



BGR ENERGY SYSTEMS LIMITED

443 ANNA SALAI, TEYNAMPET, CHENNAI 600018 INDIA

TEL: 91 44 24301000 FAX: 91 44 24360576

E-mail: compliance@bgrenergy.com Web site: www.bgrcorp.com

BeSec/2021
August 18, 2021

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

Department of Corporate Services
BSE Limited
P. J. Towers, Dalal Street
Mumbai – 400 001

NSE Symbol: BGREENERGY

BSE Scrip Code: 532930

Dear Sirs,

SUB: ANNUAL REPORT FOR THE FY 2020-21 AND NOTICE OF 35TH ANNUAL GENERAL MEETING OF THE COMPANY

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith enclose the Annual Report for the FY 2020-21 including notice of 35th Annual General Meeting of the Company scheduled to be held on Friday, September 17, 2021 at 12 noon through Video Conferencing ('VC') facility / Other Audio-Visual Means ('OAVM').

Annual Report for the FY 2020-21 and notice of 35th Annual General Meeting of the Company 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 FY 2020-21 and notice of 35th Annual General Meeting are also uploaded in the website of the Company and can be accessed at https://www.bgrcorp.com/annual_report.php.

Kindly take the same on your records.

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, SULLURPET 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, Corporate Identity No. : 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 35th Annual General Meeting of the Members of BGR Energy Systems Limited will be held on Friday, September 17, 2021 at 12 Noon through Video Conferencing / Other Audio-Visual means to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt (a) the audited financial statements of the Company for the financial year ended March 31, 2021 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, 2021 and the report of Auditors thereon and to pass, the following resolutions as Ordinary Resolutions:
 - a) "RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2021 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, 2021 and the report of Auditors thereon, as circulated to the members, be and are hereby considered, approved and adopted."
2. To appoint Mrs. Swarnamugi R Karthik (DIN:03494012), who retires by rotation as a Director and pass 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, Mrs. Swarnamugi R Karthik, who retires by rotation at this meeting and being eligible, offers herself for re-appointment,

be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

3. Appointment of Mrs. Janaki C Ambat (DIN:08991954) as a Non-executive Independent Director

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 149, 152, Schedule IV read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any and pursuant to Regulation 16(1)(b) and 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as recommended by Nomination and Remuneration Committee Mrs. Janaki C Ambat (DIN:08991954) who was appointed as a Non-Executive (Additional) Independent Director of the Company by the Board of Directors with effect from December 14, 2020, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company for a term of five consecutive years i.e., from December 14, 2020 to December 13, 2025 and she shall not be liable to retire by rotation.

4. 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 all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014

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 2021-22 on a remuneration of Rs.1,50,000/- (Rupees One Lakh and Fifty Thousand) per annum 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

By order of the Board

Place : Chennai

R. RAMESH KUMAR

Date : June 30, 2021

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 view of the outbreak of COVID-19 pandemic, pursuant to General Circular Nos.14/2020, 17/2020, 20/2020, 02/2021 dated 8th April 2020, 13th April 2020, 5th May 2020 and 13th January 2021 respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 12th May 2020 and 15th January 2021 respectively issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 35th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue.
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 there at 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 the 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), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 15, 2021, 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 e-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 2020-21 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 2020-21 will also be available on the Company's website www.bgrcorp.com, websites of the Stock Exchanges i.e. BSE Limited and 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.

Unclaimed Dividend

9. Members who have not encashed their dividends for the FY 2013-14 are requested to write to the Company.
10. Dividend which remains unclaimed out of the dividend declared by the Company for the year ended March 31, 2014 at the Annual General Meeting held on September 25, 2014 will be transferred to the investor education and protection fund of the Central Government in October 2021 in terms of the provisions of Section 124(5) of the Companies Act, 2013. Hence, the shareholders who have not encashed/claimed the dividend for FY 2013-14 are advised to claim the same immediately without any further delay. For those shareholders who have not encashed their dividend for a consecutive period of seven years their shares along with the Dividend will also be transferred to IEPF.

General

11. 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 to consolidate their holdings into one folio.
12. 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

13. 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.
14. 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.

15. 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

16. Members can submit their PAN details to the Company/ Share Transfer Agent (STA).
17. 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, by filling Form SH-13, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., with the Company / STA.
18. 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

19. 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').
20. 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.
21. 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 10, 2021 being the "Cut-off Date" 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 e-Voting at the AGM.

During the day of 35th 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 ANNUAL GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on Tuesday, September 14, 2021 at 09:00 A.M. and ends on Thursday, September 16, 2021 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 10, 2021, 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 10, 2021.

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 circulars 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.	<ol style="list-style-type: none"> <li data-bbox="320 1024 1517 1300">1. 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. <li data-bbox="320 1316 1517 1407">2. 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 <li data-bbox="320 1423 1517 1729">3. 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. <li data-bbox="320 1745 1517 1804">4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

Type of shareholders	Login Method
	<p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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. 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. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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.
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 Fergot 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.

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

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.nsdl.com.
 - b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.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.

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

8. Now, you will have to click on “Login” button.

9. 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 vote 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 circulars 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 at least 72 hours in advance before the start of AGM (i.e.) September 14, 2021 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 statement 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 14, 2021 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

Pursuant to Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, top 1000 listed entities should have one Independent Women Director by April 01, 2020. Accordingly, Mrs. Janaki C Ambat was appointed as a Non-Executive (Additional) Independent Director of the Company for a term of five consecutive years from December 14, 2020 to December 13, 2025, as recommended by Nomination and Remuneration Committee. Pursuant to Section 161 of the Companies Act 2013, she continues to hold the office of Additional Non-executive Independent Director of the Company upto the date of Annual General Meeting.

In terms of Section 149 and other applicable provisions of the Companies Act 2013, and pursuant to Regulation 25 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, Board of Directors have appointed her for a term of five years. The Company has received disclosures from Mrs. Janaki C Ambat under Section 149(6) of the Companies Act 2013, and Regulation 16 of SEBI (Listing obligations and Disclosure Requirements) Regulations 2015, that she meets the criteria of Independence.

In the opinion of the Board, Mrs. Janaki C Ambat fulfils the conditions as specified in the Companies Act, 2013 and rules made there under and under SEBI listing obligations for her appointment as an Independent Director of the Company. The Board also considers that her association/counsel would be beneficial to the Company and is desirable to avail her services as an Independent Director. The Board also opined that she is independent of the management. Mrs. Janaki C Ambat will not be liable to retire by rotation. The Company has also received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing her candidature for the office of Director.

The Board of Directors therefore recommend this ordinary resolution as set out in Item No.3 of this notice for the approval of the members.

Except Mrs. Janaki C Ambat, none of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in this Resolution.

Item No. 4

The Board of Directors of the Company, based on the recommendation of the Audit Committee, at its meeting held on June 30, 2021 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 2021-22. 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.4 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

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	Mrs. Janaki C Ambat	Mrs. Swarnamugi R Karthik
Age	56 years	40 years
Date of birth	27.09.1965	13.09.1981
Date of first Appointment	14.12.2020	08.02.2013
Qualifications	Bachelor of Law	B.Tech (IT), PGD in Embedded System
Expertise in Specific functional Area	Mrs. Janaki C Ambat has about 30 years of rich and vast experience in corporate legal affairs and private practice. She is highly proficient in the areas of IPR, Arbitration and litigation.	Mrs. Swarnamugi R Karthik, is a B.Tech graduate in Information Technology and PGD in Embedded systems. She has been a Director from 2013 and she has vast experience in corporate strategy, operations and management and provides directional support to the management.
Number of Shares held in the Company	NIL	NIL
List of Directorship or other position held in other Listed Companies	NIL	NIL
Chairman/member in the committees of the boards of other listed companies in which he/she is a Director*	NIL	NIL
chairman/member in the committees of the boards of other listed companies in which he/she is a Director*	NIL	NIL

*Excludes BGR Energy Systems Limited

By order of the Board

Place : Chennai

Date : June 30, 2021

R. RAMESH KUMAR

Director & Secretary

**35TH ANNUAL REPORT
2020-21**







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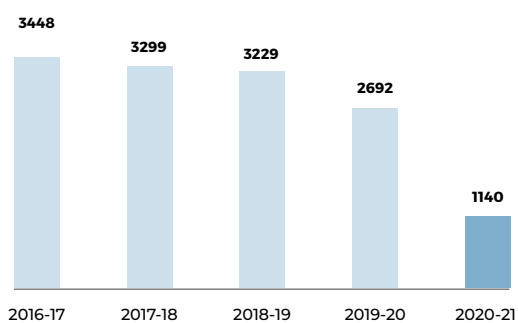
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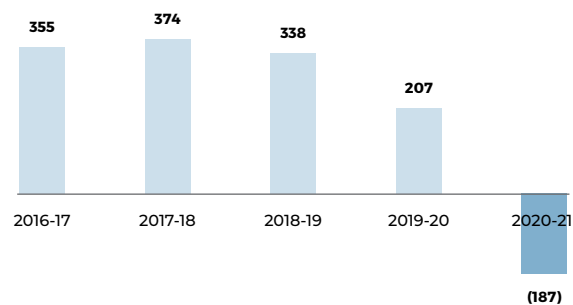
Financial Highlights

(₹ Crores except per share data)

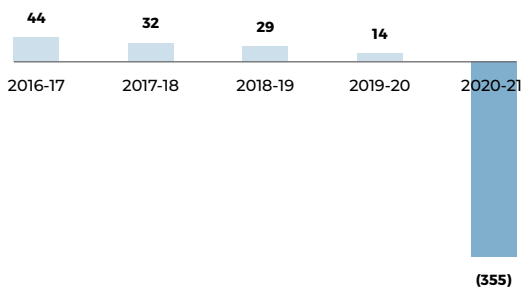
DESCRIPTION	2016-17	2017-18	2018-19	2019- 20	2020- 21
SALES AND EARNINGS					
Sales	3448	3299	3229	2692	1140
Other Income	0	21	1	41	6
EBIDTA	355	374	338	207	(187)
PAT	44	32	29	14	(355)
ASSETS					
Fixed Assets	172	178	177	163	130
Investments	364	364	364	359	360
Other Asset (Net)	3094	3333	3334	3283	2651
Total Assets	3631	3874	3875	3806	3141
FUNDED BY					
Equity Share Capital	72	72	72	72	72
Reserves and Surplus	1305	1333	1334	1345	991
Networth	1378	1405	1406	1417	1063
Deferred Taxes	327	344	344	259	140
Borrowings	1926	2125	2124	2130	1938
Total Liabilities	3631	3874	3875	3806	3141
EPS (Rs.)	6.12	4.49	4.03	1.87	(49.25)



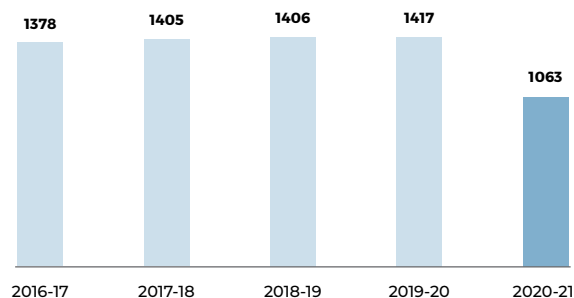
Sales (Rs. in Crores)



EBIDTA (Rs. in Crores)



PAT (Rs. in Crores)



Networth (Rs. in Crores)

BOARD OF DIRECTORS

Sasikala Raghupathy
Chairperson

M.Gopalakrishna
Director

S.A.Bohra
Director

S R Tagat
Director

Janaki C Ambat
Director

Gnana Rajasekaran
Director

Swarnamugi R Karthik
Director - Corporate Strategy

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 600018 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
Canara Bank
Central Bank of India
Export Import Bank of India
ICICI Bank
IDBI Bank
Indian Bank
Kotak Mahindra Bank
Punjab National Bank
The KarurVysya Bank
Union Bank of India

Board's Report

To the Members of BGR ENERGY SYSTEMS LIMITED

Your directors have pleasure in presenting their 35th Annual Report together with the audited financial statements for the year ended March 31, 2021.

FINANCIAL RESULTS

The highlights of the standalone financial performance of the Company during the financial year ended March 31, 2021 as compared with the previous financial year ended March 31, 2020 are given below:

(₹ in Crore)

Description	2020-21	2019-20
Income from operations	1139.72	2692
Other income	6.01	41
Total Income	1145.73	2733
Earnings before Interest, Depreciation, Tax and Amortization	(186.58)	207
Profit before exceptional item and tax	(475.27)	(64)
Tax Expense	(119.85)	(78)
Net Profit after tax	(355.42)	14
Other Comprehensive income(net)	1.31	-2.37
Net Worth	1063.10	1417

DETAILS OF MATERIAL CHANGES FROM THE END OF THE FINANCIAL YEAR TILL DATE OF THIS REPORT

There has been a significant material change and commitments after the closure of the Financial Year 2020-21. The Letter of Intent for the 1x660 MW Supercritical Ennore Thermal Power Station Expansion contract valuing Rs.4442.75 Crore from the Company's client TANGEDCO was cancelled. The Company has challenged the cancellation before the Hon'ble High Court of Madras and the writ petition is pending adjudication. Pursuant to the interim direction of the court the Company submitted a proposal for resolution and it is under consideration of TANGEDCO. This cancellation of LoI for large contract would have adverse impact on the financials of your Company if not resolved in the Company's favour.

The rapid spread of COVID-19 outbreak, across countries and geographies, has severely impacted the world and triggered new and significant downside risks to the overall global economic outlook and India is no exception leading to reduced investments. Due to the lockdown announced by the Government of India from 25th March, 2020, slowdown of the power sector and in particular, the thermal sector, the operations of the Company at several worksites came to a halt. The frequent lockdowns and restrictions imposed on various

activities due to the pandemic are posing challenges to the business of your Company.

The moratorium on debts and interest payments has provided some relief to the severely impacted liquidity position and operating cash flows. The Company finds it difficult to predict any industry wide scenario for the immediate short term. The Company expects to resume normal operations soon after lifting of lockdown, improvement of economic conditions and free movement of men and materials. Despite the uncertainties, the Company is taking several measures to mitigate the risks and adverse impact by reducing costs, and continuously realigning the operations. The situation is being monitored closely to chart out the immediate actions and future course.

DIVIDEND

As the Company has incurred loss during the year, the Board of Directors have not recommended any dividend for the year.

TRANSFER TO RESERVE

The Company has made no transfer to Reserve for the year.

COMPANY'S OPERATING PERFORMANCE AND STATE AFFAIRS

Your Company continues to maintain competitive edge in most of its businesses. However, 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. Your Company has initiated strategic steps to leverage its proven design, engineering, construction and project management capabilities and is poised to enter other key sectors of economy namely Water supply and purification, Infrastructure, Highways and Roads, Transportation logistics and related Construction. These measures are expected to yield results quickly. Your Company's manufacturing businesses have shown improvement and are expected to post good performance in the light of expected project investments in India and abroad.

The Company's state of affairs, operations review and future outlook have been discussed and analysed more in depth in the Management Discussion & Analysis report (Annexure VI) forming part of this Directors report.

SUBSIDIARIES AND JOINT VENTURES

BGR Boilers Private Limited, which supplies 660 MW super critical steam generators, made an operating income of Rs.8.45 Crores and incurred a loss of Rs.69.98 Crores in the year 2020-21. BGR Turbines Company Private Limited, which supplies 800MW super critical steam turbine and generators, has recorded an operating

income of Rs. 5.45 Crores and a loss of Rs. 1.21 Crores in the year 2020-21. There has been no material change to the financial position of the wholly owned subsidiary Sravana 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 Section 134(1) Companies Act, 2013 and implementation requirements of Indian Accounting Standards (IndAS) Rules on accounting and disclosure requirements, and as prescribed by Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 attached 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, and 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

In accordance with the provisions of Companies Act, 2013, Mrs. Swarnamugi R Karthik, Director retires by rotation and being eligible offers herself for re-appointment. A brief profile of Mrs. Swarnamugi R Karthik, (DIN 03494012) will be given in the notice convening the 35th Annual General Meeting of the Company. The Board of Directors recommends proposed re-appointment of Mrs. Swarnamugi R Karthik.

Mrs. Janaki C Ambat (DIN : 08991954) has been appointed as an Additional Independent Director for a period of five years with effect from December 14, 2020. The Company has received a notice from a member signifying her candidature for the position of Independent Director.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company has received annual declarations from all the Independent Directors of the Company confirming that they have already registered

their names with the data bank maintained by the Indian Institute of Corporate Affairs as prescribed by the Ministry of Corporate Affairs under the relevant rules.

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, 5 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 as 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 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.

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.

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 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, 2021 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.18,14,442/- being the unclaimed dividend declared by the Company for the financial year ended March 31, 2013 was transferred to the Investor Education and Protection Fund of the Central Government in October 2020 after giving sufficient notice to the concerned shareholders.

Dividend which remains unclaimed out of the dividend declared by the Company for the financial year ended

March 31, 2014 at the Annual General Meeting held on September 25, 2014 will be transferred to the Investor Education and Protection Fund of the Central Government in October 2021 pursuant to the provisions of Section 124(5) of the Companies Act, 2013. Thereafter no claim shall lie on these dividends from the shareholders.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Rules made thereunder the shares pertaining to the unclaimed dividend for the FY 2012-13 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 (Annexure VII) 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

Your Company has not accepted deposits from the public and hence did not have outstanding deposits any time during the year under review.

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 I. During the FY 2020-21, the Foreign exchange earnings and outgo were Rs.41.85 Crores and Rs.2.33 Crores 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 Karthik and Mr. Gnana Rajasekaran as members of the Committee. The CSR Policy formulated and recommended by the Committee is in place. The Policy is in line with Schedule VII of the Companies Act, 2013 and will be restated so as to be in compliance with the Companies Act 2013 as amended in 2021. The Company is focusing on CSR activities pertaining to education, health, skill development and destitute women care and welfare. The information of CSR Policy and activities are given in the Corporate Governance Report. The Annual Report on CSR activities is annexed herewith as Annexure II.

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.36 to the Financial Statements.

RELATED PARTY TRANSACTIONS

The transactions with related parties entered into during the financial year are in the ordinary course of business and on an arm's length basis were placed before the Audit Committee and approved. The transactions with related parties, which were not in ordinary course of business or on arm's length were placed before the Board for approval based on the recommendation of the Audit Committee. All related party transactions were made in compliance with Section 188 read with Section 177 of the Companies Act 2013 and SEBI (LODR). 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 AND 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 2020-21, the Company has received a notice from National Stock Exchange of India limited for non-compliance of regulation 17(1) of SEBI (Listing Obligation And Disclosure Requirements) regulation, 2015. Due to Covid Situation, the Company was unable to identify Independent Women Director. After relaxation of lockdown the Board identified Mrs. Janaki C Ambat and appointed her on the Board on December 14, 2020 and complied with the said provisions of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. Apart from this there were 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, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any ;
- b) the Directors have 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, 2021 and of the loss of the Company for the Financial year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies 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, 2021 on a going concern basis.
- 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 AUDITOR'S 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 36th Annual General Meeting to be held in the year 2022. N. R. Doraiswami & Co have confirmed that they are not disqualified from continuing as Auditors of the Company for the FY 2021-22.

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 appointed A N Raman & Associates, Cost Accountants as the Cost Auditor of the Company for the Financial year 2020-21 under Section 148 of the Companies Act, 2013. The Cost Audit Report for the financial year ended March 31, 2020 issued by A. N. Raman & Associates, Cost Accountants was submitted to the Central Government on October 6, 2020.

SECRETARIAL STANDARDS AND SECRETARIAL AUDIT

The Board of Directors confirm that your Company has complied with the applicable Secretarial Standards during the year 2020-21.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. V. Suresh, Company Secretary in practice to undertake the secretarial audit of the Company. The Report of secretarial audit is annexed as Annexure - IV. The audit report is unqualified and without reservation or adverse comment on compliance.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors 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

A Report on Management Discussion & Analysis of Performance (Annexure VI) and Compliance of Corporate Governance 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.

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, 2021 is available on the company's website. The link is provided here under www.bgrcorp.com/annual_report/annualreport2020-21/MGT7.

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.

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 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.

Annexure	Particulars
I	Energy conservation and Technology absorption
II	Annual Report on CSR activities
III	Remuneration Policy
IV	Secretarial Audit Report
V	Corporate Governance Report along with the Certificate of Auditors
VI	Management Discussion & Analysis Report

For and on behalf of the Board

Place : Chennai
Date : June 30, 2021

SASIKALA RAGHUPATHY
Chairperson

ANNEXURE I**ENERGY CONSERVATION**

Manufacturing units of the Company have implemented energy conservation measures during the year 2020 -21 as given below.

ENERGY CONSERVATION

1. Two numbers energy efficient inverter type SAW machines added in header box production line 2021 and the expected energy saving is estimated to be 1400 kwh /year.
2. Added one extruded finning machine with energy efficient siemens drives.
3. The changeover of conventional outdoor street lights to LED industrial lighting system implemented at unit 2 location and the same will be extended further to Unit 1 Location. Expected energy saving up to 2,000 kwh / Year.

ANNEXURE II

ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

- Brief outline of CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company's CSR policy has been uploaded in the website of the Company under the weblink: https://www.bgrcorp.com/policy/CSR_Policy.pdf. The Company, through its CSR programs, is committed to contribute to the cause of social, economic and infrastructural development of places and locations where its operations are carried on and thereby seeks to support and promote such society and community and earn goodwill of the public and authorities concerned. The projects under taken will be within the broad frame work of Schedule VII to the Companies Act, 2013. The Company is presently engaged on CSR activities pertaining to Education, Health, skill development and care of destitute women.

- Composition of CSR Committee:
Mrs.Sasikala Raghupathy, Chairperson
Mrs.Swarnamaugi Karthik
Mr.GnanaRajasekaran
- Average net profit of the Company for the last three financial years:
Rs.60 Lakhs
- Prescribed CSR Expenditure(two percent of the amount as in item 3 above):
Rs.1 Lakh
- Details of CSR spent during the financial year 2020-21
 - Total amount to be spent for the FY 2020-21
Rs.1 Lakh
 - Amount unspent, if any.
Rs.1 Lakh
 - Manner in which the amount spent during the FY 2020-21

CSR Project or activity identified	Sector in which Project is covered	Projects or Programs (1)Local area or other (2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project/ program wise	Amount spent on projects or programs Sub-heads (1)Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
-	-	-	-	-	-	-
-	-	-	-	-	-	-

- Reasons for not spending the amount during FY 2020-21

Company is in the process of identifying programs/projects for spending the CSR funds so as to obtain the real objective.

- Responsibility Statement:

The implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Place : Chennai

Date : June 30, 2021

ARJUN GOVIND RAGHUPATHY

Managing Director

SASIKALA RAGHUPATHY

Chairperson of CSR Committee

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 talent 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 more fully and particularly envisaged under Section 178 of the Companies Act, 2013 and principles pertaining to determining qualifications, positive attributes, integrity and independence.

3. 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 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.

Remuneration Policy

- 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 2020-21

[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.

We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and for the purpose of issuing this Report.

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 2021, 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 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the

extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;- The Company has no Foreign Direct Investment or Overseas Direct investment and External Commercial Borrowings and hence 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 subject to the following observations:

- (i) The Company did not have a Women Independent Director till 14th December 2020. The National Stock Exchange of India Ltd (NSE) levied fine for non-compliance of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the following quarters.

S.No	Quarter ended	Fine Paid to NSE
1	30th June 2020	5,02,775/-
2	30th September 2020	5,08,300
3	31st December 2020	-

In respect of the 3rd quarter 31.12.2020, NSE levied a fine of Rs.4,36,600/- for non-compliance of the same provision. But the Company has requested for a waiver of the said fine on the ground that it has appointed a Women Independent Director on 14.12.2020 and complied with the said regulation. The reply from NSE is awaited.

- (ii) The Company has an unspent Corporate Social Responsibility (CSR) amount of Rs.1,00,000/- as on 31st March 2021.

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

Place : Chennai
Date : June 24, 2021

Peer Review Cert. No: 667/2020
UDIN:F002969C000508091

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:F002969C000508091

Place : Chennai

Date : 24.06.2021

Annexure V

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, 2021 of whom one is promoter non-executive director, two are promoter executive directors, one professional executive director and five independent directors. 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 whole-time 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, 2021 have been made by the Directors. The Board confirms that the Independent Directors fulfil the conditions specified in these regulations and that they are independent of the management.

MEETINGS AND ATTENDANCE OF THE BOARD DURING THE YEAR

The Board Meetings were held at Corporate Office. 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 succeeding 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 on 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, Share Transfer and Committee of Directors. and minutes of Subsidiary companies
- 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 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 recommends on appointment of internal auditors statutory auditors, secretarial auditors and cost 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 2020 - 21, 5 (five) Board Meetings were held on June 30, 2020, September 11, 2020, November 11, 2020, December 14, 2020 and February 12, 2021 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 12, 2021 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, 2020 AND PARTICULARS OF THEIR DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS IN OTHER COMPANIES ARE GIVEN BELOW:

Name & Category of the Director	Attendance at meetings during 2020-21		No. of Directorship in other Companies [@]	No. of Committee Membership & Chairmanship in other Companies [#]
	Board Meetings	At Last AGM held on September 17, 2020		
Mrs. Swarnamugi R Karthik, Director – Corporate Strategy, Promoter / Executive	5	Yes	9	-
Mr. R. Ramesh Kumar, Director & Secretary, Executive	4	Yes	2	-
Mr. V.R. Mahadevan,* Joint Managing Director	1	N.A.	-	-
Mr. Arjun Govind Raghupathy, Managing Director, Promoter / Executive	5	Yes	8	-
Mrs. Sasikala Raghupathy, Chairperson, Promoter / Non-Executive	5	Yes	8	-
Mr. M.Gopalakrishna, Director, Independent	5	Yes	6	4
Mr. S.A.Bohra, Director, Independent	5	Yes	-	-
Mr. S.R.Tagat, Director, Independent	5	Yes	-	-
Mr. Gnana Rajasekaran, Director, Independent	5	Yes	1	1
Mrs. Janaki C Ambat, Director, Independent	1	N.A.	-	-

Yes – Present, No – Absent, NA – Not Applicable

@ Excludes private companies and foreign companies.

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

* Mr. V. R. Mahadevan vacated his office with effect from June 30, 2020.

(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 holds directorship in any other listed entities		

(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,Chairperson	Y	Y	Y	Y	-
Mr. R. Ramesh Kumar, Director & Secretary	Y	Y	Y	Y	Y
Mr.Arjun Govind Raghupathy, Managing Director	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	-
Mr.Gnana Rajasekaran	Y	Y	Y	Y	-
Mrs. Janaki C Ambat	Y	Y	Y	Y	Y

Mrs. Swarnamugi R Karthik, and Mr.Arjun Govind Raghupathy, are 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

Report on Corporate Governance

the website of the company and web link for the same is http://www.bgrcorp.com/policy/Familiariation_program.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.

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 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 members 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 Financial Year 2020-21 on June 29, 2020, September 11, 2020, November 11, 2020 and February 12, 2021.

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	5
Mr. S.A. Bohra	5
Mr. M. Gopalakrishna	5
Mrs. Swarnamugi R Karthik	5

The Chairperson of the Audit Committee Mr. S. R.Tagat attended the previous Annual General Meeting of the Company held on September 17, 2020.

COMMITTEE OF DIRECTORS

The Committee of Directors reconstituted with effect from November 11, 2020 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. Mrs. Swarnamugi R Karthik, Director – Corporate Strategy; and

The quorum for Committee meetings is three.

There were 6 (six) meetings of Committee of Directors held during Financial Year 2020-21 on July 30, 2020, September 25, 2020, October 08, 2020, December 19, 2020, February 06, 2021 and March 23, 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	6
Mrs. Swarnamugi R Karthik	6
Mr. R. Ramesh Kumar	6
Mrs. Sasikala Raghupathy	6

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 Raaghupathy, Managing Director or Ms. 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 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. Recommend 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 2020-21 on June 30, 2020 and December 14, 2020.

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 judgement 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 2020-21

(₹ in Lakh)

Name of Director	Remuneration		Sitting Fees *
	Salary & Allowances	Bonus / Ex-gratia	
Mrs. Swarnamugi R Karthik, Director - Corporate Strategy	77.94*	-	-
V.R. Mahadevan, (#) Joint Managing Director	31.33*	-	-
Mr. R. Ramesh Kumar, (*) Director & Secretary	122.06*	-	-
Mr. Arjun Govind Raghupathy, Deputy Managing Director & COO	-	-	-
Mrs. Sasikala Raghupathy, Chairperson	-	-	5.40
Mr. M. Gopalakrishna, Director	-	-	6.00
Mr. S.A. Bohra, Director	-	-	6.40
Mr. S.R. Tagat, Director	-	-	6.20
Mr. Gnana Rajasekaran, Director	-	-	5.40
Mrs. Janaki C Ambat, Director	-	-	1.00

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

(#) Mr. V. R. Mahadevan vacated his office with effect from June 9, 2020.

(*) Mr. R. Ramesh Kumar appointed as Whole Time Director with effect from July 1, 2020.

Details of Shares of the Company held by Directors as on March 31, 2021.

Name	Number of Shares held
Mrs. Swarnamugi R Karthik	-
Mr. R. Ramesh Kumar	5546
Mr. Arjun Govind Raghupathy	-
Mrs. Sasikala Raghupathy	2,68,68,450
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 and non-receipt of refund amount in IPO, non-credit of shares allotted in IPO and others.

During the Financial Year, the Company received 2 complaints from investor / shareholder. The complaint was attended to as per applicable guidelines and regulations. Further 2 complaints are awaiting adjudication by a Civil Court and Consumer Forum. As at March 31, 2021, there were no pending share transfers. During the Financial Year the Committee had a meeting on November 11, 2020 which was attended by all the members 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.

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, transmission of equity shares.
- To register power of attorney or any similar documents.
- To sub-divide, split, consolidate and issue share certificates.
- 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 a member and secretary.

GENERAL MEETINGS

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

Financial Year	Date	Time	Venue
2019 - 20	September 17, 2020	3.00 P.M.	Video Conference / Other Audio Visual means
2018 - 19	August 14, 2019	3.00 P.M.	Registered Office
2017 - 18	September 26, 2018	3.00 P.M.	Registered Office

- Special resolution passed in the previous three annual general meetings;

Financial Year	Date of AGM	Details of special resolution
2019-20	17.09.2020	<ol style="list-style-type: none"> Appointment of Mr.R.Ramesh Kumar as Whole Time Director of the Company. Waiver of recovery of excess remuneration paid to Mr.A.Swaminathan, Director - Engineering & Construction Business during the FY 2019-20.

Financial Year	Date of AGM	Details of special resolution
		<p>3. Waiver of recovery of excess remuneration paid to Mr. V. R. Mahadevan, Joint Managing Director during the FY 2019-20.</p> <p>4. Waiver of recovery of excess remuneration paid to Mrs. Swarnamugi R Karthik, Director – Corporate Strategy during the FY 2019-20.</p> <p>5. Waiver of recovery of excess remuneration paid to Mr. Arjun Govind Raghupathy, Deputy Managing Director during the FY 2019-20.</p> <p>6. Payment of minimum remuneration to Mr. Arjun Govind Raghupathy, Managing Director – for rest of his tenure of appointment.</p> <p>7. Payment of minimum remuneration to Mrs. Swarnamugi R Raghupathy, Director – Corporate Strategy for rest of her tenure of appointment.</p> <p>8. Payment of minimum remuneration to Mr. V. R. Mahadevan, Joint Managing Director for rest of his tenure of appointment.</p>
2018-19	14.08.2019	<p>1. Re-appointment of Mr. Gana Rajasekaran as an independent director of the Company.</p> <p>2. Waiver of recovery of excess remuneration paid to Mr. A. Swaminathan, Director – Engineering & Construction Business during the FY 2018-19.</p> <p>3. Waiver of recovery of excess remuneration paid to Mr. V. R. Mahadevan, Joint Managing Director during the FY 2018-19.</p> <p>4. Waiver of recovery of excess remuneration paid to Mrs. Swarnamugi R Karthik, Director-Corporate Strategy during the FY 2018-19.</p> <p>5. Waiver of recovery of excess remuneration paid to Mr. Arjun Govind Raghupathy, Deputy Managing Director & COO for the FY 2018-19.</p>

Financial Year	Date of AGM	Details of special resolution
		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.
2017 - 18	26.09.2018	Appointment of Mrs. Swarnamugi R Karthik as Director – Corporate Strategy of the Company.

3. No special resolution was passed through postal ballot during the Financial Year 2020-21. 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

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

GENERAL SHAREHOLDER INFORMATION

Day, date time and Venue of the 35th Annual General Meeting:

AGM Date & Time	:	September 17, 2021 @ 12:00 Noon
Venue	:	Annual General Meeting will be held through Video Conferencing (VC) and Other Audio Visual Means (OAVM). The Corporate office i.e. 443, Anna Salai, Teynampet, Chennai - 600018 shall be deemed as the venue of the meeting.

Report on Corporate Governance

The details about the financial year and listing:

Financial Year	:	April 1, 2020 to March 31, 2021
Listing on Stock Exchanges	:	National Stock Exchange of India Limited BSE Limited The listing fees for the Financial Year 2020-21 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		SENSEX	
	High (₹)	Low (₹)	High	Low
Apr-20	26.30	20.70	33887.25	27500.79
May-20	30.50	21.95	32845.48	29968.45
Jun-20	41.90	26.50	35706.55	32348.10
Jul-20	65.10	31.60	38617.03	34927.20
Aug-20	46.00	37.30	40010.17	36911.23
Sep-20	41.40	31.95	39359.51	36495.98
Oct-20	35.50	31.80	41048.05	38410.20
Nov-20	38.45	31.10	44825.37	39334.92
Dec-20	59.40	37.60	47896.97	44118.10
Jan-21	48.95	39.00	50184.01	46160.46
Feb-21	48.80	40.35	52516.76	46433.65
Mar-21	53.35	42.45	51821.84	48236.35

Stock Market Price Data & Stock performance in NSE:

Month	NSE		NIFTY	
	High (₹)	Low (₹)	High	Low
Apr-20	26.25	20.85	9889.05	8055.80
May-20	31.50	21.85	9598.85	8806.75
Jun-20	42.00	26.25	10553.15	9544.35
Jul-20	65.35	32.55	11341.40	10299.60
Aug-20	45.90	37.10	11794.25	10882.25
Sep-20	41.40	32.15	11618.10	10790.20
Oct-20	35.60	31.25	12025.45	11347.05
Nov-20	38.45	30.80	13145.85	11557.40
Dec-20	59.45	37.55	14024.85	12962.80
Jan-21	48.00	40.15	14753.55	13596.75
Feb-21	49.00	40.75	15431.75	13661.75
Mar-21	53.45	42.25	15336.30	14264.40

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: rnt.helpdesk@linkintime.co.in
Contact Person: Mr. Bharat Rajpurohit, 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

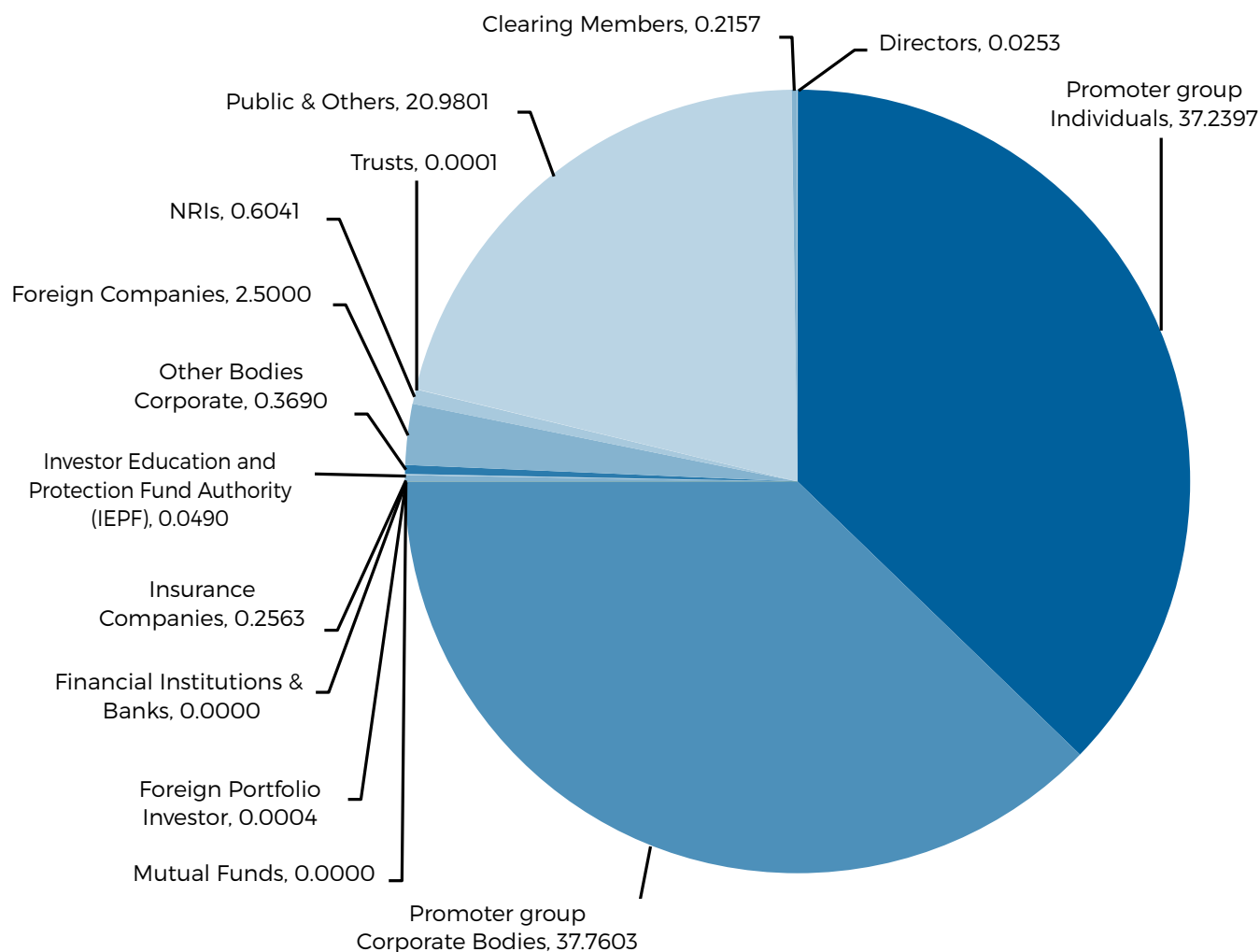
Share transfers in physical mode are processed and approved, subject to receipt of all requisite documents. The Company ensures that all transfers are approved for registration within the stipulated period. With a view to expediting the approval process, the Board of Directors has constituted Share Transfer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

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2021

Shareholding	No. of Shareholders	% of total	No. of Shares	% of total
1 - 500	73908	93.2711	5264161	7.2950
501 - 1000	2901	3.6610	2337676	3.2395
1001 - 2000	1418	1.7895	2132197	2.9548
2001 - 3000	400	0.5048	1012018	1.4024
3001 - 4000	181	0.2284	651580	0.9029
4001 - 5000	122	0.1540	571120	0.7914
5001 - 10000	189	0.2385	1378853	1.9108
10001 and above	121	0.1527	58813955	81.5032
TOTAL	79240	100.00	72161560	100.00

SHAREHOLDING PATTERN AS ON MARCH 31, 2021

SI No	Category	Shares	Holders	Percent	% Change during the year
1	Promoter group - Individuals	26872770	2	37.2397	0.0000
2	Promoter group - Corporate Bodies	27248400	1	37.7603	0.0000
3	Mutual Funds	0	0	0.00	-0.8315
4	Foreign Portfolio Investor	287	1	0.0004	0.0004
5	Financial Institutions & Banks	0	0	0.00	-0.1060
6	Insurance Companies	184971	1	0.2563	0.0000
7	Investor Education and Protection Fund Authority (IEPF)	35264	1	0.0490	0.0189
8	Other Bodies Corporate	266308	229	0.3690	-1.0820
9	Foreign Companies	1804057	2	2.50	0.0000
10	NRIs	435946	616	0.6041	0.0459
11	Trusts	84	1	0.0001	0.0000
12	Public & Others	15139601	77078	20.9801	1.8759
13	Clearing Members	155637	83	0.2157	0.0793
14	Directors	18235	2	0.0253	-0.0010
	Total	72161560	78017	100.00	



DEMATERIALIZATION 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, 2021, except 517 equity shares, the entire paid up equity share capital were held in dematerialisation form of which NSDL constitutes 90.32% and CDSL constitutes 9.68%. The ISIN of the Company's equity shares is INE661I01014. 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 2020-21, 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 No. 23 and 32 to 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) 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 employees 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 2020-21
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

DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE

Due to the COVID 19 pandemic the company was unable to process and appoint a women independent director in due time for the first and second quarter for which there was a non-compliance under Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Later, on December 14, 2020, company appointed a women independent director. In respect of this the company has paid fine to the Stock exchange for first quarter and second quarter amounting to Rs.10,79,700/-.

CREDIT RATING

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

Rating Agency : CARE RATINGS LIMITED

Date : July 22, 2020

FACILITIES	AMOUNT (Rs. Crore)	RATING	RATING ACTION
Long-term Bank Facilities	2888	CARE BBB; Negative (Triple B; Outlook: Negative)	Revised from CARE BBB; Stable (Triple B; Outlook: Stable)
Long-term / Short-term Bank Facilities	5330	CARE BBB; Negative / CARE A3 (Triple B; Outlook: Negative / A Three)	Revised from CARE BBB; Stable / CARE A3 (Triple B; Outlook: Stable / A Three)
Total Facilities	8218		

Report on Corporate Governance

Rating Agency : BRICKWORK RATINGS INDIA PRIVATE LIMITED

Date : September 4, 2020

FACILITIES / INSTRUMENT	AMOUNT (Rs. Crore)		TENURE	RATING	
	Previous	Present		Previous	Present
Fund Based - CC	2309	2188	Long Term	BWR BBB+ (Stable)	BWR BBB (Stable) Downgraded
Fund Based – CC (Proposed)	800	800			
Non – Fund Based – LC / BG	4720 [^]	4240 [^]	Short Term	BWR A2	BWR A3+ Downgraded
Non – Fund Based – LC / BG (Proposed)	1200	1200			
Total	9029	8428			

[^]Includes LC limits which is a sub limit of fund-based facility (CC) of Rs. 315 Crs.

Date : March 4, 2021

FACILITIES / INSTRUMENT	AMOUNT (Rs. Crore)		TENURE	RATING	
	Previous	Present		Previous	Present
Fund based					
Cash Credit Existing	2188	2111	Long Term	BWR BBB (Stable)	BWR BBB (Negative)
Cash Credit – Proposed	800	800			
Non-fund based					
Letter to Credit	95	85	Short Term	BWR A3+	BWR A3
Bank Guarantee	4145	4109			
LG / BG Proposed	1200	1200			
Total	8428	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

Sl. No.	PARTICULARS	WEBSITE LINK FOR DETAILS / POLICY
6.	Criteria of making payments to non-executive directors, if the same has not been disclosed in Annual Report	<u>Disclosed in Annual report</u>
7.	Related party transaction policy	https://www.bgrcorp.com/policy/Related_party_transactions_policy.pdf
8.	Material subsidiaries policy	https://www.bgrcorp.com/policy/Material_subsidary_policy.pdf
9.	Familiarisation programme imparted to independent directors	https://www.bgrcorp.com/policy/Familiariation_program.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
12.	Financial information	
	a) Notice of Board Meeting	https://www.bgrcorp.com/corporateannouncements.php
	b) Financial Results	https://www.bgrcorp.com/financials.php
	c) Annual report	https://www.bgrcorp.com/financials.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/index.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	https://www.bgrcorp.com/index.php

PLANT LOCATIONS

1. Panjetty Village, Ponneri Taluk, Ponneri, Tamil Nadu. (Two factories).
2. Thurai Nallur village, Pudukovoyal Arni Road, Pudukovoyal Post, Ponneri Taluk, Tiruvallur District.
3. 22, Kamaraj Salai, Thattanchavadi Industrial Estate, Oulgaret Municipality, Pudukcherry.

MAJOR PROJECT LOCATIONS

1. 2 x 660 MW Boiler and its auxiliary project of NTPC at Solapur, Maharashtra.
2. 2 x 660 MW Boiler and its auxiliary project of NTPC at Meja, Uttar Pradesh.
3. 2 x 800 MW STG and its auxiliary plant at NTPC at Lara, Chhattishgarh.
4. 2 X 660 MW BoP project of OPGCL at Banaharpalli Village, Jhasarguda District, Odisha.
5. 1x800MW-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 Puzhudhivakkam 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.

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 Laws

The Company diligently complies with laws relating to securities and capital markets. However, due to COVID 19 pandemic the company was unable to process and appoint a women independent director as per Regulation 17 (1) of SEBI (LODR) Regulations, 2015, in due time during first quarter and second quarter. Later company appointed a women independent director on December 14, 2020. In respect of this the company has paid fine to Stock exchange for first quarter and second quarter amounting to Rs. 10,79,700/-. Apart from the above, 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.

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, 2021 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 2020-21 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.40,13,615/- has been paid by the Company for all services provided by the statutory auditors during the Financial Year 2020-21.

- 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.

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.

For and on behalf of the Board of Directors

Place : Chennai
Date : June 30, 2021

SASIKALA RAGHUPATHY
Chairperson

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 our 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, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

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	19-07-2008	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	01-07-2020	01-07-2020
8.	Mrs. Swarnamugi R Karthik	03494012	25-09-2013	08-02-2013
9.	Mrs. Janaki C. Ambat	08991954	14-12-2020	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: F004347C000553709

Place : Chennai
Date : 30-06-2021

Certifications

CEO / CFO CERTIFICATION

To the Board of Directors

BGR ENERGY SYSTEMS LIMITED

We, Arjun Govind Raghupathy Managing Director and P.R. Easwar Kumar, President & Chief Financial Officer of BGR Energy Systems Limited to the best of our knowledge and belief certify that;

- a) We have reviewed financial statements and the Cash flow Statement of the Company for the year 2020-21:
 - i) these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these financial statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's Code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

ARJUN GOVIND RAGHUPATHY
Managing Director

P. R. EASWAR KUMAR
President & CFO

Place : Chennai

Date : June 30, 2021

DECLARATION BY THE CEO UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015.

To

The Members of
BGR Energy Systems Limited

I, Arjun Govind Raghupathy Managing Director of BGR Energy Systems Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and the senior management personnel have affirmed compliance with the Code of conduct of the Company for the year ended March 31, 2021.

Place : Chennai

Date : June 30, 2021

ARJUN GOVIND RAGHUPATHY

Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of
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, 2021 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, except the following:

The Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020 as per Regulation 17 (1) of SEBI (LODR) Regulations, 2015. We note that BGR Energy Systems Limited comes under the top 1000 listed entities and they appointed women director on 14-12-2020 and NSE has levied a fine of Rs.10,79,700 for the delay in appointment of women Independent Director. On discussion with the management, we understand that the company was in the process of searching the independent director and there was a delay due to COVID-19 Pandemic and appointed Ms. Janaki C Ambat on 14-12-2020.

For Mohan Kumar & Associates

A. MOHAN KUMAR

Practicing Company Secretary
Membership Number: FCS 4347
Certificate of Practice Number: 19145
UDIN:F004347C000553511

Place : Chennai
Date : 30-06-2021

ANNEXURE VI

MANAGEMENT DISCUSSION & ANALYSIS OPERATIONAL PERFORMANCE HIGHLIGHTS OF FY 2020-21

The Indian economic recession since the end of 2018 saw a steep fall in GDP rate, which was exacerbated by the dreaded Covid-19 pandemic in the first quarter of the year 2020. The catastrophic effect of the Covid-19 pandemic caused widespread lockdowns and brought the economic activity across many sectors to a virtual standstill for over 6 months beginning from the 3rd week of March 2020. With the work and productivity coming to a standstill, the company had to face immense hardship to ensure the continuity of work at various Project sites.

With the focus of the Power sector aligned towards an increase in the renewable energy capacity addition, for the first time in many decades, no utility either State or Central Government owned, announced any new thermal project. Further, with the demand for electricity reaching an all-time low from the manufacturing sectors and the intermittent shutdowns in various States, no fresh enhancement of capacity was announced. As many of the thermal power plants are operating at less than 50% capacity fresh addition of thermal power capacity across the country seems less likely in the near future.

The Company has been focusing on maintaining the operations at the project sites albeit the disruptions and many obstacles. We are putting in place new initiatives to streamline the businesses going forward. Operating efficiency, rationalisation of manpower and reduction of expenses has been the primary focus. With no new major order in the pipeline, the need of the hour has to make the organization lean and resilient.

Efforts to bid for contracts for Flue-gas desulfurization Plants as planned in the last year has also not fructified as the award of most of the contracts have been deferred by clients for the time being. Efforts of the company on completing and closure of the various ongoing contracts that was targeted for the year has also been hampered due to the disruption in work across the country.

During FY 2020-21, despite the pandemic challenges, the company was able to complete the PG Test of 2 two units of 660 MW Steam Boilers supplied to NTPC Solapur Project. The company achieved a major mile-stone in the project with its own project team, as our major vendors could not travel due to pandemic situation and restrictions in global travel. The Company achieved completion of facilities and operational acceptance in respect of Lara Project, where the Company had supplied 2 units of 800 MW Turbines and Generators to NTPC.

The BOP, EPC and Construction segment has achieved turnover of Rs.926 crores and the Capital Goods Segment achieved turnover of Rs.214 crores.

Divisions – Progress:

Air Fin Cooler Division (AFC) has made a record entry in higher metallurgy Incolloy orders totaling to Rs.66 Cr. A significant achievement by AFC is a break-through order for ADNOC, Abu Dhabi worth of Rs.39 Cr. In spite of tough market conditions, AFC has picked up orders against world market leader thereby establishing it as a significant player in Abu Dhabi market. AFC has got an order worth of Rs.14.50 Cr for ONGC Platform from HAL Offshore. In the challenging market condition, AFC has made good progress in securing orders. Though, due to COVID most of the projects were delayed, AFC has strategically increased its market share and achieved an order book of 105.20 Crores.

In FY 2020-21 Environmental Engineering Division (EED) achieved the distinction of executing a 10 MLD Water Augmentation Plants Project which includes 20 MLD STPs & TTUF and 50 MLD WTP is expected to be completed by December 21, which gave us the first Municipal drinking water supply execution experience. Moreover, water generated from the STPs is treated through tertiary treatment UF plants and project is slated to recycle the water back to water grid for public use. EED division also completed auto commissioning of 33 MLD Phase-I Desalination Plant and 22 MLD Phase-2 is nearing completion by September, 21 for 1x800 MW APPDC-TPL project at Krishnapattinam. During the year, the division achieved a turnover of Rs.147 Crores.

Oil and Gas Equipment supply business (OGED) has made a revenue of Rs.80 Crores. It successfully supplied first "TEG based Gas Dehydration Unit". It also supplied 6 Nos. of "Fuel Gas conditioning skids- FGCS" to Offshore projects. It is showing good progress in the two ongoing EPC projects execution despite the pandemic.

Electrical Project Division (EPD) one of the contractors for Nuclear Power Corporation of India KAPP Unit No.3, first of a kind, Indigenous 700 MWe PHWR criticality was achieved during the year. The efforts of all the stakeholders were lauded by Hon'ble Prime Minister of India describing it as a "shining example" of Make in India. This is a significant milestone in the Nuclear Power Program of the Country.

INDUSTRY ANALYSIS

The Financial Year 2020-21 had started with the Covid Pandemic which had adverse impact on all our project Sites across India. The Pandemic was impacted by way of migration of labour, supply chain management problems and delay by third part / customer inspections for clearance of dispatches from various vendors across India/Overseas. This affected the progress of our projects, billing and eventually, the Cash Flows. The Company has continued its efforts to seek reduction of performance BGs from the present level of 10% to 3%, as per the guidelines

of the Government of India. Going forward, in addition to continuing its efforts on EPC Execution of AIS / GIS substations up to 765 KV, exploring opportunities in transmission line for railways, transmission and distribution for state electricity boards, the Company is looking up to secure roads, civil contracts, water projects and packages like FGD / NDCT under power segment.

PROSPECTS IN DOMESTIC AND INTERNATIONAL MARKETS

The effects of the Covid-19 disruption is expected to ease in the next few quarters post the vaccination of the majority of the country's population, thus paving the way forward for the demand of goods and services to pick up to the pre-Covid levels. However, the rate at which the demand will pick up will largely depend upon good monsoon and large capital investments to be made in the various infrastructural sectors of the economy such as Power, Energy, Automobiles, Manufacturing, and Consumer Goods. Currently, the major investments proposed are largely by the Union and State Governments into infrastructure development which may assist our efforts of reorganizing our business.

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 some sectors as key drivers for growth in the medium term and also diversify into related business sectors to in which public and private investments are planned by macro and micro policy directions and where the company's current track record and competencies could be leveraged for growth. These segments include: (i) Water (ii) Transmission & Distribution (iii) Transport infrastructure (Metro, Railways and Highways) (iv) Civil construction; (v) Project exports and (vi) Oil & Gas. 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.

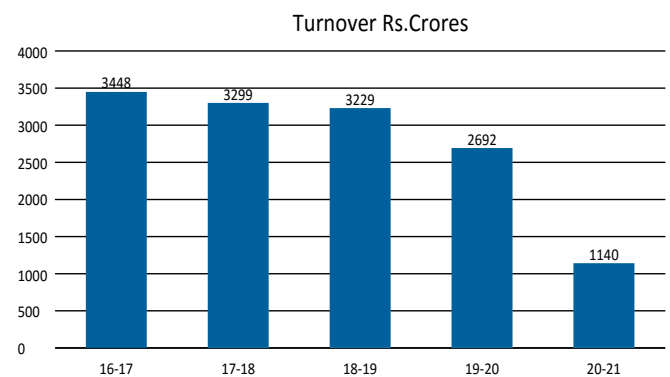
WORKING CAPITAL MANAGEMENT

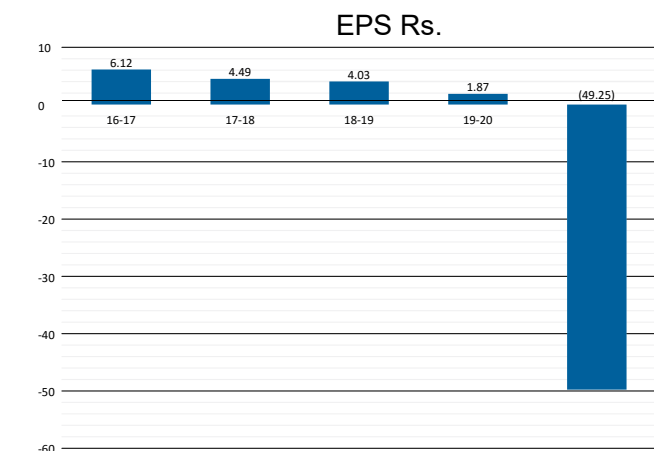
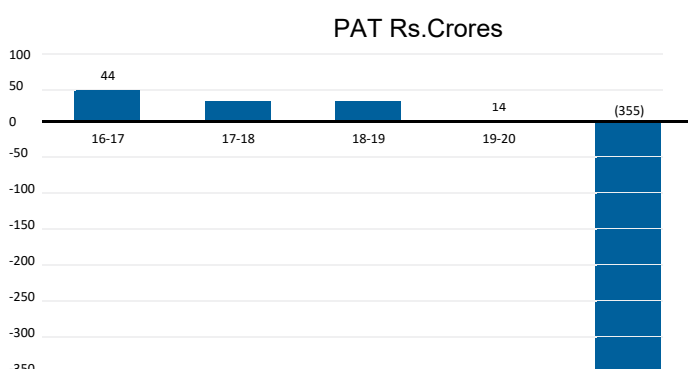
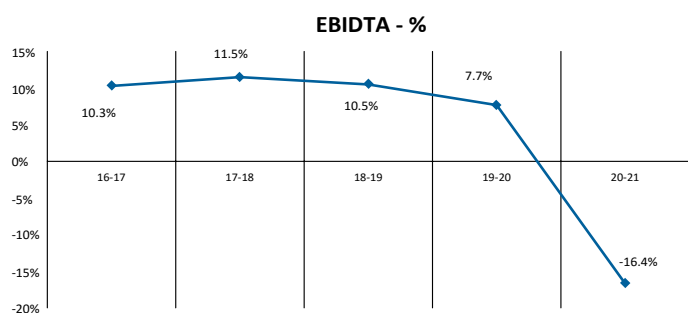
The company availed interest moratorium on working capital limits from banks in line with the guidelines of Government of India/RBI amounting to Rs.95 Crores for the period March 20 to August 20. This was converted into funded interest term loan to be repaid before March, 2021

as per the sanction terms of Banks. However, the company repaid the loan by December, 2020 itself. The Company has reduced the borrowings from a level of Rs.2130 Crores as on 31.03.2020 to Rs.1935 Crores as on 31.03.2021, despite challenging environment.

FINANCIAL PERFORMANCE (STANDALONE)

DESCRIPTION	Unit	FY 19-20	FY 20-21
Income from Operations	Rs. Crores	2692	1140
EBIDTA	Rs. Crores	207	(187)
EBIDTA	%	7.7%	-16.4%
PBT	Rs. Crores	(64)	(475)
PAT	Rs. Crores	14	(355)
Net worth	Rs. Crores	1417	1063
PAT Ratio	%	0.50%	-31.18%
Return on Net worth	%	1.0%	-33.44%
Debtors Turnover	Days	264	429
Inventory Turnover	Days	6	15
Interest Coverage Ratio	Times	0.77	-0.81
Current Ratio	Times	1.00	1.04
Debt Equity Ratio	Times	1.50	1.82





REASONS FOR SIGNIFICANT CHANGES IN FINANCIAL RATIOS

The Operating margin for the year 2020-21 was negative due to significant drop in turnover on account of COVID - 19. During the year Company collected receivables from completed projects after continuous efforts but had to agree for a reduced amount resulting in write off of debtors which impacted the operating results.

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

During the year Return on Net worth was reduced from positive 1% in the previous year 2019-20 to Negative -34% in the year 2020-21. The steep reduction in return on net worth is due to loss of Rs.479 crores. The major reason for the loss is lower turnover due to COVID -19 and debtors write off Rs.168 crs. 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 situation, planned a foray into the Infrastructure, Highways Construction, Transmission and secondary water treatments sector. The Company's proven track record and rich credentials will enable qualification and successful break through in these segments. The strategic teams of experienced personnel formed recently 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 with a works auditor. 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 Chairman of Audit committee, 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 in the quarterly audit committee meeting. The present internal control and audit systems are considered to be 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's / packages. 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 year 2020-21 was pandemic centric and our priority was to safeguard the health and well-being of our employees while continuing the business. The lockdowns and restrictions and post lockdowns, tested our agility, resilience and adaptability. Through seamless communication, the HR team could manage thousand plus officers, executive and workers who got stranded in more than 20 sites. We created teams of COVID Marshalls at factories / project sites, head office and at Apex level. With the Guidance from the Apex level SOPs were implemented at Head Office and factories / project sites.

We tied up with the medical facilities that ensured 24/7 medical support and for enabling isolation and quarantine accommodation at our factories / project sites. It was this purpose-led approach which helped us keep our employees safe during the bleakest phases of this pandemic.

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.

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-2021, 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 affair of the Company as at 31-March-2021, 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><i>Appropriateness of estimation/revision of budgeted cost and contract value including non-cash consideration:</i></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.</p> <p>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 and 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><i>Principal Audit procedures:</i></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. 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. We further verified the billings made to customers which are in line with the revised contract values.

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 informing our opinion thereon and we do not provide a separate opinion on these matters.

S. No	Key Audit Matters	Response to Key Audit Matters
	<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>	
2	<p><i>Cancellation of Letter of Intent issued by Client</i></p> <p>The Company has received an intimation dated 23-April-2021 from a client cancelling the Letter of Intent (LOI) for award of contract for setting up of 1 x 660 MW supercritical power plant with a contract value of Rs.4,44,275 lakhs due to delay in submission of security/ bank guarantee. The Company has filed a writ petition before the Honorable High court of Madras challenging the said cancellation and the matter is under dispute. Reference is drawn to Note No.6 to the Standalone Financial Statements.</p> <p>Considering the material financial impact of such cancellation, it has been considered as a key Audit matter.</p>	<p><i>Principal Audit procedures:</i></p> <p>We have performed the following audit procedures:</p> <p>a) Reviewed the Letter of Intent dated 12-Dec-2019 regarding allotment of the project</p> <p>b) Evaluated the Revenue Recognition of this contract and its compliance in terms of IND AS 115 "Revenue from Contracts with customers" and also examined the opinion obtained from external professional in the above matters</p> <p>c) Analyzed the Company's performance obligation under the contract</p> <p>d) Obtained an understanding from the Company regarding its legal stand over the contract and status of the petition filed by the Company before the Honorable High Court of Madras</p>
3	<p><i>Provision for Receivables:</i></p> <p>The Company has trade receivable (net) of Rs.1,33,962 lakhs and contract asset (net) of Rs.2,08,869 lakhs as at 31-March-2021. The Company follows the practice of creating life-time expected credit loss (ECL) allowance on the overall trade receivables and contract assets.</p>	<p><i>Principal Audit procedures:</i></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>
4	<p><i>Adoption of IND AS 116 – Leases</i></p> <p>As per IND AS 116, a right of use asset and lease liability were recognized in the balance sheet. Lease liability is initially recognized at the present value of future lease payment during the lease term. This standard requires usage of significant judgements and estimation in recognizing the leases.</p> <p>The standard mandates detailed note on impact leases.</p> <p>Reference is drawn to note 33 to the Standalone financial statements</p>	<p><i>Principal Audit Procedures:</i></p> <p>We have performed the following audit procedures:</p> <p>a) We have reviewed various judgements and controls applied by the management in classifying the leases based on contractual agreements.</p> <p>b) We have verified the reconciliation prepared between short term or low value leases and leases where IND AS 116 was applied.</p> <p>c) Verified the recognition of right of use assets and lease liability including the estimates such as discount rates and lease term.</p> <p>d) Assessed and verified the presentation and disclosures of leases as per IND AS 116 including the disclosure requirements of transition period.</p>

EMPHASIS OF MATTER

Without qualifying our report, we draw attention to Note 6 to the standalone financial statements.

The Company received a Letter of Intent (LOI) from a client for Rs.4,44,275 lakhs for the setting up of 1 X 660 MW Supercritical Power Plant at Ennore. The Company has recognized a turnover of Rs.81,075 lakhs and Rs.13,721 lakhs as contribution and Contract Assets during the previous financial year 2019-20.

On 23-April-2021, the Client unilaterally cancelled the LOI issued, due to delay in submission of Bank Guarantee by the Company. The Company has filed a writ petition before the Honorable High Court of Madras, to challenge the cancellation and the case is pending before the Honorable High Court of Madras.

Our opinion is not modified in respect of the above matter.

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, 2016 ("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 **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 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-2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31-March-2021 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 other 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. 3.c.(i) and 35 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 38 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.

For N R Doraiswami & Co
Chartered Accountants
Firm Registration No: 000771S

SUGUNA RAVICHANDRAN
Partner

Place: Coimbatore
Date : June 30, 2021

Membership No: 207893
UDIN : 21207893AAAAXT1273

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 31-March-2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed 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. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets; and
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are of the opinion that the management has conducted the physical verification of inventory at reasonable intervals during the year. There are no material discrepancies noticed between book stock and physical stock on physical verification conducted by the management.
 - (iii) The Company has not granted any loans to parties covered in the register maintained under section 189 of the Act during the year. Accordingly, paragraph 3(iii)(a), (b) and (c) 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 and guarantees 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 (v) of the Companies (Auditors' Report) Order, 2016, are not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company as specified by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed cost records have been 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 31-March-2021, 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
Tamil Nadu General Sales Tax Act, 1959	Tamil Nadu Sales Tax	2.21 ⁽³⁾	2001-02	Sales Tax Appellate Tribunal, Chennai, 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	Rajasthan Tax Board, Ajmer
The Rajasthan Value Added Tax, 2003	Rajasthan Sales Tax	9541.31 ⁽³⁾	2010-11	Rajasthan Tax Board, Ajmer

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
The Rajasthan Value Added Tax, 2003	Rajasthan Sales Tax	4333.66 ⁽³⁾	2011-12	Rajasthan Tax Board, Ajmer
Central Sales Tax Act, 1956	Central Sales Tax	261.76 ⁽³⁾	2014-15	The Appellate Deputy Commissioner (CT) North, Chennai
Central Sales Tax Act, 1956	Central Sales Tax	95.88	2013-14	The Tamilnadu Sales Tax Appellate Tribunal, Chennai -104
Central Sales Tax Act, 1956	Maharashtra Value Added Tax	53.85	2013-14	The Joint Commissioner of Sales Tax, Appeal VII, Mumbai
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	High Court of Judicature at Madras
Chapter V of Finance Act, 1994	Service Tax	77.72 ⁽¹⁾	2015-16 to 2017-18	High Court of Judicature at Madras
Uttar Pradesh Value Added Tax Act	Value Added Tax	16.46	2014-15	The Additional Commissioner (Appeal) Commercial Tax, Prayagraj.
Uttar Pradesh Value Added Tax Act	Entry Tax	0.41	2014-15	The Additional Commissioner (Appeal) Commercial Tax, Prayagraj.
Central Sales Tax Act, 1956	Maharashtra Value Added Tax	16.89	2014-15	The Joint Commissioner of Sales Tax, Appeal VII, Mumbai
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
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

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	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⁾	2010-11	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income Tax	83.20 ⁽²⁾	2011-12	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income Tax	76.35 ⁽²⁾	2012-13	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income Tax	100.07 ⁽²⁾	2013-14	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income Tax	0.28 ⁽²⁾	2013-14	Commissioner of Income Tax (Appeals - 19), Chennai
Income-tax Act, 1961	Income Tax	1184.19 ⁽²⁾	2014-15	Commissioner of Income Tax (Appeals - 19), Chennai
Income-tax Act, 1961	Income Tax	1468.05 ⁽²⁾	2007-08 to 2013-14	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income Tax	72.35 ⁽²⁾	2015-16	Commissioner of Income Tax (Appeals - 19), Chennai
Income-tax Act, 1961	Income Tax	84.95 ⁽²⁾	2016-17	Commissioner of Income Tax (Appeals - 19), Chennai

(1) Excludes Interest and penalty.

(2) Excludes Interest and penalty which are not ascertainable.

(3) Represents gross tax liability. Out of this, a sum of INR 1638.25 lakhs was paid as deposit.

(viii) 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 borrowings to any financial institutions or banks.

(ix) During the year the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan. Accordingly, paragraph 3(ix) of the order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(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 where ever applicable.

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) According to the information and explanations given to us and based on our examination of

the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

- (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. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) 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) of the Order is not applicable.

For N R Doraiswami & Co
Chartered Accountants
Firm Registration No: 000771S

SUGUNA RAVICHANDRAN
Partner

Place: Coimbatore

Membership No: 207893

Date : June 30, 2021

UDIN : 21207893AAAAXT1273

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-2021, 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-2021, 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 Registration No: 000771S

SUGUNA RAVICHANDRAN
Partner

Place: Coimbatore
Date : June 30, 2021

Membership No: 207893
UDIN : 21207893AAAAXT1273

Balance Sheet

₹ Lakhs

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
I Non Current Assets			
(a) Property, plant and equipment	1	12837	16111
(b) Capital work in progress		-	-
(c) Other Intangible assets	2	183	232
(d) Financial assets			
(i) Investments	3 (a)	35971	35935
(ii) Trade receivables	3 (b)	53203	110640
(iii) Loans	3 (c)	4200	3402
(iv) Other financial assets	3 (d)	11832	12049
		118226	178369
II Current Assets			
(a) Inventories	4	4711	4373
(b) Financial assets			
(i) Trade receivables	5 (a)	80759	88052
(ii) Cash and cash equivalent	5 (b)	33187	36153
(iii) Loans	5 (c)	43605	44027
(iv) Other financial assets	5 (d)	634	963
(c) Other current assets	6	248522	259622
		411418	433190
		529644	611559
TOTAL ASSETS			
EQUITY AND LIABILITIES			
I Equity			
(a) Equity Share Capital	7	7216	7216
(b) Other Equity		99094	134506
Total Equity		106310	141722
II Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	-	-
(ii) Lease Liability	9	3	593
(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	10906	7863
(b) Provisions	11	4432	4176
(c) Deferred tax liabilities (net)	29	13968	25894
		29309	38526
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	193825	212996
(ii) Lease Liability	9	431	742
(iii) Trade payables			
Total Outstanding dues of micro enterprises and small enterprises		13478	12618
Total Outstanding dues of creditors other than micro enterprises and small enterprises	10	94178	105600
(iv) Other financial liabilities	12	918	825
(b) Other Current Liabilities	13	90536	97815
(c) Provisions	14	659	715
(d) Current tax liabilities (net)		-	-
		394025	431311
Total Liabilities		423334	469837
TOTAL EQUITY AND LIABILITIES		529644	611559

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

JANA K I 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
June 30, 2021

Statement of Profit and Loss

₹ Lakhs

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	15	113972	269197
II Other income	16	601	4127
III TOTAL INCOME (I + II)		114573	273324
IV Expenses			
(a) Cost of raw materials and components consumed	17	67650	164055
(b) Cost of manufacturing and construction	18	25174	50623
(c) Other direct cost	19	3654	5154
(d) Changes in inventories of work in progress		(17)	20
(e) Employee benefits expense	20	13521	19095
(f) Finance costs	21	26425	27747
(g) Depreciation and amortization expense	22	3045	3478
(h) Other expenses	23	22648	9564
TOTAL EXPENSES (IV)		162100	279736
V Profit/(Loss) before exceptional items and tax (III-IV)		(47527)	(6412)
VI Exceptional items		-	-
VII Profit/(Loss) before tax (V)+(VI)		(47527)	(6412)
VIII TAX EXPENSES			
(i) Current tax		-	753
(ii) Deferred tax		(11985)	(8479)
(iii) Tax - Earlier years		-	(38)
IX PROFIT/(LOSS) FOR THE PERIOD(VII)-(VIII)		(35542)	1352
X OTHER COMPREHENSIVE INCOME			
(i) items that will not be reclassified to profit or loss	25	173	(117)
(ii) items that will be reclassified to profit or loss	25	(42)	(120)
XI Total Comprehensive Income for the period (IX+X) (Comprising Profit and other Comprehensive Income for the Period)		(35411)	1115
XII Earnings per Equity Share :			
1.Basic (₹)		(49.25)	1.87
2.Diluted (₹)		(49.25)	1.87

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As per our report of even date
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SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Chennai
June 30, 2021

Cash Flow Statement

₹ Lakhs

S.No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before tax and extraordinary items	(47527)	(6412)
	Adjustments for :		
	Depreciation, impairment and amortization	3045	3478
	(Profit) / Loss on sale of fixed assets (net)	(12)	(61)
	Net gain on sale of investment	-	(3910)
	Provision for warranty and Contractual Obligation	(159)	(954)
	Lease Payment	500	599
	Trade receivables written off	16837	3811
	Interest expense	26425	27747
	Operating profit before working capital changes	46636	30710
	Changes in working capital	(891)	24298
	(Increase) / decrease in trade receivables	47892	53903
	(Increase) / decrease in inventories	(338)	(656)
	(Increase) / decrease in current assets	15370	(15856)
	(Increase) / decrease in loans and advances	(376)	(4967)
	Increase / (decrease) in trade payables and provisions	(15009)	(18996)
	Cash generated from operations	47539	13428
	Direct taxes (paid) / refund (net)	46648	37726
		59	(779)
	Net cash flow from operating activities	46707	36947
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets	(131)	(310)
	Sale of fixed assets	19	200
	Sale of Subsidiary	-	4335
	Increase in Market value of Investments	36	(46)
	Net cash flow from investing activities	(76)	4179
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Long term borrowings (repaid) / availed	-	(17047)
	Short term borrowings (repaid) / availed	(19060)	4111
	Lease Payment	(500)	(599)
	Lease Interest Payment	(90)	(232)
	Interest paid	(26224)	(27515)
	Net cash flow from financing activities	(45874)	(41282)
	Net increase\ (decrease) in cash and cash equivalents (A+B+C)	757	(156)
	Cash and cash equivalents as at April 1, 2020	2581	2737
	Cash and cash equivalents as at Mar 31, 2021	3338	2581
	Cash on hand	18	25
	On current accounts	3075	2306
	On deposit accounts	245	250

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SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Chennai
June 30, 2021

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		Other Items of Other Comprehensive Income
1	Balance at the beginning of reporting Period (01.04.2020)	7216	31895	14427	88372	(1)	(206)	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	(248)	165	106310

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As per our report of even date for M/s N.R.DORAISWAMI & CO
Chartered Accountants
Firm Registration No.: 000771S
SUCUNA RAVICHANDRAN
Partner
Membership No.207893
Chennai
June 30, 2021

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.

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.

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 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.

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 Year
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

- i. the profit attributable to owners of the Company
- 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 company 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 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 2020	1402	2661	26342	1934	849	240	2262	360	1356	37406
Additions	-	-	86	-	-	-	22	-	2	110
Disposals	-	-	56	726	-	-	-	-	83	865
At 31 March 2021	1402	2661	26372	1208	849	240	2284	360	1275	36651
Depreciation and impairment										
At 1 April 2020	-	719	15939	670	548	231	1871	263	1054	21295
Depreciation charge for the year	-	84	2054	475	74	3	183	26	77	2976
Disposals	-	-	49	325	-	-	-	-	82	456
At 31 March 2021	-	803	17944	820	622	234	2054	289	1049	23814
Net book value										
At 31 March 2021	1402	1858	8428	388	227	6	230	71	226	12837
At 31 March 2020	1402	1942	10403	1264	301	9	391	97	302	16111

* Buildings include original cost of Rs. 1642 lakhs (Rs. 1642 lakhs), which are constructed on lease hold land.

2 INTANGIBLE ASSETS

₹ Lakhs

Particulars	Technical Knowhow	Software	Total
Cost or valuation			
At 1 April 2020	1348	2219	3567
Additions	-	21	21
At 31 Mar 2021	1348	2240	3588
Amortisation and impairment			
At 1 April 2020	1348	1987	3335
Amortisation	-	70	70
At 31 Mar 2021	1348	2057	3405
Net book value			
At 31 March 2021	-	183	183
At 31 March 2020	-	232	232

Notes to Financial Statements

3. FINANCIAL ASSETS

3(a) Investments

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
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.115.40 (Rs.43.10) per share	16	6
Quoted Investments in Mutual Funds		
50,000 SBI Mutual Fund-Magnum Multi Cap Fund - Dividend (50,000) units Market Value Rs.28.1166 (Rs.16.5839) per unit	14	8
2,50,000 SBI Mutual Fund-Infrastructure Fund - I - Growth (2,50,000) units Market Value Rs.19.2759 (Rs.11.1055) per unit	48	28
Investments carried at fair value through Other Comprehensive Income (B)	78	42
Total Investments	35971	35935
Current	-	-
Non-Current	35971	35935
Aggregate cost of quoted investments	43	43
Aggregate market value of quoted investments	78	42
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 (%)	
			As at March 31, 2021	As at March 31, 2020
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. Sravanna Properties Limited	Chennai, India	Carried at Cost	100%	100%

3 (b) Trade Receivables - Non Current

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	54567	113477
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	54567	113477
Less: Allowance for Credit Loss	(1364)	(2837)
Total Trade receivables	53203	110640

3 (c) Loans - Non current

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good - secured	-	-
Loans considered good - unsecured		
- Deposits	1101	1200
- Other loans and advances	3099	2202
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total loans	4200	3402

3.c (i). Cochin Project: The end client of Cochin Port Road Connectivity Project viz., Cochin Port Road Company Ltd., (SPV of NHAI) terminated the contract on May 28, 2007. Consequently, the end client encashed BGs for a value of Rs.1270 lakhs furnished by the company on behalf of MECON – GEA (JV). The main contractor viz., MECON – GEA (JV) contested the termination of the contract. The disputes after having been reviewed by the Dispute Review Board, have been determined through arbitration. The Arbitral Tribunal disposed off the matter and pronounced the award on 27.12.2015 and a sum of Rs 2673 lakhs was awarded to the JV. The recoverable amount of Rs 1654 lakhs grouped under loans and advances is covered by the arbitral award. Cochin Port Road Company Ltd., (SPV of NHAI) has challenged the award, before the Honourable Delhi High Court and is pending for adjudication.

Notes to Financial Statements

3 (d) Other financial Assets

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Margin money deposit held under lien to banks - maturity more than 12 months	11093	11507
Interest accrued on margin money deposits	739	542
Total Other financial Assets	11832	12049

4. INVENTORIES

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials and components	4692	4371
Work-in-progress	19	2
Total of inventories at lower of cost or net realisable value	4711	4373

5. FINANCIAL ASSETS

5(a) Trade receivables

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured		
- From related parties	1180	1306
- From Others	81695	89004
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	82875	90310
Less: Allowance for Credit Loss	(2116)	(2258)
Total Trade receivables	80759	88052

5 (b) Cash and cash equivalent

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
- On current accounts	3075	2306
- On deposits accounts	245	250
Cash on hand	18	25
Margin money deposits held under lien to banks	29841	33546
On unpaid dividend accounts	8	26
Total Cash and cash equivalent	33187	36153

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

5 (c) Loans

₹ Lakhs

Particulars	As at March 31,2021	As at March 31, 2020
Loans considered good - secured	-	-
Loans considered good - unsecured		
- Advance to related party	458	458
- Other loans and advances *	38708	39057
- Deposits	4439	4512
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total loans	43605	44027

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

5 (d) Other Financial Assets

₹ Lakhs

Particulars	As at March 31,2021	As at March 31, 2020
Interest accrued on fixed deposits	634	963
Total Other Financial Assets	634	963

6. OTHER CURRENT ASSETS

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Advances other than capital advances		
Advance to suppliers	29179	26966
Others*	8698	8698
Prepayments	1776	1393
Contract asset**	213132	227808
Sub Total	252785	264865
Less : Allowance for Credit Loss on Contract Asset	(4263)	(5243)
Total Other Current Assets	248522	259622

* 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.

"The Company has received intimation dated 23.04.2021 from a client cancelling the Letter of Intent (LOI) for award of contract for setting up of 1 x 660 MW supercritical power plant with a contract value of Rs.4442.75 crores due to delay in submission of security / bank guarantee. The Company has filed a writ petition before the Honourable High Court of Madras and challenged the said cancellation and the matter was heard on 28.04.2021. After hearing both the parties, the Honourable High court has directed the Company to come up with a proposal to the said client. Accordingly, the Company had submitted its proposal and the same is under consideration by the client. Further, the client has undertaken to submit a report to the Honourable High court and also not to proceed with fresh tender notification for the project.

The Company has recognized a turnover of Rs.81075 lakhs and Rs.13721 lakhs as contribution and contract asset during the previous financial year 2019-20. Since the matter is under dispute, no adjustments have been made in

Notes to Financial Statements

the financial statements.

7. SHARE CAPITAL

Authorised Share Capital

₹ Lakhs

Particulars	As at March 31, 2021		As at March 31, 2020	
	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, 2021		As at March 31, 2020	
	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, 2021		As at March 31, 2020	
	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, 2021		As at March 31, 2020	
	No. of Shares	% held	No. of Shares	% held
Mrs. Sasikala Raghupathy	2,68,68,450	37.23	2,68,68,450	37.23
BGR Investment Holdings Company Limited	2,72,48,400	37.76	2,72,48,400	37.76

- c. **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 March 31, 2021	As at March 31, 2020
Secured		
Term Loans from Banks	-	-
Borrowings (Non Current)	-	-
Working capital loans from banks	193825	212996
Borrowings (Current)	193825	212996
Total Borrowings	193825	212996

- 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. The loan is secured by hypothecation of inventories, trade receivables and movable assets of Product Division viz AFC, EED, OGED 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 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.
- The working capital loan from Export Import Bank of India, is further secured by the second charge on current assets of the product divisions.

FINANCIAL LIABILITIES

9. LEASE LIABILITY

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liability - Non Current	3	593
Lease Liability - Current	431	742
Total Lease Liability	434	1335

Notes to Financial Statements

10. TRADE PAYABLES

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Micro enterprises and small enterprises	13478	12618
Others		
Trade Payables	105084	113463
Total Trade Payables	118562	126081
Trade Payables Current	107656	118218
Trade Payables Non Current	10906	7863

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 March 31, 2021	As at March 31, 2020
Principal amount remaining unpaid	14317	13573
Interest due thereon remaining unpaid	2885	2159
Payments made to the supplier beyond the appointed day during the year	6480	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	2885	2159
Amount of further interest remaining due and payable in succeeding years	2159	1146

11. PROVISIONS

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefit obligations		
Provision for leave encashment	253	307
Provision for gratuity	822	612
Provision for contractual obligation	1300	1300
Provision for warranty	2057	1957
Total Non Current Provisions	4432	4176

12. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowings	-	-
Unpaid dividends	8	26
Interest accrued	910	799
Total Financial liabilities	918	825

13. OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customers	67682	65815
Other payables *	9335	7749
Contract liability	13519	24251
Total Other Current Liabilities	90536	97815

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

14. PROVISIONS

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefit obligations		
Provision for bonus	30	32
Provision for leave encashment	105	193
Provision for gratuity	332	268
Others		
Provision for warranty	192	222
Total Provisions	659	715

PROFIT AND LOSS**15. REVENUE FROM OPERATIONS**

₹ Lakhs

Particulars	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Capital goods	19623	38166
Construction and EPC contracts	91685	228075
Other operating revenues	2664	2956
Total Revenue from operations	113972	269197

Notes to Financial Statements

16. OTHER INCOME

₹ Lakhs

Particulars	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Dividend from investments - quoted	-	-
Others		
Net gain on disposal of property, plant and equipment	12	61
Net gain on sale of investment	-	3910
Interest Income	9	29
Interest Income - Tax Refund	580	127
Total Income	601	4127

17. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening inventory (Raw materials, consumables, bought outs and components)	4371	3695
Add : Purchases	67971	164731
	72342	168426
Less: Closing inventory (Raw materials, consumables, bought outs and components)	4692	4371
Cost of raw material and components consumed	67650	164055

18. COST OF MANUFACTURING AND CONSTRUCTION

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Subcontracting and processing charges	25020	50410
Power and fuel	154	213
Cost of manufacturing and construction	25174	50623

19. OTHER DIRECT COST

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Insurance	688	606
Bank charges	2852	4287
Packing and forwarding	114	261
Other direct cost	3654	5154

20. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, allowances and bonus	11943	17236
Contribution to P.F., E.S.I.	761	549
Workmen and staff welfare expenses	385	1040
Compensated Absences	17	172
Gratuity	415	98
Employee benefits expense	13521	19095

21. FINANCE COSTS

₹ Lakh

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on working capital loans	21081	23889
Interest on term loans	-	974
Interest - others	5344	2884
Finance costs	26425	27747

22. DEPRECIATION AND AMORTIZATION EXPENSE

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of tangible assets	2975	3406
Amortization of intangible assets	70	72
Depreciation and amortization expense	3045	3478

23. OTHER EXPENSES

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent	533	577
Payment to auditors (refer details below)	40	38
Bank charges	3588	2410
Conveyance and vehicle running expenses	502	588
Trade receivables written off	16837	3811
Electricity charges	129	196
Foreign exchange (gain)/loss (net)	437	491
Insurance	75	363
Miscellaneous expenses	(2656)	(969)
Printing and Stationery	50	117
CSR expenses	-	7
Provision for contractual obligation	-	(885)
Professional charges	1452	531

Note no. 23 is continued in next page

Notes to Financial Statements

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rates and taxes	130	70
Repairs and maintenance	927	1040
Security charges	235	203
Selling expenses	20	68
Sitting fees	30	34
Telephone expenses	97	144
Travelling expenses	222	730
Total Other expenses	22648	9564

PAYMENT TO AUDITORS

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
- For audit fees	36	36
- For certification and others	4	2
Total Payment to Auditors	40	38

24. DETAILS OF CSR EXPENDITURE

₹ Lakh

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a.Gross amount required to be spent during the Year	1	116

₹ Lakhs

b.Amount spent during the year	For the year ended March 31, 2021		For the year ended March 31, 2020	
	In Cash	Yet to be Paid in Cash	In Cash	Yet to be Paid in Cash
i.Construction/acquisition of any asset	-	-	-	-
ii. On purposes other than (i) above	-	-	7	-

As required under Section 135 of Companies Act 2013, the company is required to spend Rs.1 Lakh (Rs.116 lakhs) towards Corporate Social Responsibility (CSR) activities. Expenses incurred during the year is Rs.Nil (Rs.7 Lakhs) and no provision is made for balance amount during the financial year 2020-2021.

25. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Items that will not be reclassified to Profit/Loss		
Remeasurement of net defined benefit Liability/Asset (net)	146	(87)
Equity Instruments through Other Comprehensive Income (net)	27	(30)
Items that will be reclassified to Profit/Loss		
Fair value changes on cash flow hedges (net)	(42)	(120)
Total Other Comprehensive Income for the Year	131	(237)

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 March 31, 2021	For the year ended March 31, 2020
Basic EPS		
Profit after tax as per accounts	(35542)	1352
Weighted average number of equity shares (face value Rs.10 per share) (lakh Nos.)	722	722
Basic EPS (Rs.)	(49.25)	1.87
Diluted EPS		
Profit for the year for basic EPS	(35542)	1352
Less : Adjustment	-	-
Adjusted profit for diluted EPS	(35542)	1352
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.)	(49.25)	1.87

27. CONSTRUCTION CONTRACTS

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

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
The aggregate amount of costs incurred and recognized profits (less recognized losses) (including amounts carried forward from previous years)	929444	1581603
The amount of advances received	67682	65815
The amount of retentions	113796	137442
The gross amount due from customers for contract work as an asset (unbilled revenue)	99336	90367
The gross amount due to customers for contract work as a liability (unearned revenue)	13519	24251

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 Financial Statements

28. EMPLOYEE BENEFITS

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

DEFINED CONTRIBUTION PLAN:

₹ Lakhs

Particulars	2020-21	2019-20
Employer's contribution to Provident fund	249	361
Employer's contribution to pension scheme	174	225
Employer's contribution to employee's state insurance	7	10

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, 2021	As of March 31, 2020	As of March 31, 2021	As of March 31, 2020
Projected benefit obligation at the beginning of the year	500	501	1385	1526
Service cost	70	81	134	149
Interest cost	34	33	83	92
Remeasurement (gain)/loss	(247)	(115)	196	(132)
Benefits paid	-	-	(329)	(250)
Projected benefit obligation at the end of the year	358	500	1468	1385

Change in the fair value of the plan assets

₹ Lakhs

Particulars	Gratuity (funded)	
	As of March 31, 2021	As of March 31, 2020
Fair value of the plan assets at the beginning of the year	505	654
Expected return on plan assets	35	37
Actuarial gain/(loss)	(247)	3
Employer contribution	350	61
Benefits paid	(329)	(250)
Fair value of plan assets at the end of the year	314	505
Actual return on plan asset	(212)	40

Amount recognised in the Balance sheet

₹ Lakhs

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As of March 31, 2021	As of March 31, 2020	As of March 31, 2021	As of March 31, 2020
Present value of projected benefit obligation at the end of the year	358	500	1468	1385
Fair value of plan assets at the end of the year	-	-	314	505
Funded status amount of liability recognised in the Balance Sheet	358	500	1154	880
Current Liability	105	193	332	268
Non Current Liability	253	307	822	612

Expense recognised in the Statement of Profit and Loss

₹ Lakhs

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Service cost	70	81	134	149
Interest cost	34	33	83	92
Expected return on plan assets	-	-	(35)	(37)
Actuarial Gain / Loss due to Demographic Assumption changes in Defined Benefit Obligation	-	(11)	-	(6)
Actuarial Gain / Loss due to Financial Assumption changes in Defined Benefit Obligation	17	(26)	61	(78)
Actuarial Gain / Loss due to Experience on Defined Benefit Obligation	(263)	(77)	135	(48)
Return on Plan Assets (Greater) / Less than Discount Rate	-	-	247	(3)
Total cost recognised in P & L and OCI (Defined Benefit Cost)				
Cost recognised in P & L	104	114	182	204
Remeasurement Effect Recognised in OCI	(247)	(114)	442	(135)
Total defined Benefit Cost	(143)	-	625	69

Summary of actuarial assumptions

₹ Lakhs

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As of March 31, 2021	As of March 31, 2020	As of March 31, 2021	As of March 31, 2020
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)	6.77%	6.58%	6.77%	6.58%
Expected rate of return on plan assets (per annum)	-	-	6.77%	6.58%
Rate of escalation in salary (per annum)	3.00% F5Y & 3.00% TA	1.75% F5Y & 1.75% TA	3.00%	1.75%
Attrition	10.00%	10.00%	10.00%	10.00%
Leave accounting & consumption technique	LIFO	LIFO	-	-
Proportion of Leave availment	5.00%	7.94%	-	-
Proportion of encashment in Service / Lapse	-	-	-	-
Proportion of encashment on separation	95.00%	92.06%	-	-

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	41	189
2 to 5 years	97	400
6 to 10 years	67	263
More than 10 years	153	616

Plan asset : The Gratuity plan's weighted-average asset allocation at March 31, 2021 and March 31, 2020.

₹ Lakhs

Particulars	As of March 31, 2021	As of March 31, 2020
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

Particulars	Leave encashment	
	As of March 31, 2021	As of March 31, 2020
	% increase in Defined Benefit Obligation	
Discount rate + 100 basis points	-4.51%	-4.01%
Discount rate - 100 basis points	5.04%	4.50%
Salary growth rate + 100 basis points	4.83%	4.32%
Salary growth rate - 100 basis points	-4.39%	-3.91%
Attrition Rate + 100 basis points	0.75%	1.18%
Attrition Rate - 100 basis points	-0.85%	-1.31%
Mortality Rate 10% UP	0.02%	0.03%

Particulars	Gratuity	
	As of March 31, 2021	As of March 31, 2020
	% increase in Defined Benefit Obligation	
Discount rate + 100 basis points	-3.60%	-3.56%
Discount rate - 100 basis points	4.00%	3.94%
Salary growth rate + 100 basis points	4.00%	3.93%
Salary growth rate - 100 basis points	-3.65%	-3.60%
Attrition Rate + 100 basis points	0.60%	0.80%
Attrition Rate - 100 basis points	-0.66%	-0.88%
Mortality Rate 10% UP	0.02%	0.04%

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.

Notes to Financial Statements

29. DEFERRED TAXES

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

₹ Lakhs

Particulars	Deferred tax asset as at March 31, 2021	Deferred tax liability as at March 31, 2021	Deferred tax asset as at March 31, 2020	Deferred tax liability as at March 31, 2020
Property, plant and equipment	-	331	-	564
Other Intangibles	11	-	11	-
ECL on Trade Receivables	876	-	2147	-
Provisions	270	-	280	-
Customer Retention	-	22485	-	28241
ECL on Contract Asset	1073	-	455	-
Carry forward tax loss	6606	-	-	-
Lease Liability (net)	12	-	18	-
Sub Total	8848	22816	2911	28805
Net		13968		25894

INCOME TAX RECONCILIATION

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Profit before Income Tax	(47527)	(6412)
Enacted Tax Rates in India	25.17%	25.17%
Computed expected Tax expense	(11963)	(1614)
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	(11963)	(2367)
Tax Effects of amounts which are deductible in calculating taxable income	-	-
Tax Reversals	-	-
Income Tax Expense	-	753

The applicable Indian statutory tax rate for fiscal year 2021 is 25.17% and fiscal year 2020 is 25.17%.

30. FINANCIAL INSTRUMENTS

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

The Carrying Value and Fair Value of Financial Instruments as of March 31, 2020 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	36153			36153	36153
Investments:					
Equity Securities and others			6	13	6
Liquid mutual fund units			36	30	36
Trade Receivables	198692			198692	198692
Loans and advances	46335	1094		62996	47429
Other Financial Assets	13012			13012	13012
Total	294192	1094	42	310896	295328

Notes to Financial Statements

Particulars	Financial Assets carried at Amortised Cost	Financial Assets carried at FVTPL	Financial Assets carried at FVTOCI	Total Carrying Value	Total Fair Value
LIABILITIES					
Borrowings	212996			212996	212996
Other Financial Liabilities	825			825	825
Trade Payables	126081			126081	126081
Total	339902	-	-	339902	339902

31. FAIR VALUE HIERARCHY

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

Fair Value Measurement at the end of the reporting period	As at March 31, 2021	As at March 31, 2020
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.

32. 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 : ₹ in Lakhs / Foreign currency in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Assets (Trade receivables / advance to suppliers / bank balances)		
In foreign currency		
In USD	370.86	469.08
In EURO	224.07	283.40
In GBP	3.90	4.02
In JPY	3.05	3.05
In SEK	-	0.84
In CHF	0.04	0.04
In CNY	0.01	0.03
In OMR	-	0.00
In MYR	-	0.01
In SGD	-	0.01
In Indian currency		
In USD	27,387.98	35,678.10
In EURO	19,568.17	23,927.62
In GBP	399.52	379.96
In JPY	2.05	2.16
In SEK	-	6.42
In CHF	3.20	3.23
In CNY	0.15	0.29
In OMR	-	0.08
In MYR	-	0.14
In SGD	-	0.40
Liabilities (Advance from customers/trade payables/buyers credit)		
In foreign currency		
In USD	70.90	37.43
In EURO	164.06	168.06
In GBP	-	0.03
In SAR	0.28	-
In AED	0.02	0.03
In Indian currency		
In USD	5,236.31	2,846.86
In EURO	14,326.93	14,189.48
In GBP	-	2.82
In SAR	5.71	-
In AED	0.39	0.53

Notes to Financial Statements

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.137 Lakhs (Rs.178 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 March 31, 2021		As at March 31, 2020	
	Forex working Capital demand loan	Trade payables	Forex working Capital demand loan	Trade payables
Number of contracts	7	-	5	-
Value in foreign currency				
USD	281.50	-	326.74	-
EURO	-	-	-	-
Value in INR	20,789	-	24,852	-

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	
	March 31, 2021	March 31, 2020
Fixed rate instruments		
Financial assets		
Fixed deposits with banks	41179	45303
Variable rate instruments		
Financial liabilities		
Borrowings from banks	-	-
Working Capital Loans	193825	212996

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 (31.03.2021) would have increased / (decreased) equity and profit by Rs.1017 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.

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.78 lakhs (Rs.42 lakhs). An increase / decrease of 10% on the BSE Market index could have an impact of approximately Rs.7.80 lakhs (Rs. 4.20 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.133962 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.

Particulars	₹ Lakhs	
	Upto 12 months	More than 12 months
Trade payables	107656	10906
Borrowings	193825	-
Other financial liabilities	910	-

Collateral risk

The Company has pledged its short-term deposits of Rs. 40934 lakhs to fulfil the security requirements for the contractual obligations. As at 31 March, 2021, 31 March, 2020 the fair values of the short-term deposits pledged were Rs. 40934 lakhs and Rs. 45053 lakhs respectively.

Notes to Financial Statements

33. LEASES

The changes in carrying value ROU assets and Lease liabilities for the year ended March 31, 2021 are as follows:

₹ Lakhs

Particulars	ROU Assets As at Mar 31,2021	Lease Liabilities As at Mar 31,2021	ROU Assets As at Mar 31,2020	Lease Liabilities As at Mar 31,2020
Opening balance	1264	1335	-	-
Add : Additions during the year	-	-	1934	1934
Add : Interest cost during the year	-	115	-	232
Less : Deletions during the year	401	426	-	-
Less : Depreciation during the year	475	-	670	-
Less : Payment of Lease Liabilities	-	590	-	831
Closing Balance	388	434	1,264	1,335

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. 533 lakhs (Rs. 577 lakhs) relating to leases with a term of 12 months or less and low value leases are charged to statement of profit and loss

34. SEGMENT INFORMATION

Primary segment information (business segments)

₹ Lakhs

S.No	Particulars	2020-21				2019-20			
		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)	21024	92948	-	113972	20887	248310	-	269197
b)	Inter Segment sales	334	-	(334)	-	2490	-	(2490)	-
	Total Revenue	21358	92948	(334)	113972	23377	248310	(2490)	269197
c)	Result	418	(22121)		(21703)	1305	15903		17208
	Add: Unallocated income (net of expenditure)				601				4127
	Profit before interest and tax				(21102)				21335
	Interest	435	25990	-	26425	484	27263	-	27747
	Profit before tax				(47527)				(6412)
	Tax expenses								
	- Current tax				-				753
	- Deferred tax				(11985)				(8479)
	- Tax - Earlier years				-				(38)

S.No	Particulars	2020-21				2019-20			
		Capital goods segment	Construction and EPC contracts segment	Inter Segment eliminations	Total	Capital goods segment	Construction and EPC contracts segment	Inter Segment eliminations	Total
	- Total				(11985)				(7764)
	Profit for the year				(35542)				1352
d)	Assets	31772	453329	-	485101	35399	528342	-	563741
	Add: Unallocated corporate assets				44543				47818
	Total assets				529644				611559
e)	Liabilities	12255	397111	-	409366	9029	434914	-	443943
	Add: Unallocated corporate liabilities				13968				25894
	Total liabilities				423334				469837

Revenue of approximately INR Rs. 61624 lakhs (31.03.2020 - INR Rs. 203399 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-21	31-Mar-20
Segment profit	(21,703)	17,208
Dividend Income	-	-
Net gain on disposal of property, plant and equipment	12	61
Net gain on sale of investment	-	3,910
Interest Income	9	29
Interest Income - Tax Refund	580	127
Profit before interest and tax	(21,102)	21,335

Reconciliation of assets	31-Mar-21	31-Mar-20
Segment operating assets	485,101	563,741
Investments	35,971	35,935
TDS receivable	8,572	11,883
Total assets	529,644	611,559

Reconciliation of liabilities	31-Mar-21	31-Mar-20
Segment operating liabilities	409,366	443,943
Deferred tax liabilities (net)	13,968	25,894
Total liabilities	423,334	469,837

Secondary segment information (geographic segments)

₹ Lakhs

Particulars	Domestic		Overseas		Total	
	31-March-21	31-March-20	31-March-21	31-March-20	31-March-21	31-March-20
External revenue by location of Customers	112,425	266,510	1,547	2,686	113,972	269,197
Carrying amount of segment non current assets by location of assets	118,226	178,369	-	-	118,226	178,369

35. CONTINGENT LIABILITIES AND COMMITMENTS

₹ Lakhs

Particulars	As at March 31,2021	As at March 31,2020
Contingent liabilities		
Claims against the company not acknowledged as debt		
a) On account of Sales tax *	24768	24572
b) On account of Income-tax *	3754	3793
c) On account of Service tax *	36665	36665
d) On account of Provident fund	521	521
e) Others*	15931	12588
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	115	44

* Excludes interest, penalty and self assessment tax paid.

36. 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. Nannilam Property Private Limited

Key Managerial Personnel

1. Mr.V.R.Mahadevan
2. Mr.R.Rameshkumar
3. Ms.Swarnamugi Karthik
4. 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)

(information provided in respect of revenue items for the year ended March 31, 2021 and in respect of assets / liabilities as at March 31, 2021) ₹ 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	2020-21	2019-20
Sales	-	2400	-	-	2400	2,441
Purchases	1390	711	-	-	2101	6,132
Remuneration						
a) Short Term Employee Benefits	-	-	232	42	274	427
b) Post Employment Benefits	-	-	-	-	-	-
c) Other Long Term Employee Benefits	-	-	-	-	-	-
d) Termination Benefits	-	-	-	-	-	-
e) Share Based Payment	-	-	-	-	-	-
Rent expenses	18	274	-	33	325	336
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Others	-	-	-	25	25	25
Advances given	-	-	-	-	-	235
Repayment of advance given	-	-	-	-	-	-
Other Obligations	-	-	-	-	-	34,431
Loans & Advances						
-Loan availed	-	-	-	-	-	3,500
-Loan repaid	-	-	-	-	-	3,500
Interest on Loan	-	-	-	-	-	92
Sale of investments	-	-	-	-	-	4,335
Balances outstanding	(11,286)	895	-	(162)	(10,553)	(10,540)

37. 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. Nil (Rs. Nil) in the books of accounts towards impairment of other fixed assets based on the technical valuation.

38. PROVISIONS

a) The company has made a provision / transfer of Rs.131 lakhs, (Rs.1540 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
	2020-21	2020-21	2019-20	2019-20
Opening balance	2179	1300	2033	2185
Add :Addition / transfers	131	-	240	1300
Less : (a) Provision utilised	(61)	-	(71)	-
(b) Provision reversed	-	-	(23)	(2185)
Closing balance	2249	1300	2179	1300

39. COVID-19 IMPACT

The Company's operations and financial results for the year ended March 31, 2021 have been impacted by COVID-19 pandemic. The results for the year are not comparable with the previous year

40. PREVIOUS YEAR FIGURES

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

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.: 0007715

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Chennai
June 30, 2021

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-2021, 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-2021, 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><i>Appropriateness of estimation/revision of budgeted cost and contract value including non-cash consideration:</i></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.</p> <p>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 and 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><i>Principal Audit procedures:</i></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. 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.

Independent Auditor's Report

S. No	Key Audit Matters	Response to Key Audit Matters
	<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>f) We further verified the billings made to customers which are in line with the revised contract values.</p>
2	<p>Cancellation of Letter of Intent issued by Client The Company has received an intimation dated 23-April-2021 from a client cancelling the Letter of Intent (LOI) for award of contract for setting up of 1 x 660 MW supercritical power plant with a contract value of Rs.4,44,275 lakhs due to delay in submission of security/ bank guarantee. The Company has filed a writ petition before the Honorable High court of Madras challenging the said cancellation and the matter is under dispute. Reference is drawn to Note No.6 to the Consolidated Financial Statements. Considering the material financial impact of such cancellation, it has been considered as a key Audit matter.</p>	<p>Principal Audit procedures: We have performed the following audit procedures:</p> <ul style="list-style-type: none"> a) Reviewed the Letter of Intent dated 12-Dec-2019 regarding allotment of the project b) Evaluated the Revenue Recognition of this contract and its compliance in terms of IND AS 115 "Revenue from Contracts with customers" and also examined the opinion obtained from external professional in the above matters c) Analyzed the Company's performance obligation under the contract d) Obtained an understanding from the Company regarding its legal stand over the contract and status of the petition filed by the Company before the Honorable High Court of Madras
3	<p>Provision for Receivables: The Company has trade receivable (net) of Rs.1,33,962 lakhs and contract asset (net) of Rs.2,08,869 lakhs as at 31-March-2021. The Company follows the practice of creating life-time expected credit loss (ECL) allowance on the overall trade receivables and contract assets.</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>
4	<p>Adoption of IND AS 116 – Leases As per IND AS 116, a right of use asset and lease liability were recognized in the balance sheet. Lease liability is initially recognized at the present value of future lease payment during the lease term. This standard requires usage of significant judgements and estimation in recognizing the leases. The standard mandates detailed note on impact leases. Reference is drawn to note 31 to the consolidated financial statements</p>	<p>Principal Audit Procedures: We have performed the following audit procedures:</p> <ul style="list-style-type: none"> a) We have reviewed various judgements and controls applied by the management in classifying the leases based on contractual agreements. b) We have verified the reconciliation prepared between short term or low value leases and leases where IND AS 116 was applied. c) Verified the recognition of right of use assets and lease liability including the estimates such as discount rates and lease term. d) Assessed and verified the presentation and disclosures of leases as per IND AS 116 including the disclosure requirements of transition period.

EMPHASIS OF MATTER

Without qualifying our report, we draw attention to Note 6 to the consolidated financial statements.

The Company received a Letter of Intent (LOI) from a client for Rs.4,44,275 lakhs for the setting up of 1 X 660 MW Supercritical Power Plant at Ennore. The Company has recognized a turnover of Rs.81,075 lakhs and Rs.13,721 lakhs as contribution and Contract Assets during the previous financial year 2019-20.

On 23-April-2021, the Client unilaterally cancelled the LOI issued, due to delay in submission of Bank Guarantee by the Company. The Company has filed a writ petition before the Honorable High Court of Madras, to challenge the cancellation and the case is pending before the Honorable High Court of Madras.

Our opinion is not modified in respect of the above matter.

OTHER MATTERS

- a. We did not audit the financial statements of the subsidiary Sravanaa Properties Limited, whose financial statements reflect total assets of Rs.13,074 lakhs as at 31-March-2021, total revenues of Rs.21.20 lakhs and net cash inflows amounting to Rs.2.61 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.1,677 lakhs as at 31-March-2021, total loss of Rs. 0.22 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.68,535.28 lakhs as on 31-March-2021, total revenue of Rs.1,497.53 lakhs and net cash inflows amounting to Rs.229.29 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 other information. The other information comprises the information included in the Board's Report including Annexures thereto but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

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, and 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-2021 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-2021 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".
- 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:

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Company during the year is in excess of the limits prescribed under section 197 of the Act. The company proposes to place the relevant agenda in the ensuing general meeting to obtain the requisite approval from shareholders.

- 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.3.c.(i) and Note No.32 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.36 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.

For N R Doraiswami & Co
Chartered Accountants
Firm Registration No: 000771S

SUGUNA RAVICHANDRAN
Partner

Place: Coimbatore
Date : 30-06-2021

Membership No: 207893
UDIN : 21207893AAAAXV5693

ANNEXURE 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-2021, 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, 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-2021, 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 Registration No: 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No: 207893
UDIN : 21207893AAAAXV5693

Place: Coimbatore

Date : 30-06-2021

Consolidated Balance Sheet

₹ Lakhs

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
I Non Current Assets			
(a) Property, plant and equipment	1	36763	40042
(b) Other Intangible assets	2	184	233
(c) Goodwill	2	59	59
(d) Financial assets			
(i) Investments	3 (a)	78	42
(ii) Trade receivables	3 (b)	53203	110640
(iii) Loans	3 (c)	4403	4328
(iv) Other financial assets	3 (d)	11832	12049
		106522	167393
II Current Assets			
(a) Inventories	4	4711	4373
(b) Financial assets			
(i) Trade receivables	5 (a)	80759	88051
(ii) Cash and cash equivalent	5 (b)	35390	38124
(iii) Loans	5 (c)	47223	47604
(iv) Other financial assets	5 (d)	637	966
(c) Other current assets	6	264235	278005
		432955	457123
		539477	624516
TOTAL ASSETS			
EQUITY AND LIABILITIES			
I Equity			
(a) Equity Share Capital	7	7216	7216
(b) Other Equity		70278	110671
Equity attributable to owners of BGR Energy Systems Limited		77494	117887
II Non-Controlling Interest		(3289)	(1159)
Total Equity		74205	116728
III Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8 (a)	-	-
(ii) Lease Liability	8 (b)	3	593
(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)	10906	7863
(b) Provisions	9	4509	4307
(c) Deferred tax liabilities (net)	26	13968	25894
		29386	38657
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8 (a)	193825	212996
(ii) Lease Liability	8 (b)	431	742
(iii) Trade payables	8 (c)		
Total Outstanding dues of micro enterprises and small enterprises		13478	12618
Total Outstanding dues of creditors other than micro enterprises and small enterprises		96492	103924
(iv) Other financial liabilities	10	918	825
(b) Other Current Liabilities	11	129836	137065
(c) Provisions	12	660	715
(d) Current tax liabilities (net)		246	246
		435886	469131
Total Liabilities		465272	507788
TOTAL EQUITY AND LIABILITIES		539477	624516

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.DORAI SWAMI & CO

Chartered Accountants
Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Chennai
June 30, 2021

Consolidated Statement of Profit and Loss

₹ Lakhs

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	13	113972	269197
II Other income	14	712	4252
III Total Income (I + II)		114684	273449
IV Expenses			
(a) Cost of raw materials and components consumed	15	73429	164059
(b) Cost of manufacturing and construction	16	25174	50623
(c) Other direct cost	17	3654	5154
(d) Changes in inventories of work in progress		(17)	20
(e) Employee benefits expense	18	14108	20052
(f) Finance costs	19	26425	27747
(g) Depreciation and amortization expense	20	3052	3486
(h) Other expenses	21	23425	10279
Total expenses (IV)		169250	281420
V Profit/(Loss) before exceptional items and tax (III-IV)		(54566)	(7971)
VI Exceptional items		-	-
VII Profit/(Loss) before tax (V)+(VI)		(54566)	(7971)
VIII Tax expenses			
(i) Current tax		3	757
(ii) Deferred tax		(11985)	(8479)
(iii) Tax - Earlier years		71	708
IX Profit/(Loss) for the period (VII)-(VIII)		(42655)	(957)
X Other Comprehensive Income			
(i) items that will not be reclassified to profit or loss	23	173	(117)
(ii) items that will be reclassified to profit or loss	23	(42)	(120)
XI Total Comprehensive Income for the Period (IX+X) (Comprising Profit and other Comprehensive Income for the Period)		(42524)	(1194)
Profit or Loss attributable to:			
Owners of BGR Energy Systems Ltd		(40525)	(286)
Non Controlling Interests		(2130)	(671)
		(42655)	(957)
Total Comprehensive Income attributable to:			
Owners of BGR Energy Systems Ltd		(40394)	(523)
Non Controlling Interests		(2130)	(671)
		(42524)	(1194)
XII Earnings per Equity Share (for Continuing Operation):			
1. Basic		(56.16)	(0.40)
2. Diluted		(56.16)	(0.40)

SASIKALA RAGHUPATHY
Chairperson

ARJUN GOVIND RAGHUPATHY
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for M / s N.R.DORAISWAMI & CO
Chartered Accountants
Firm Registration No.: 0007715

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Chennai
June 30, 2021

Consolidated Cash Flow Statement

₹ Lakhs

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before tax and extraordinary items	(54566)	(7971)
	Adjustments for :		
	Depreciation, impairment and amortization	3052	3486
	Dividend from investments - quoted	-	-
	(Profit) / Loss on sale of fixed assets (net)	(12)	(61)
	Net gain on sale of investment	-	(3910)
	Provision for warranty and Contractual Obligation	(159)	(885)
	Lease Payment	500	599
	Trade Receivables written off	16837	3811
	Interest expense	26425	27747
	Operating profit before working capital changes	46643	30787
	Changes in working capital	(7923)	22816
	(Increase) / decrease in trade receivables	47892	53904
	(Increase) / decrease in inventories	(338)	(656)
	(Increase) / decrease in current assets	18039	(12016)
	(Increase) / decrease in loans and advances	306	(8296)
	Increase / (decrease) in trade payables and provisions	(11022)	(17695)
	Cash generated from operations	54877	15240
	Direct taxes (paid) / refund (net)	46954	38056
		(15)	(1093)
	Net cash flow from operating activities	46939	36963
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets	(131)	(310)
	Sale of fixed assets	19	200
	Sale of Subsidiary	-	4335
	Dividend from investments - quoted	-	-
	Increase in Market value of Investments	36	(46)
	Net cash flow from investing activities	(76)	4179
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Long term borrowings (repaid) / availed	-	(17047)
	Short term borrowings (repaid) / availed	(19060)	4111
	Lease Payment	(500)	(599)
	Lease Interest Payment	(90)	(232)
	Interest paid	(26224)	(27515)
	Net cash flow from financing activities	(45874)	(41282)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	989	(140)
	Cash and cash equivalents as at April 1, 2020	4552	4692
	Cash and cash equivalents as at March 31, 2021	5541	4552
	Cash on hand	18	26
	On current accounts	3096	2763
	On deposit accounts	2427	1763

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Partner
Membership No.207893

Chennai
June 30, 2021

7. Statement of Changes in Equity (2020-21)

₹ Lakhs

Particulars	Other Equity								Total Equity share capital and Other Equity	Non-Controlling interests	Total (20-21)	
	Equity Share Capital	Securities Premium Reserve	General Reserves	Revaluation Reserves	Retained Earnings	Capital reserve on consolidation	Equity Instruments through 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	-	64295	242	(1)	(206)	19	117887	(1159)	116728
Profit for the year					(40525)					(40525)	(2,130)	(42655)
Amount transferred from Statement of Profit and Loss							27					27
Equity Instruments through Other Comprehensive Income								(42)				(42)
Effective Portion of Cash Flow Hedges									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	-	23770	242	26	(248)	165	77493	(3289)	74205

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Chennai
June 30, 2021

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 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 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
Software	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 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 to 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 purposes. Deferred tax is recognised in respect of carried forward losses and tax credits. Deferred tax is 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.

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 2020	25,293	2,728	26,342	1,934	891	240	2,278	360	1,361	61,428
Additions	-	-	86	-	-	-	22	-	2	110
Disposals	-	-	56	726	-	-	-	-	83	865
At 31 Mar 2021	25,293	2,728	26,372	1,208	891	240	2,301	360	1,280	60,674
Depreciation and impairment										
At 1 April 2020	-	755	15,939	670	585	231	1,884	263	1,059	21,385
Depreciation charge for the year	-	86	2,054	475	76	3	184	26	77	2,982
Disposals	-	-	49	325	-	-	-	-	82	456
At 31 Mar 2021	-	841	17,944	820	660	234	2,068	289	1,054	23,911
Net book value										
At 31 Mar 2021	25,293	1,888	8,428	388	230	6	232	71	226	36,763
At 31 Mar 2020	25,293	1,974	10,402	1,264	306	9	394	97	302	40,042

* Buildings include original cost of Rs. 1642 lakhs (Rs. 1642 lakhs), which are constructed on lease hold land.

2. INTANGIBLE ASSETS

₹ Lakhs

Particulars	Goodwill	Technical Knowhow	Software	Total
At 1 April 2020	59	1,348	2,268	3,675
Additions	-	-	21	21
Disposal	-	-	-	-
At 31 Mar 2021	59	1,348	2,289	3,696
Amortisation and impairment				
At 1 April 2020	-	1,348	2,036	3,384
Amortisation	-	-	70	70
Disposal	-	-	-	-
At 31 Mar 2021	-	1,348	2,106	3,454
Net book value				
At 31 Mar 2021	59	-	184	243
At 31 March 2020	59	-	233	292

Notes to Consolidated Financial Statements

3. FINANCIAL ASSETS

3 (a) Non Current Investments

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
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.115.40 (Rs.43.10) per share	16	6
Quoted Investments in Mutual Funds		
50,000 SBI Mutual Fund-Magnum Multi Cap Fund - Dividend (50,000) units Market Value Rs.28.1166 (Rs.16.5839) per unit	14	8
2,50,000 SBI Mutual Fund-Infrastructure Fund - I - Growth (2,50,000) units Market Value Rs.19.2759 (Rs.11.1055) per unit	48	28
Investments carried at fair value through Other Comprehensive Income (B)	78	42
Total Investments	78	42
Current	-	-
Non-Current	78	42
Aggregate cost of quoted investments	43	43
Aggregate market value of quoted investments	78	42
Aggregate value of unquoted investments	-	-

3 (b) Trade Receivables - Non Current

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	54567	113477
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
	54567	113477
Less: Allowance for Credit Loss	(1364)	(2837)
Total Trade receivables	53203	110640

3 (c) Loans - Non current

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good - secured	-	-
Loans considered good - unsecured		
- Deposits	1190	1356
- Other loans and advances	3213	2972
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	4403	4328
Total loans	4403	4328

3.c.(i). Cochin Project: The end client of Cochin Port Road Connectivity Project viz., Cochin Port Road Company Ltd., (SPV of NHAI) terminated the contract on May 28, 2007. Consequently, the end client encashed BGs for a value of Rs.1270 lakhs furnished by the company on behalf of MECON - GEA (JV). The main contractor viz., MECON - GEA (JV) contested the termination of the contract. The disputes after having been reviewed by the Dispute Review Board, have been determined through arbitration. The Arbitral Tribunal disposed off the matter and pronounced the award on 27.12.2015 and a sum of Rs 2673 lakhs was awarded to the JV. The recoverable amount of Rs 1654 lakhs grouped under loans and advances is covered by the arbitral award. Cochin Port Road Company Ltd., (SPV of NHAI) has challenged the award, before the Honourable Delhi High Court and is pending for adjudication.

Notes to Consolidated Financial Statements

3 (d) Other financial Assets

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Margin money deposit held under lien to banks - maturity more than 12 months	11093	11507
Interest accrued on margin money deposits	739	542
Total Other financial Assets	11832	12049

4. INVENTORIES

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials and components	4692	4371
Work-in-progress	19	2
Total of inventories at lower of cost or net realisable value	4711	4373

CURRENT ASSETS

5. FINANCIAL ASSETS

5 (a) Trade receivables

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured		
- from related parties	1180	1306
- from Others	81695	89003
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
	82875	90309
Less: Allowance for Credit Loss	(2116)	(2258)
Total Trade receivables	80759	88051

5 (b) Cash and cash equivalent

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
- On current accounts	3096	2763
- On deposits accounts	2427	1763
Cash on hand	18	26
Margin money deposits held under lien to banks	29841	33546
On unpaid dividend accounts	8	26
Total Cash and cash equivalent	35390	38124

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

5 (c) Loans

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Loans Considered good - Secured	-	-
Loans Considered good - Unsecured	-	-
- Advance to related party	458	458
- Other loans and advances *	42326	42634
- Deposits	4439	4512
Loans which have significant increase in credit risk	-	-
Loans - Credit impaired	-	-
Total loans	47223	47604

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

5 (d) Other Financial Assets

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued on fixed deposits	637	966
Total Other Financial Assets	637	966

Notes to Consolidated Financial Statements

6. OTHER CURRENT ASSETS

₹ Lakhs

Particulars	As at	
	March 31, 2021	March 31, 2020
Unsecured, considered good		
Advance to suppliers	44886	45341
Others*	8698	8698
Contracts Asset**	213132	227809
Advance Income tax (net of provision)	-	-
Prepayments	1782	1400
Sub Total	268498	283248
Less : Allowance for Credit Loss on Contract Asset	(4263)	(5243)
Total Other Current Assets	264235	278005

* 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.

"The Company has received intimation dated 23.04.2021 from a client cancelling the Letter of Intent (LOI) for award of contract for setting up of 1 x 660 MW supercritical power plant with a contract value of Rs.4442.75 crores due to delay in submission of security / bank guarantee. The Company has filed a writ petition before the Honourable High Court of Madras and challenged the said cancellation and the matter was heard on 28.04.2021. After hearing both the parties, the Honourable High court has directed the Company to come up with a proposal to the said client. Accordingly, the Company had submitted its proposal and the same is under consideration by the client. Further, the client has undertaken to submit a report to the Honourable High court and also not to proceed with fresh tender notification for the project.

The Company has recognized a turnover of Rs.81075 lakhs and Rs.13721 lakhs as contribution and contract asset during the previous financial year 2019-20. Since the matter is under dispute, no adjustments have been made in the financial statements.

7. SHARE CAPITAL

Authorised Share Capital

₹ Lakhs

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
	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, 2021		As at March 31, 2020	
	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, 2021		As at March 31, 2020	
	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, 2021		As at March 31, 2020	
	No. of Shares	% held	No. of Shares	% held
Mrs. Sasikala Raghupathy	2,68,68,450	37.23	2,68,68,450	37.23
BGR Investment Holdings Company Limited	2,72,48,400	37.76	2,72,48,400	37.76

c. 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

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term Loans from Banks	-	-
Borrowings (Non Current)	-	-
Working capital loans from banks	193825	212996
Borrowings (Current)	193825	212996
Total Borrowings	193825	212996

- 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. The loan is secured by hypothecation of inventories, trade receivables and movable assets of Product

Notes to Consolidated Financial Statements

Division viz AFC, EED, OGED 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.

- 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.

8 (b) Lease Liability

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liability - Non Current	3	593
Lease Liability - Current	431	742
Total Lease Liability	434	1335

8 (c) Trade Payables

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Micro and small enterprises	13478	12618
Others		
Trade Payables	107398	111787
Total Trade Payables	120876	124405
Trade Payables Current	109970	116542
Trade Payables Non Current	10906	7863

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:

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount remaining unpaid	14317	13573
Interest due thereon remaining unpaid	2885	2159
Payments made to the supplier beyond the appointed day during the year	6480	8055
Interest paid to the supplier	-	-

Particulars	As at March 31, 2021	As at March 31, 2020
Interest due and payable for the period of delay in making payment without adding interest specified under this Act.	-	-
Interest accrued and remaining unpaid	2885	2159
Amount of further interest remaining due and payable in succeeding years	2159	1146

9. NON CURRENT PROVISIONS

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefit obligations		
Provision for leave encashment	272	364
Provision for gratuity	880	686
Provision for contractual obligation	1300	1300
Provision for warranty	2057	1957
Total Non Current Provisions	4509	4307

10. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowings	-	-
Unpaid dividends	8	26
Interest accrued	910	799
Total	918	825

11. OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customers	67682	65815
Other payables *	48635	46999
Contract Liability	13519	24251
Total Other Current Liabilities	129836	137065

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

Notes to Consolidated Financial Statements

12. PROVISIONS

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefit obligations		
Provision for bonus	30	32
Provision for leave encashment	105	193
Provision for gratuity	333	268
Others		
Provision for warranty	192	222
Total Provisions	660	715

PROFIT AND LOSS

13. REVENUE FROM OPERATIONS:

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Capital Goods	19623	38166
Construction and EPC contracts	91685	228075
Other operating revenues	2664	2956
Total	113972	269197

14. OTHER INCOME

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend from investments - quoted	-	-
Others		
Net gain on disposal of property, plant and equipment	12	61
Net gain on sale of investment	-	3910
Interest on advances / deposit / IT-refunds	700	281
Total Income	712	4252

15. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening inventory (Raw materials, consumables, bought outs and components)	4371	3695
Add : Purchases	73750	164735
Less: Closing inventory (Raw materials, consumables, bought outs and components)	4692	4371
Cost of raw material and components consumed	73429	164059

16. COST OF MANUFACTURING AND CONSTRUCTION

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Subcontracting and processing charges	25020	50410
Power and fuel	154	213
Cost of manufacturing and construction	25174	50623

17. OTHER DIRECT COST

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Insurance	688	606
Bank charges	2852	4287
Packing and forwarding	114	261
Other direct cost	3654	5154

Notes to Consolidated Financial Statements

18. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, allowances and bonus	12501	18149
Contribution to P.F., E.S.I.	781	575
Workmen and staff welfare expenses	385	1040
Compensated Absences	17	172
Gratuity	424	116
Employee benefits expense	14108	20052

19. FINANCE COSTS

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on working capital loans	21081	23889
Interest on term loans	-	974
Interest - others	5344	2884
Finance costs	26425	27747

20. DEPRECIATION AND AMORTIZATION EXPENSE

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of tangible assets	2981	3413
Amortization of intangible assets	71	73
Depreciation and amortization expense	3052	3486

21. OTHER EXPENSES

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent	538	591
Payment to auditors (refer details below)	75	74
Bank charges	3589	2411
Conveyance and vehicle running expenses	502	650
Trade receivables written off	16837	3811

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Electricity charges	129	196
Foreign exchange (gain)/loss (net)	464	716
Insurance	79	367
Miscellaneous expenses	(2033)	(579)
CSR expenses	-	7
Provision for Contractual Obligation	-	(885)
Professional charges	1491	581
Rates and taxes	169	84
Repairs and maintenance	945	1068
Security charges	241	209
Selling expenses	20	68
Sitting fees	30	34
Telephone expenses	97	146
Travelling expenses	252	730
Total Other expenses	23425	10279

PAYMENT TO AUDITORS

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
- For audit fees	71	72
- For certification and others	4	2
Total Payment to Auditors	75	74

22. DETAILS OF CSR EXPENDITURE

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a. Gross amount spent during the Year	1	116

Notes to Consolidated Financial Statements

b. Amount spent during the year	For the year ended March 31, 2021		For the year ended March 31, 2020	
	In Cash	Yet to be Paid in Cash	In Cash	Yet to be Paid in Cash
i. Construction/acquisition of any asset	-	-	-	-
ii. On purposes other than (i) above	-	-	7	-

As required under Section 135 of Companies Act 2013, the company is required to spend Rs.1 Lakh (Rs.116 lakhs) towards Corporate Social Responsibility (CSR) activities. Expenses incurred during the year is Rs.Nil (Rs.7 Lakhs) and no provision is made for balance amount during the financial year 2020-2021.

23. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Items that will not be reclassified to Profit/Loss		
Remeasurement of net defined benefit Liability/Asset (net)	146	(87)
Equity Instruments through Other Comprehensive Income (net)	27	(30)
Items that will be reclassified to Profit/Loss		
Fair value changes on cash flow hedges (net)	(42)	(120)
Total Other Comprehensive Income for the Year	131	(237)

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 March 31, 2021	For the year ended March 31, 2020
Basic EPS		
Profit after tax as per accounts	(40,525)	(286)
"Weighted average number of equity shares (face value Rs.10 per share) (lakh Nos.)"	722	722
Basic EPS (Rs.)	(56.16)	(0.40)
Diluted EPS		
Profit for the year for basic EPS	(40,525)	(286)
Less : Adjustment	-	-
Adjusted profit for diluted EPS	(40,525)	(286)
Weighted average number of equity shares for Basic EPS (lakh Nos.)	722	722

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Add : Adjustment	-	-
Weighted average number of equity shares (face value Rs.10 per share) for diluted EPS (lakh Nos.)	722	722
Diluted EPS (Rs.)	(56.16)	(0.40)

25. CONSTRUCTION CONTRACTS

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

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
The aggregate amount of costs incurred and recognized profits (less recognized losses) (including amounts carried forward from previous years)	929444	1581603
The amount of advances received	69428	65815
The amount of retentions	113796	137442
The gross amount due from customers for contract work as an asset (unbilled revenue)	99336	90367
The gross amount due to customers for contract work as a liability (unearned revenue)	13519	24251

*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.

26. DEFERRED TAXES

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

₹ Lakhs

Particulars	Deferred tax asset as at March 31, 2021	Deferred tax liability as at March 31, 2021	Deferred tax asset as at March 31, 2020	Deferred tax liability as at March 31, 2020
Property, plant and equipment	-	331	-	564
Other Intangibles	11	-	11	-
Trade Receivables	876	-	2147	-
Provisions	270	-	280	-
Customer Retention	-	22485	-	28241
ECL on Contract Asset	1073	-	455	-
Carry forward tax loss	6606	-	-	-
Lease Liability (net)	12	-	18	-
Sub Total	8848	22816	2911	28805
Net		13968		25894

Notes to Consolidated Financial Statements

INCOME TAX RECONCILIATION

₹ Lakhs

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Profit before Income Tax	(54,566)	(7,971)
Enacted Tax Rates in India	25.17%	25.17%
Computed expected Tax expense	(13,734)	(2,006)
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	13,737	2,763
Tax Effects of amounts which are deductible in calculating taxable income	-	-
Tax Reversals	-	-
Income Tax Expense	3	757

The applicable Indian statutory tax rate for fiscal year 2021 is 25.17% and fiscal year 2020 is 25.17%.

27. INTEREST IN OTHER ENTITIES

A) Subsidiaries

The group's subsidiaries at 31st Mar, 2021 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-21	31-Mar-20	31-Mar-21	31-Mar-20	
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-21	31-Mar-20	31-Mar-21	31-Mar-20
Current assets	7416	8143	5092	5044
Current liabilities	16964	15338	3191	3135
Net current assets	(9548)	(7195)	1901	1909

Summarized balance sheet	BGR Boilers Private Limited		BGR Turbines Company Private Limited	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Non-current assets	4003	4137	2830	2899
Non-current liabilities	936	1322	1478	1524
Net non-current assets	3068	2815	1351	1375
Net assets	(6480)	(4380)	3252	3284

Accumulated Non-Controlling interests

₹ Lakhs

Summarized statement of profit and loss	BGR Boilers Private Limited		BGR Turbines Company Private Limited	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Revenue	886	4965	612	1109
Profit for the Year	(6998)	(1733)	(121)	(580)
Other Comprehensive Income	-	-	-	-
Profit allocated to NCI	(2099)	(520)	(31)	(151)
Dividends paid to NCI	-	-	-	-

28. FINANCIAL INSTRUMENTS

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	35390			35390	35390
Investments:					
Equity Securities and others			16	13	16
Liquid mutual fund units			62	30	62
Trade Receivables	133962			133962	133962
Loans	50532	1094		52734	51626
Other Financial Assets	12469			12469	12469
Total	232353	1094	78	234598	233525
LIABILITIES					
Other Financial Liabilities	918			918	918
Trade Payables	120876			120876	120876
Borrowings	193825			193825	193825
Total	315619	-	-	315619	315619

Notes to Consolidated Financial Statements

The Carrying Value and Fair Value of Financial Instruments as of March 31, 2020 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	38124			38124	38124
Investments:					
Equity Securities and others			6	13	6
Liquid mutual fund units			36	30	36
Trade Receivables	198691			198691	198691
Loans	50838	1094		53040	51932
Other Financial Assets	13015			13015	13015
Total	300668	1094	42	302913	301804
LIABILITIES					
Other Financial Liabilities	825			825	825
Trade Payables	124405			124405	124405
Borrowings	212996			212996	212996
Total	338226	-	-	338226	338226

29. FAIR VALUE HIERARCHY

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

Fair Value Measurement at the end of the reporting period	As at March 31, 2021	As at March 31, 2020
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.

30. 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 March 31, 2021	As at March 31, 2020
Assets (Trade receivables / advance to suppliers / bank balances)		
In foreign currency		
In USD	370.86	469.08
In EURO	224.07	283.40
In GBP	3.90	4.02
In JPY	3.05	3.05
In SEK	-	0.84
In CHF	0.04	0.04
In CNY	0.01	0.03
In OMR	-	0.00
In MYR	-	0.01
In SGD	-	0.01
In Indian currency		
In USD	27,387.98	35,678.10
In EURO	19,568.17	23,927.62
In GBP	399.52	379.96
In JPY	2.05	2.16
In SEK	-	6.42
In CHF	3.20	3.23
In CNY	0.15	0.29
In OMR	-	0.08
In MYR	-	0.14
In SGD	-	0.40
Liabilities (Advance from customers/trade payables/buyers credit)		
In foreign currency		
In USD	70.90	37.43
In EURO	164.06	168.06

Notes to Consolidated Financial Statements

Particulars	As at March 31, 2021	As at March 31, 2020
In GBP	-	0.03
In SAR	0.28	-
In AED	0.02	0.03
In Indian currency		
In USD	5,236.31	2,846.86
In EURO	14,326.93	14,189.48
In GBP	-	2.82
In SAR	5.71	-
In AED	0.39	0.53

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.137 Lakhs (Rs.178 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 March 31, 2021		As at March 31, 2020	
	Forex Working Capital Demand Loans	Trade payables	Forex Working Capital Demand Loans	Trade payables
Number of contracts	7	-	5	-
Value in foreign currency				
USD	281.50	-	326.74	-
EURO	-	-	-	-
Value in INR	20789	-	24852	-

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	
	As at March 31, 2021	As at March 31, 2020
Fixed rate instruments		
Financial assets		
Fixed deposits with banks	43361	46816
Variable rate instruments		
Financial liabilities		
Borrowings from banks	-	-
Working Capital Loans	193825	212996

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 (31.03.2021) would have increased / (decreased) equity and profit by Rs.1017 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.

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.78 lakhs (Rs.42 lakhs). An increase / decrease of 10% on the BSE Market index could have an impact of approximately Rs. 7.80 Lakhs (Rs. 4.20 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.250559 Lakhs

Notes to Consolidated Financial Statements

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	Up to 12 months	More than 12 months
Trade payables	109970	10906
Borrowings	193825	-
Other financial liabilities	910	-

Collateral risk

The Company has pledged its short-term deposits of Rs. 40934 lakhs to fulfil the security requirements for the contractual obligations. As at 31 March, 2021, 31 March, 2020 the fair values of the short-term deposits pledged were Rs. 40934 lakhs and Rs. 45053 lakhs respectively.

31. LEASES

The changes in carrying value ROU assets and Lease liabilities for the year ended March 31, 2021 are as follows:

₹ Lakhs

Particulars	ROU Assets As at Mar 31,2021	Lease Liabilities As at Mar 31,2021	ROU Assets As at Mar 31,2020	Lease Liabilities As at Mar 31,2020
Opening balance	1,264	1,335	-	-
Add : Additions during the year	-	-	1934	1934
Add : Interest cost during the year	-	115	-	232
Less : Deletions during the year	401	426	-	-
Less : Depreciation during the year	475	-	670	-
Less : Payment of Lease Liabilities	-	590	-	831
Closing Balance	388	434	1264	1335

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. 533 lakhs (Rs. 577 lakhs) relating to leases with a term of 12 months or less and low value leases are charged to statement of profit and loss

32. CONTINGENT LIABILITIES AND COMMITMENTS

₹ Lakhs

Particulars	As at March 31,2021	As at March 31,2020
Contingent liabilities		
Claims against the Group not acknowledged as debt		
a) On account of sales tax *	24768	24572
b) On account of income-tax *	3754	3992
c) On account of service tax *	36665	36665
d) On account of provident fund	521	521
g) Others	49183	44880
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	115	44

* Excludes interest, penalty and self assessment tax paid.

33. SEGMENT INFORMATION

Primary segment information (business segments)

₹ Lakhs

Particulars	2020-21				2019-2020			
	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)	21024	92948	-	113972	20887	248310	-	269197
b) Inter Segment sales	334	-	(334)	-	2490	-	(2490)	-
Total Revenue	21358	92948	(334)	113972	23377	248310	(2490)	269197
b) Result	418	(29271)	-	(28853)	1305	14219		15524
Add: Unallocated income (net of expenditure)				712				4252
Profit before interest and tax				(28141)				19776
Interest	435	25990		26425	484	27263		27747
Profit before tax				(54566)				(7971)
Tax expenses								
- Current tax				3				757
- Deferred tax				(11985)				(8479)
- Tax - earlier years				71				708
- Total				(11911)				(7014)
Profit for the year				(42655)				(957)

Notes to Consolidated Financial Statements

Particulars	2020-21				2019-2020			
	Capital goods segment	Construction and EPC contracts segment	Inter Segment eliminations	Total	Capital goods segment	Construction and EPC contracts segment	Inter Segment eliminations	Total
c) Assets	31772	499055		530827	35399	577193		612592
Add: Unallocated corporate assets				8650				11925
Total assets				539477				624516
d) Liabilities	12255	439049		451304	9029	472865		481894
Add: Unallocated corporate liabilities				13968				25894
Total liabilities				465272				507788

Revenue of approximately INR Rs. 61624 lakhs (31.03.2020 - INR Rs.203399 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-21	31-Mar-20
Segment profit	(28853)	15,524
Dividend Income	-	-
Net gain on disposal of property, plant and equipment	12	61
Net gain on sale of investment	-	3,910
Interest Income	700	281
Profit before interest and tax	(28141)	19,776

Reconciliation of assets	31-Mar-21	31-Mar-20
Segment operating assets	530,827	612,592
Investments	78	42
TDS receivable	8,572	11,883
Total assets	539,477	624,516

Reconciliation of liabilities	31-Mar-21	31-Mar-20
Segment operating liabilities	451,304	481,894
Deferred tax liabilities (net)	13,968	25,894
Total liabilities	465,272	507,788

Secondary segment information (geographic segments)

₹ Lakhs

Particulars	Domestic		Overseas		Total	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
External revenue by location of Customers	112,425	266,510	1,547	2,686	113,972	269,197
Carrying amount of segment assets by location of assets	106,522	167,393	-	-	106,522	167,393

34. 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. Nannilam Property Private Limited

Key Managerial Personnel

1. Mr.V.R.Mahadevan
2. Mr.R.Rameshkumar
3. Ms.Swarnamugi Karthik
4. 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)

(information provided in respect of revenue items for the year ended Mar 31, 2021 and in respect of assets / liabilities as at Mar 31, 2020)

₹ Lakhs

Particulars	Related parties where significant influence exists and where key management personnel have significant influence	Key Management Personnel	Relatives of Key Management Personnel	2020-21	2019-20
Sales	2,400	-	-	2,400	2,441
Purchases	711	-	-	711	883
Remuneration					
a) Short Term Employee Benefits	-	232	42	274	427
b) Post Employment Benefits	-	-	-	-	-
c) Other Long Term Employee Benefits	-	-	-	-	-
d) Termination Benefits	-	-	-	-	-
e) Share Based Payment	-	-	-	-	-
Rent expenses	274	-	33	307	318
Sale of fixed assets	-	-	-	-	-
Others	-	-	25	25	25
Advances given	-	-	-	-	235

Notes to Consolidated Financial Statements

Particulars	Related parties where significant influence exists and where key management personnel have significant influence	Key Management Personnel	Relatives of Key Management Personnel	2020-21	2019-20
Repayment of advance given	-	-	-	-	-
Other Obligations	-	-	-	-	13,680
Loans & Advances					
- Loan availed	-	-	-	-	3,500
- Loan repaid	-	-	-	-	3,500
Interest on Loan	-	-	-	-	92
Sale of investments	-	-	-	-	4,335
Balances outstanding	895	-	(162)	733	1,331

35. 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 Group has made a provision of Rs. Nil (Rs. Nil) in the books of accounts towards impairment of other fixed assets based on the technical valuation.

36. PROVISIONS

- a) The company has made a provision / transfer of Rs.131 lakhs, (Rs.1540 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
	2020-21	2020-21	2019-20	2019-20
Opening balance	2179	1300	2033	2185
Add :Addition / transfers	131	-	240	1300
Less : (a) Provision utilised	(61)	-	(71)	-
(b) Provision reversed	-	-	(23)	(2,185)
Closing balance	2249	1300	2179	1300

37. COVID-19 IMPACT

The Company's operations and financial results for the year ended March 31, 2021 have been impacted by COVID-19 pandemic. The results for the year are not comparable with the previous year

38. The Consolidated financial statements for the year ending 31.03.2021, 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 2019-20, 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.

- 39** (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	38065	886	168
2) BGR Turbines Company Private Limited	30470	612	61

40 Previous year figures

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

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
June 30, 2021

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

₹ 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 shareholding
1	BGR Boilers Private Limited	20-21	INR	13558	(35158)	38065	38065	-	84.5	(6998)	-	(6998)	-	70%
2	BGR Turbines Company Private Limited	20-21	INR	18400	(6138)	30470	30470	-	54.5	(48)	73	(121)	-	74%
3	Sravanaa Properties Limited	20-21	INR	17	13048	13074	13074	-	18	9	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
June 30, 2021

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, 2021
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

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
June 30, 2021

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BGR ENERGY SYSTEMS LIMITED

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