(352)	-	334	-	(334)	-
Total Revenue	19175	103247	(352)	122070	21358	92948	(334)	113972
b) Result	132	3611	-	3743	418	(23447)		(23029)
Add: Unallocated income (net of expenditure)				864				712

Notes to Consolidated Financial Statements

Particulars	2021-22 (Mar-22)				2020-21 (Mar-21)			
	Capital goods segment	Construction and EPC contracts segment	Inter Segment eliminations	Total	Capital goods segment	Construction and EPC contracts segment	Inter Segment eliminations	Total
Profit before interest and tax	(185)	4792		4607	417	(22734)		(22317)
Interest	422	28614		29036	435	25990		26425
Profit before tax	(607)	(23822)		(24429)	(18)	(48724)		(48742)
Tax expenses								
- Current tax				2				3
- Deferred tax				(5834)				(11985)
- Tax - earlier years				-				71
- Total				(5832)				(11911)
Profit for the year				(18597)				(36831)
c) Assets	26283	503093		529376	31772	498508		530280
Add: Unallocated corporate assets				7109				8650
Total assets				536485				538930
d) Liabilities	9084	464661		473745	12255	439196		451451
Add: Unallocated corporate liabilities				8134				13968
Total liabilities				481879				465419

Revenue of approximately INR Rs. 56166 lakhs (31.03.2021 - INR Rs.61624 lakhs) are derived from three external customers. These revenues are attributed to the Construction and EPC contracts segment.

Reconciliations to amounts reflected in the financial statements

₹ Lakhs

Reconciliation of profit	31-Mar-22	31-Mar-21
Segment profit	3743	(23029)
Dividend Income	-	-
Net gain on disposal of property, plant and equipment	223	12
Net gain on sale of investment	-	-
Interest Income	641	700
Profit before interest and tax	4607	(22317)

Reconciliation of assets	31-Mar-22	31-Mar-21
Segment operating assets	5,29,376	5,30,280
Investments	101	78
TDS receivable	7,008	8572
Total assets	5,36,485	5,38,929

Reconciliation of liabilities	31-Mar-22	31-Mar-21
Segment operating liabilities	4,73,745	4,51,451
Deferred tax liabilities (net)	8,134	13,968
Total liabilities	4,81,879	4,65,419

Secondary segment information (geographic segments)

Particulars	Domestic		Overseas		Total	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
External revenue by location of Customers	1,18,709	1,12,424	3,361	1,547	1,22,070	1,13,972
Carrying amount of segment assets by location of assets	1,00,819	1,10,120	-	-	1,00,819	1,10,120

35 RELATED PARTY TRANSACTIONS

Enterprises where significant influence exists and enterprises where key management personnel have significant influence

1. Enexio Power Cooling Solutions Limited
2. GEA BGR Energy System India Limited
3. Pragati Computers Limited
4. Progen Systems and Technologies Limited
5. ANI Constructions Private Limited
6. Sasikala Estate Private Limited
7. BGR Investment Holdings Company Limited
8. Swadhika Foods LLP
9. Nannilam Property Private Limited

Key Managerial Personnel

1. Mr.R.Rameshkumar
2. Ms.Swarnamugi Karthik
3. Mr.Arjun Govind Raghupathy

Relatives of Key Managerial Personnel

1. Mrs. Sasikala Raghupathy (Mother of Ms. Swarnamugi Karthik and Mr.Arjun Govind Raghupathy)
2. Ms. Priyadarshini Raghupathy (Sister of Ms. Swarnamugi Karthik and Mr.Arjun Govind Raghupathy)
3. Ms. Vaani Raghupathy (Sister of Ms. Swarnamugi Karthik and Mr.Arjun Govind Raghupathy)

Notes to Consolidated Financial Statements

(information provided in respect of revenue items for the year ended Mar 31, 2022 and in respect of assets / liabilities as at Mar 31, 2022) ₹ Lakhs

Particulars	Related parties where significant influence exists and where key management personnel have significant influence	Key Management Personnel	Relatives of Key Management Personnel	2021-22	2020-21
Sales	1,361	-	-	1,361	2,400
Purchases	349	-	-	349	711
Remuneration					
a) Short Term Employee Benefits	-	281	50	331	274
b) Post Employment Benefits	-	-	-	-	-
c) Other Long Term Employee Benefits	-	-	-	-	-
d) Termination Benefits	-	-	-	-	-
e) Share Based Payment	-	-	-	-	-
Rent expenses	272	-	-	272	307
Sale of fixed assets	-	-	-	-	-
Others	-	-	25	25	25
Advances given	-	-	-	-	-
Repayment of advance given	-	-	-	-	-
Other Obligations	-	-	-	-	-
Loans & Advanes	-	-	-	-	-
- Loan availed	-	-	-	-	-
- Loan repaid	-	-	-	-	-
Interest on Loan	-	-	-	-	-
Sale of investments	-	-	-	-	-
Balances outstanding	895	-	(162)	733	733

36 IMPAIRMENT OF ASSETS

a. Cash generating units :

There is no impairment loss in cash generating units and hence no provision was made in the financial statements.

b. Other assets :

The Company has made a provision of Rs. 312 Lakhs (Rs. Nil) in the books of accounts towards impairment of other fixed assets based on the technical valuation.

37 REGISTRATION OF CHARGES OR SATISFACTION YET TO BE REGISTERED WITH REGISTRAR OF COMPANIES (ROC)

Satisfaction of Charge pending beyond the statutory period

S.No	Charge Holder Name	Rs.Lakhs	Reasons
1	STATE BANK OF INDIA	4,420	Pending NOC from Charge holder
2	AXIS BANK LIMITED	635	Pending NOC from Charge holder
3	ABN AMRO BANK	189	Pending NOC from Charge holder
4	HDFC BANK LIMITED	126	Pending NOC from Charge holder
5	ICICI BANK LIMITED	114	Pending NOC from Charge holder
TOTAL		5,484	

38 RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company has no transactions \ outstanding balances as on 31.03.2022 with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

39 PROVISIONS

- a) The company has made a provision / transfer of Rs.132 lakhs, (Rs.131 lakhs) towards warranty and contractual obligations on the products supplied / contracts executed by the company during the year. The expenses on account of provision for warranty is grouped under other expenses.

Movement in provisions

₹ Lakhs

Particulars	Provision for Warranty	Provision for Contractual Obligations	Provision for Warranty	Provision for Contractual Obligations
	2021-22	2021-22	2020-21	2020-21
Opening balance	2249	1300	2179	1300
Add : Addition / transfers	132	-	131	-
Less : (a) Provision utilised	(14)	-	(61)	-
(b) Provision reversed	-	-	-	-
Closing balance	2367	1300	2249	1300

- 40 The Consolidated financial statements for the year ending 31.03.2022, have been prepared with the audited financial statements of 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 2021-22, adopted the unaudited financial statements of two subsidiary companies viz., BGR Boilers Private Limited and BGR Turbines Company Private Limited. Subsequently, the financial statements of BGR Turbines Company Private Limited audited without any correction.

- 41 (a) For the current year, the following entities were consolidated based on unaudited financials and the assets, revenues and cash flows of these entities considered in consolidated financial statements are given below.

₹ Lakhs

Name of the Entity	Assets	Revenue	Cash flows
1) BGR Boilers Private Limited	41121	1181	(493)
2) BGR Turbines Company Private Limited	31095	375	(230)

Notes to Consolidated Financial Statements

42 COVID-19 IMPACT

The Company has considered the possible effects that may result from COVID-19 pandemic in the preparation of these consolidated financial statements including the recoverability of carrying amounts of financial and non financial assets. The Company has concluded that the impact of COVID-19 pandemic is not significant based on these estimates. Due to the nature of COVID-19 pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

43 PREVIOUS YEAR FIGURES

Figures of previous year have been regrouped / rearranged, wherever required to conform to the current year presentation.

SASIKALA RAGHUPATHY
Chairperson

S.R.TAGAT
Director

As per our report of even date
for M/s N.R.DORAISWAMI & CO

ARJUN GOVIND RAGHUPATHY
Managing Director

GNANA RAJASEKARAN
Director

Chartered Accountants
Firm Registration No. : 000771S

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

JANAKI C.AMBAT
Director

SUGUNA RAVICHANDRAN
Partner

R.RAMESH KUMAR
Director & Secretary

P.R.EASWAR KUMAR
President & Chief Financial Officer

Membership No.207893
Chennai
May 27,2022

(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

₹ Lakhs

Sl. No.	Name of the subsidiary	Reporting period	Reporting currency	Share capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of share holding
1	BGR Boilers Private Limited	21-22	INR	13558	(36623)	41121	41121	-	1173	(772)	-	(772)	-	70%
2	BGR Turbines Company Private Limited	21-22	INR	18400	(6163)	31095	31095	-	335	(25)	-	(25)	-	74%
3	Sravanaa Properties Limited	21-22	INR	17	13055	13086	13086	-	18	8	2	7	-	100%

SASIKALA RAGHUPATHY
Chairperson

ARJUN GOVIND RAGHUPATHY
Managing Director

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

R.RAMESH KUMAR
Director & Secretary

S.R.TAGAT
Director

GNANA RAJASEKARAN
Director

JANAKI C.AMBAT
Director

P.R.EASWAR KUMAR
President & Chief Financial Officer

As per our report of even date
for M/s N.R.DORAISWAMI & CO

Chartered Accountants
Firm Registration No. : 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893
Chennai
May 27,2022

Financial Information of Subsidiaries

Form AOC-I

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

Part "B": Associates and Joint Ventures

₹ Lakhs

	Name of Associates/Joint Ventures	Mecon-Gea Energy System (India) Ltd (JV)
1	Latest audited Balance Sheet Date	Mar 31, 2022
2	Shares of Associate /Joint Ventures held by the company on the year end	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding %	10% & 30% on two different construction projects
3	Description of how there is significant influence	
4	Reason why the associate/joint venture is not consolidated	Consolidated
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	
6	Profit / (Loss) for the year	Rs. (0.21) Lakhs
	i. Considered in Consolidation	Rs. (0.21) Lakhs
	ii. Not Considered in Consolidation	Rs. Nil

SASIKALA RAGHUPATHY
Chairperson

S.R.TAGAT
Director

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Director

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Partner

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Director & Secretary

P.R.EASWAR KUMAR
President & Chief Financial Officer

Membership No.207893
Chennai
May 27,2022





BGR ENERGY SYSTEMS LIMITED

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