



BGR ENERGY SYSTEMS LIMITED

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

BeSec/2020
August 21, 2020

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

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

NSE Symbol: BGREENERGY

BSE Scrip Code: 532930

Dear Sirs,

Sub: Annual Report of the Company for the Financial Year ended March 31, 2020.

Further to our letter dated August 11, 2020, intimating the date of 34th Annual General Meeting, we are pleased to forward the Annual Report of the Company along with the Notice of the 34th Annual General Meeting to be held on September 17, 2020, Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We request you to take the same on record.

Thanking you,

Yours truly,
for BGR Energy Systems Limited

R. Ramesh Kumar
Director & Secretary
Encl : a.a.

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



34TH ANNUAL REPORT
2019-20



Super Critical BTG; Delivered



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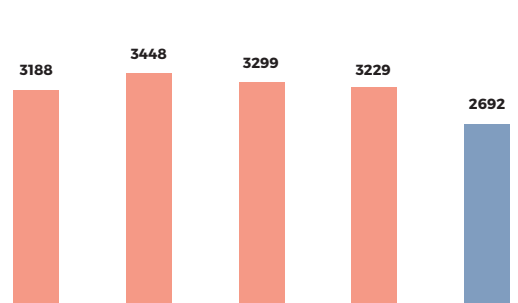
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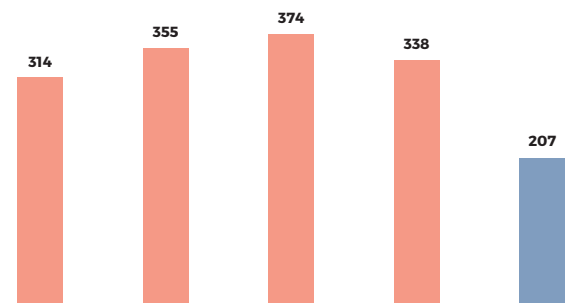
Financial Highlights

(₹ Crores except per share data)

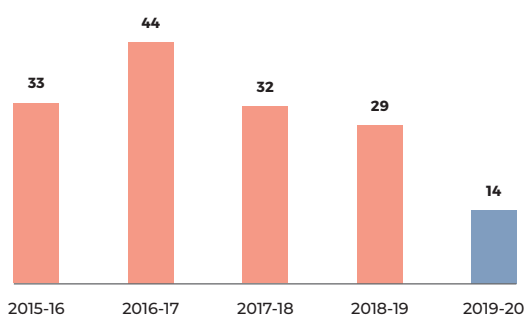
DESCRIPTION	2015-16	2016-17	2017-18	2018-19	2019-20
SALES AND EARNINGS					
Sales	3188	3448	3299	3229	2692
Other Income	6	0	21	1	41
EBIDTA	314	355	374	338	207
PAT	33	44	32	29	14
ASSETS					
Fixed Assets	179	172	178	177	163
Investments	364	364	364	364	359
Other Asset (Net)	3457	3094	3333	3334	3283
Total Assets	4000	3631	3874	3875	3806
FUNDED BY					
Equity Share Capital	72	72	72	72	72
Reserves and Surplus	1305	1305	1333	1334	1345
Networth	1377	1378	1405	1406	1417
Deferred Taxes	374	327	344	344	259
Borrowings	2248	1926	2125	2124	2130
Total Liabilities	4000	3631	3874	3875	3806
EPS (Rs.)	4.57	6.12	4.49	4.03	1.87



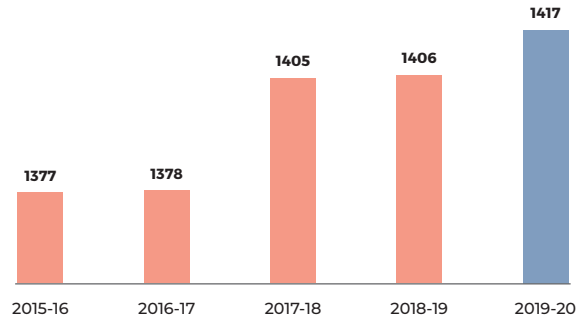
Sales (Rs. in Crores)



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

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

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
No.139, VIBGYOR, First Floor
Kodambakkam High Road,
Nungambakkam, Chennai-600034

SECRETARIAL AUDITOR

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

BANKERS

State Bank of India
Andhra Bank
Allahabad Bank
Axis Bank
Bank of Baroda
Bank of India
Central Bank of India
Corporation Bank
Export Import Bank of India
ICICI Bank Limited
IDBI Bank Ltd
Indian Bank
Kotak Mahindra Bank Ltd.
Punjab National Bank
Syndicate Bank
The KarurVysya Bank Limited
Union Bank of India

To the Members of BGR ENERGY SYSTEMS LIMITED

Your directors have pleasure in presenting their 34th Annual Report together with the audited financial statements for the year ended March 31, 2020.

FINANCIAL RESULTS

The highlights of the standalone financial performance of the Company during the financial year ended March 31, 2020 as compared with the previous financial year ended March 31, 2019 are summarized below:

(₹ in Crore)

Description	2019-20	2018-19
Income from operations	2692	3229
Other income	41	0.71
Total Income	2733	3230
Earnings before Interest, Depreciation, Tax and Amortization	207	338
Profit before exceptional item and tax	(64)	41
Tax Expense	(78)	12
Net Profit after tax	14	29
Other Comprehensive income(net)	-2.37	-0.62
Net Worth	1417	1406

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

Significant material changes and commitments have occurred after the closure of the Financial Year 2019-20 till the date of this Report, which would affect the financial position of your Company.

The rampant spread of COVID-19 outbreak, across borders and geographies, has severely impacted almost the whole world and triggered significant downside risks to the overall global economic outlook and India is no exception. Due to the lockdown announced by the Government of India from 25th March, 2020, entire operations of the Company came to a halt. The lockdowns and restrictions imposed on various activities due to the pandemic have posed challenges to the businesses of your Company.

The moratorium on debts and interest payments have been a source of support in otherwise severely impacted liquidity and operating cash flows. The Board believes that it is difficult to predict any industry wide scenario for the immediate short term and the Company expects to resume normal operations soon after lifting of lockdown and movement of men and materials. Although there are uncertainties due to the pandemic, the Company is taking several measures to mitigate the adverse impact

by optimizing costs and continuously realigning the cost and operating structures so as to sustain viable level.

DIVIDEND AND APPROPRIATION

Your Company has incurred loss during the year and hence Board of Directors have not recommended any dividend during 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 coupled with stagnant power demand scenario had adversely impacted market potential for EPC and BoP opportunities for thermal power projects. Your Company has timely 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, Infrastructure, Highways and Roads, Transportation and Construction. These strategic measures are expected to yield positive growth results in the years to come. Your Company's manufacturing business have shown improvement and are expected to post robust performance in the light of project investments in India and abroad.

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

SUBSIDIARIES AND JOINT VENTURES

BGR Boilers Private Limited, which supplies 660 MW super critical steam generators, made an operating income of Rs.49.32 Crores and incurred a loss of Rs.17.33 Crores in the year 2019-20. BGR Turbines Company Private Limited, which supplies 800MW super critical steam turbine generators, has made an operating income of Rs.10.20 Crores and made a loss of Rs.5.80 Crore in the year 2019-20. During the year under review your Company divested its entire shareholding in its subsidiary viz., Progen Systems and Technologies Limited. The manufacturing facilities of this subsidiary will continue to be available to your Company on lease basis in accordance with mutually agreed terms. This divestment had no significant impact on the financial position of your Company.

A report on the performance and financial position of each of the subsidiaries and joint venture as per rule 5 of the Companies (Accounts) Rules, 2014 is provided as annexure to the consolidated financial statement and hence not repeated here for the sake of brevity as required under rule 8(1) of the Companies (Accounts) Rules, 2014.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with Companies Act, 2013 and implementation requirements of Indian Accounting Standards (Ind AS) Rules on accounting and disclosure requirements, 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, Mr. Arjun Govind Raghupathy, Director retires by rotation and being eligible offers himself for reappointment. A brief profile of Mr. Arjun Govind Raghupathy (DIN 02700864) will be given in the notice convening the 34th annual general meeting of the Company. The Board of Directors recommends proposed appointment of Mr. Arjun Govind Raghupathy.

On the recommendation of Nomination and Remuneration Committee (NRC) the Board of Directors on June 30, 2020 re-designated Mr. Arjun Govind Raghupathy, Deputy Managing Director & COO and appointed him to the office of Managing Director. The Board further vested Mr. Arjun Govind Raghupathy the responsibility of Chief Executive Officer of the Company.

The first term of office of Mr. Gnana Rajasekaran, as independent director of the Company in terms of the Companies Act, 2013 expired on August 14, 2019. Pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors the shareholders re-appointed Mr. Gnana Rajasekaran as independent director of the Company for a period of 5 years at the last Annual General Meeting held on August 14, 2019.

Mr. A. Swaminathan Director- (Engineering & Construction Business) of the Company had relinquished his office of director on the date of last AGM (August 14, 2019) consequent to the expiry of his term of office of Director on the Board.

Mr. V. R. Mahadevan, Joint Managing Director has resigned from the Board with effect from June 30, 2020. The Board placed on record its appreciation of the valuable services rendered by Mr. Swaminathan and Mr. Mahadevan to the Company during their long association with the Company and their contribution in managing the Company during growth and critical phases as Directors on the Board of Directors of the Company.

The Board of Directors of the Company on the basis of recommendation of NRC and having due regard to the proven knowledge, acumen and experience of Mr. R. Ramesh Kumar in the fields of governance, legal, corporate strategy and compliance has appointed him as a director in the vacancy arisen due to the resignation of Mr. V. R. Mahadevan and designated as Whole Time Director (Governance & Legal) & Secretary with effect from July 01, 2020. The Notice calling for ensuing annual general meeting contains the professional profile of Mr. Ramesh Kumar.

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. Also, 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 ["IICA"] 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 hold highest standards of integrity and possess requisite expertise and experience required to fulfill their duties as Independent Directors.

MEETINGS OF BOARD

During the year, 6 Board meetings and 5 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.

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 dated January 05, 2017, 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 and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairperson of the Company was also carried out by the independent directors, taking into account the views of the executive and non-executive directors. The Directors expressed their satisfaction with the evaluation process.

POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS:

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

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

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

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

AUDIT COMMITTEE

The Audit Committee of the Board comprises of four directors of which three members are independent

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

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended March 31, 2020 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto and which forms part of this Report.

SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2020 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.12,40,755/- being the unclaimed dividend declared by the Company for the financial year ended March 31, 2012 was transferred to the Investor Education and Protection Fund of the Central Government in October 2019 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, 2013 at the Annual General Meeting held on September 25, 2013 will be transferred to the Investor Education and Protection Fund of the Central Government in November 2020 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 2011-12 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 Board's 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 registered 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 deposit 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 2019-20, the Foreign exchange earnings and outgo were Rs.106.30 Crores and Rs.5.44 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. The Audit Committee based on the advise of the internal auditors directed the Company to improve the internal financial controls in few areas to ensure that the internal financial controls are operating more effectively.

CORPORATE SOCIAL RESPONSIBILITY

The Company has Corporate Social Responsibility Committee constituted by the Board of Directors with Mrs.Sasikala Raghupathy as Chairperson and Mrs.Swarnamugi R Karthik and Mr.Gnana Rajasekaran as members of the Committee. The CSR Policy formulated and recommended by the Committee is in place. The Policy is in line with Schedule VII of the Companies Act, 2013 and 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.

REMUNERATION POLICY

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013 are disclosed in the note No.36 to the Financial Statements.

RELATED PARTY TRANSACTIONS

The transactions with related parties entered into during the financial year, which were in the ordinary course of business and on an arm's length basis were placed before the Audit Committee and approved. 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 2019-20 orders were passed by the High Court of Madras and awards by two arbitral tribunals against the Company to the extent of Rs.38.07 crores and there are no other significant and material orders 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, 2020, 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, 2020 and of the profit 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; and
- d) the Directors had prepared the annual accounts for the year ended March 31, 2020 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 2020-21.

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, 2019 issued by A.N.Raman & Associates, Cost Accountants was submitted to the Central Government on September 05, 2019.

SECRETARIAL STANDARDS AND SECRETARIAL AUDIT

The Board of Directors confirm, that your Company has complied with the applicable Secretarial Standards during the year 2019-20.

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 VII) 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.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure VI.

ANNEXURES FORMING PART OF BOARD'S REPORT

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

Annexure	Particulars
I	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	Extract of Annual Return in Form MGT-9
VII	Management Discussion & Analysis Report
VIII	Business Responsibility Report

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the valuable support and co-operation extended by

customers, vendors, collaborators, business partners/ associates, statutory authorities, Central and State Governments during the year under review.

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

For and on behalf of the Board

Place : Chennai
Date : June 30, 2020

Sasikala Raghupathy
Chairperson

ANNEXURE I

ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

Manufacturing units of the Company have implemented energy conservation measures and adopted alternate source of energy during the FY 2019 - 20 as given below.

1. Proposal of converting Finning Machine DC drives to AC drives with energy efficient motors in one G Type Machine is under Progress. Expected energy saving will be up to 2,100 Kwh / Year.
2. Planned to complete the changeover of conventional outdoor Lights to LED Industrial Lighting system, identified required light systems and in the process of implementing the same. Expected energy saving up to 3,600 Kwh / Year
3. It is proposed to conduct a study to augment a 20KW solar power charging for Office UPS & lighting system instead of EB Power.
4. Feasibility Study under progress to install a 5 Kw solar power unit (offline) for Canteen Utility power
5. Two Finning Machines with Energy Efficient Servo Motor and Suitable Drive panel were installed during the year.

During the year there is no activity relating to Technology absorption and hence the disclosure requirements with respect to technology absorption does not arise.

ANNEXURE II

ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

1. 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: http://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.

2. Composition of CSR Committee:
Mrs.Sasikala Raghupathy, Chairperson
Mrs.Swarnamaugi R Karthik
Mr.Gnana Rajasekaran
3. Average net profit of the Company for the last three financial years:
Rs.58.03 Crores
4. Prescribed CSR Expenditure(two percent of the amount as in item 3 above):
Rs.1.16 Crores
5. Details of CSR spent during the financial year 2019-20
 - a) Total amount to be spent for the FY 2019-20
Rs.1.16 Crores
 - b) Amount unspent, if any.
Rs.1.09 Crores
 - c) Manner in which the amount spent during the FY 2019-20

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
Education	Promotion of Education for Children	Tiruvallur District, Tamilnadu	-	Rs.1.54 lakhs	Rs.1.54 lakhs	Direct
Education	Promotion of Education for Children	Vijayawada, Andhra Pradesh	-	Rs.5.20 lakhs	Rs.5.20 lakhs	Implementing Agency i.e.BGR Foundation

d) Reasons for not spending the amount during FY 2019-20

Company spent money to the extent of programs genuinely identified by the Company during the year and the Company is in the process of identifying programs/projects for spending the CSR funds so as to obtain the real objective.

6. Responsibility Statement:

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

Arjun Govind Raghupathy
Managing Director

Sasikala Raghupathy
Chairperson of CSR Committee

ANNEXURE III

REMUNERATION POLICY

APPLICABILITY

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

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, positives attributes, integrity and independence.

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.

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.

REMUNERATION TO DESIGNATED EMPLOYEES:

- a. For the purpose of this policy, an employee, who is employed by the company and designated as a member of core management, but not a director, and all Head of functional responsibility or management and holding office one level below executive directors are Designated Employees.

- b. The remuneration shall be determined in an equitable manner having regard to qualifications, age, experience, and contribution to the Company, need to retain talent and industry/market trends.
 - c. Remuneration to Designated Employees shall include fixed salary, variable salary, bonus/ex-gratia, Perquisites and Allowances, performance-linked incentive and other compensation as the Board may determine.
- 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.

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.

Annexure IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

M/s. BGR ENERGY SYSTEMS LIMITED

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

Based on our verification of M/s. BGR ENERGY SYSTEMS LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management 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 2020, 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 2020 according to the provisions of:

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

Investment and External Commercial Borrowings;
- 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;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended in 2018; (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; (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, 1998; (Not applicable to the Company during the audit period)

Other Laws specifically applicable to this Company - NIL

I 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 Stakeholder Relationship Committee chairman was not present at the last Annual General Meeting as required under Regulation 20(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (ii) With respect to the quarter ended June 2019, there were only 4 independent Directors in the Board out of a total of nine directors, which is not in accordance with the Regulation 17(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) 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.

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 30, 2020

Peer Review Cert. No: 667/2020
UDIN:F002969B000363890

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 8 directors as on March 31, 2020 of whom one is promoter non-executive director, two are promoter executive directors, one professional executive director and four 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 two women directors. One professional executive director vacated his office with effect from August 14, 2019 consequent to the expiry of his term of appointment. The Company has initiated necessary action to induct an women independent director on the Board which is a requirement under SEBI(LODR) Regulations 2015.

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 four 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, 2020 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 are generally held at the Corporate Office. The Agenda for the meeting is prepared by the President - Corporate & 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 more 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. 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 noting.

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

BOARD PROCESS, DECISION MAKING AND REVIEW

The following information are 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.
- v) Statutory compliance.
- vi) Corporate Governance compliance.
- vii) Statement on investor complaints filed with stock exchanges
- viii) Action taken on the minutes of the previous meetings of the Board and Committees.
- ix) Corporate Budget including Capital expenditure budget.
- 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.
- xv) Audit Committee's recommendations on internal and statutory audits, auditor recommendation, accidents, untoward incidents and vigil mechanism.
- xvi) Show cause notices and other material legal action against the company.
- xvii) Approval of related party transactions, where approval of the Board is required.

MEETINGS OF THE BOARD

During the Financial Year 2019-20, 6 (six) Board Meetings were held on April 19, 2019, May 30, 2019, August 13, 2019, November 12, 2019, February 14, 2020 and March 30, 2020 and not more than 120 days have elapsed between any two meetings. The information as specified in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are regularly made available to the Board, wherever applicable for discussion and consideration.

MEETING OF INDEPENDENT DIRECTORS

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Company was held on February 14, 2020 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. Guidance note issued by SEBI vide Circular No. SEBI/ Ho/CDD/CMD/CIR/P/2017/004 dated January 05, 2017 on Board evaluation.

Report on Corporate Governance

PARTICULARS OF THE DIRECTORS' ATTENDANCE AT THE BOARD MEETINGS AND AT THE ANNUAL GENERAL MEETING HELD ON AUGUST 14, 2019 AND PARTICULARS OF THEIR DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS IN OTHER COMPANIES ARE GIVEN BELOW:

Name & Category of the Director	Attendance at meetings during 2019-20		No. of Directorship in other Companies®	No. of Committee Membership & Chairmanship in other Companies#
	Board Meetings	At Last AGM held on August 14, 2019		
Mrs. Swarnamugi R Karthik, Director – Corporate Strategy, Promoter / Executive	6	Yes	9	-
Mr. A.Swaminathan * Director – Engineering & Construction Business (E & C) Executive	3	No	2	2
Mr. V.R.Mahadevan Joint Managing Director, Executive	5	Yes	3	-
Mr. Arjun Govind Raghupathy Deputy Managing Director & COO Promoter / Executive	5	Yes	7	-
Mrs. Sasikala Raghupathy, Chairperson, Promoter / Non-Executive	5	Yes	8	-
Mr. M.Gopalakrishna Director, Independent	6	No	6	8
Mr. S.A.Bohra Director, Independent	6	No	-	-
Mr. S.R.Tagat Director, Independent	6	Yes	-	-
Mr. Gnana Rajasekaran Director, Independent	6	Yes	1	1

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. A.Swaminathan vacated his office with effect from August 14, 2019.

(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 entity

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

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

- Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks/ threats and potential opportunities 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, 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.V.R.Mahadevan,Joint Managing Director	Y	Y	Y	Y	Y
Mr.Arjun Govind Raghupathy,DMD & COO	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	-

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

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

The company has formulated and adopted a familiarization programme for independent directors and the same is administered by the Nomination and Remuneration committee. The familiarization programme for independent directors is uploaded in the website of the company and web link for the same is http://www.bgrcorp.com/policy/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 Joint Managing Director, Deputy Managing Director & Chief Operating Officer, Chief Financial Officer, 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 5 (Five) meetings of the Audit Committee held during Financial Year 2019 – 20 on May 29, 2019, August 13, 2019, November 12, 2019, February 14, 2020 and March 30, 2020.

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 August 14, 2019.

COMMITTEE OF DIRECTORS

The Committee of Directors comprise of the following members;

- Mrs. Sasikala Raghupathy – Chairperson
- Mr. V. R. Mahadevan, Joint Managing Director

Mr. A. Swaminathan, Director – Engineering & Construction Business (E & C) (up to August 14, 2019)

Mr. Arjun Govind Raghupathy, Deputy Managing Director & COO

Mrs. Swarnamugi R Karthik, Director – Corporate Strategy; and

Mr. R. Ramesh Kumar, President – Corporate & Secretary

The quorum for Committee meetings is three.

There were 3 (three) meetings of Committee of Directors held during Financial Year 2019 – 20 on June 15, 2019, July 09, 2019, and January 04, 2020.

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

Name of the Member	No. of Meetings attended
Mr. V. R. Mahadevan	3
Mr. A. Swaminathan	1
Mr. Arjun Govind Raghupathy	3
Mrs. Swarnamugi R Karthik	3
Mr. R. Ramesh Kumar	3
Mrs. Sasikala Raghupathy	3

SCOPE OF THE COMMITTEE

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

1. To exercise superintendence, direction, guidance and control over the affairs of the company and subsidiaries and to exercise all such powers and to do all such acts and things as the Company and Board are authorised to exercise and do in respect of any business or transaction for which the respective Joint Managing Directors are 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, 1956 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. 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.

3. 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.
4. 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.
5. To affix the Common Seal of the company to any document, instrument in the presence of Mrs.Sasikala Raghupathy, Chairman or Mr.V.R.Mahadevan, Joint Managing Director or Mr.A.Swaminathan, Director – Engineering & Construction Business (E & C) or Ms.Swarnamugi R Karthik, Director – Corporate Strategy of the company wherever necessary and countersigned by Mr.R.Ramesh Kumar, President – Corporate & Secretary of the company in terms of article 63 of Articles of Association of the company.
6. 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 the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time.

There were 2 (Two) meetings of Nomination and Remuneration Committee held during the Financial Year 2019 – 20 on May 30, 2019 and August 13, 2019.

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

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

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The following are the performance evaluation criteria for independent directors:

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

REMUNERATION PAID TO DIRECTORS DURING FY 2019-20

(₹ in Lakh)

Name of Director	Remuneration	Sitting Fees
	Salary & Allowances	
Mrs. Swarnamugi R Karthik, Director – Corporate Strategy	94.83*	-
Mr. A.Swaminathan* Director – Engineering & Construction Business (E & C)	67.12*	-
Mr. V.R. Mahadevan, Joint Managing Director	133.51*	-
Mr. Arjun Govind Raghupathy, Deputy Managing Director & COO	68.58*	-
Mrs. Sasikala Raghupathy, Chairperson	-	5.40
Mr. M. Gopalakrishna, Director	-	7.20
Mr. S.A. Bohra, Director	-	7.60
Mr. S.R. Tagat, Director	-	7.40
Mr. Gnana Rajasekaran, Director	-	6.40

* Mr. A.Swaminathan vacated his office with effect from August 14, 2019

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

Details of Shares of the Company held by Directors as on March 31, 2020.

Name	Number of Shares held
Mrs. Swarnamugi R Karthik	-
Mr. V.R. Mahadevan	716
Mr. A. Swaminathan*	18,100
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	-

*Mr. A.Swaminathan vacated his office with effect from August 14, 2019

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 1 complaint 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, 2020, there were no pending share transfers. During the Financial Year the Committee had a meeting on November 12, 2019 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, Mr.V.R.Mahadevan, Joint Managing Director and Mrs. Swarnamugi R Karthik, Director – Corporate Strategy as members of the Committee.

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

- To approve re-mat request and issue physical share certificates.
- To approve and register, transfer and transmission of equity shares.
- To register power of attorney or any similar documents.
- To sub-divide, split, consolidate and issue share certificates.
- To affix or authorise affixation of Common Seal of the Company to the share certificates and
- To do all such acts, things and deeds as may be necessary and incidental for the exercise of the

powers; provided that in doing so, the Committee shall comply with the provisions of the Companies Act, Depositories Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities Contracts (Regulation) Act and all other applicable laws.

COMPANY SECRETARY AND COMPLIANCE OFFICER

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

GENERAL MEETINGS

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

Financial Year	Date	Time	Venue
2018 - 19	August 14, 2019	3.00 P.M.	Registered Office
2017 - 18	September 26, 2018	3.00 P.M.	Registered Office
2016 - 17	September 27, 2017	3.00 P.M.	Registered Office

b) Special resolution passed in the previous three annual general meetings;

Financial Year	Date of AGM	Details of special resolution
2018-19	14.08.2019	<ol style="list-style-type: none"> 1. Re-appointment of Mr.Gnana Rajasekaran as an independent director of the Company. 2. Waiver of recovery of excess remuneration paid to Mr.A.Swaminathan, Director -Engineering & Construction Business during the FY 2018-19. 3. Waiver of recovery of excess remuneration paid to Mr.V.R.Mahadevan, Joint Managing Director during the FY 2018-19. 4. Waiver of recovery of excess remuneration paid to Mrs. Swarnamugi R Karthik, Director-Corporate Strategy during the FY 2018-19.

Financial Year	Date of AGM	Details of special resolution
		<ol style="list-style-type: none"> 5. Waiver of recovery of excess remuneration paid to Mr.Arjun Govind Raghupathy, Deputy Managing Director & COO for the FY 2018-19. 6. Approval of Remuneration payable to Executive Directors of Promoter Group exceeding the limits provided in sub-regulation (6)(e) of Regulation 17 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.
2017 - 18	26.09.2018	Appointment of Mrs.Swarnamugi R Karthik as Director - Corporate Strategy of the Company.
2016 - 17	27.09.2017	<ol style="list-style-type: none"> 1. Approval for appointment of Mr. Arjun Govind Raghupathy as Deputy Managing Director & Chief Operating Officer of the Company from 11.11.2016 2. Approval for appointment of Mr.V.R.Mahadevan as Joint Managing Director of the Company from 01.06.2017.

c) No special resolution was passed through postal ballot during the Financial Year 2019-20. 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

- 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 and time of the 34th Annual General Meeting:

AGM Date	:	Thursday, September 17, 2020
Time	:	3.00 P.M.

The details about the financial year and listing:

Financial Year	:	April 1, 2019 to March 31, 2020
Listing on Stock Exchanges	:	National Stock Exchange of India Limited BSE Limited The listing fees for the Financial Year 2019 - 20 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-19	64.45	55.55	39487.45	38460.25
May-19	63.00	50.15	40124.96	36956.10
Jun-19	61.15	42.30	40312.07	38870.96
Jul-19	55.80	40.20	40032.41	37128.26
Aug-19	42.90	33.50	37807.55	36102.35
Sep-19	40.00	32.30	39441.12	35987.80
Oct-19	35.80	30.50	40392.22	37415.83
Nov-19	35.80	28.00	41163.79	40014.23
Dec-19	42.60	29.00	41809.96	40135.37
Jan-20	45.70	34.70	42273.87	40476.55
Feb-20	44.85	34.40	41709.30	38219.97
Mar-20	35.95	18.95	39083.17	25638.90

Stock Market Price Data & Stock performance in NSE:

Month	BSE		SENSEX	
	High (₹)	Low (₹)	High	Low
Apr-19	64.45	55.50	11856.15	11549.10
May-19	63.20	50.55	12041.15	11108.30
Jun-19	62.30	42.00	12103.05	11625.10
Jul-19	55.80	40.00	11981.75	10999.40
Aug-19	42.80	33.50	11181.45	10637.15
Sep-19	40.10	32.25	11694.85	10670.25
Oct-19	36.40	31.00	11945.00	11090.15
Nov-19	35.45	27.75	12158.80	11802.65
Dec-19	42.80	28.75	12293.90	11832.30
Jan-20	45.80	34.75	12430.50	11929.60
Feb-20	44.75	34.75	12246.70	11175.05
Mar-20	36.70	19.00	11433.00	7511.10

Report on Corporate Governance

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

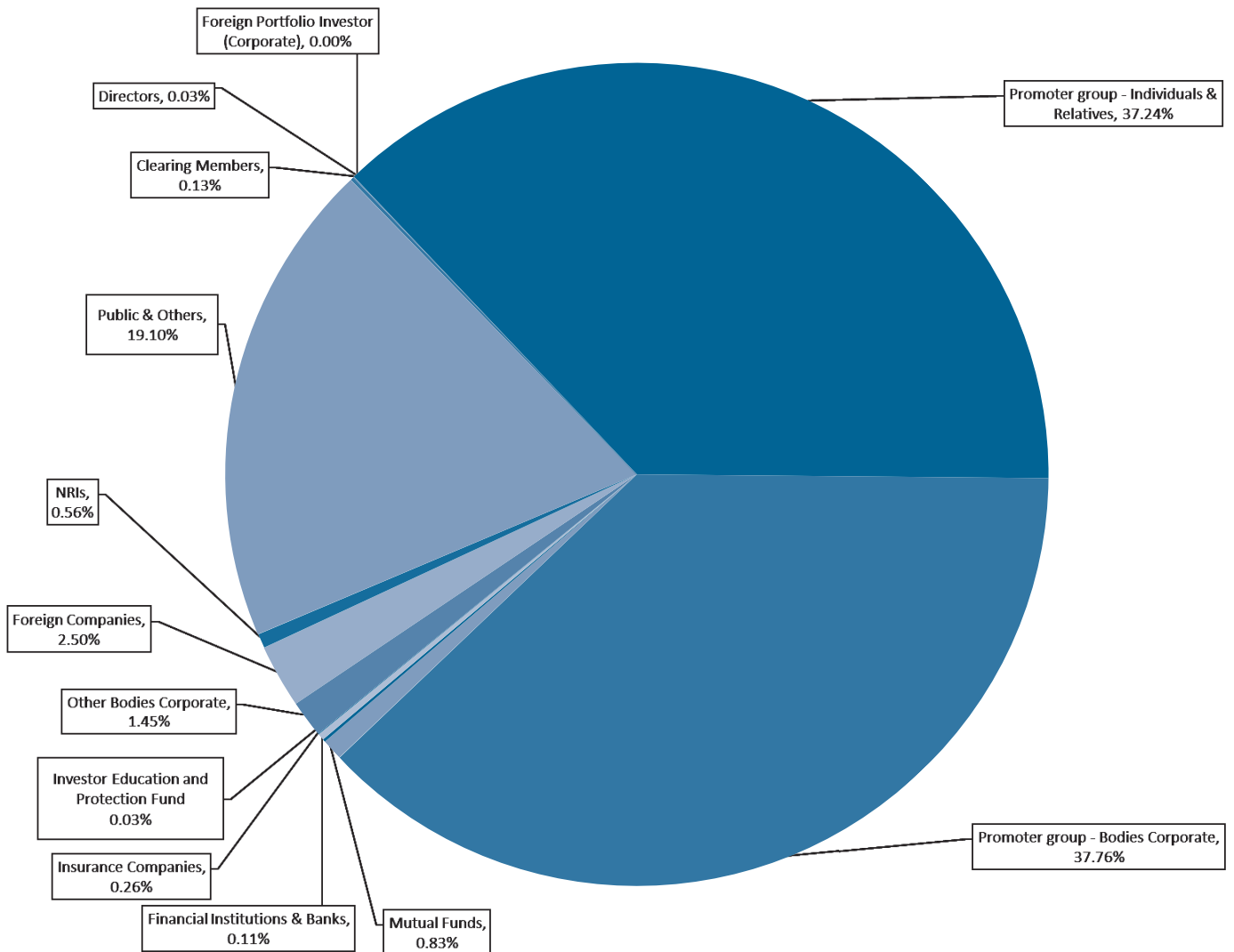
Share transfers in physical mode are processed and approved, subject to receipt of all requisite documents. The Company ensures that all transfers are approved for registration within the stipulated period. With a view to expediting the approval process, the Board of Directors has constituted Share Transfer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

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020

Shareholding	No. of Shareholders	% of total	No. of Shares	% of total
1 – 500	76188	94.05	5087959	7.05
501 – 1000	2636	3.25	2086241	2.89
1001 – 2000	1295	1.60	1922812	2.66
2001 – 3000	340	0.42	857615	1.19
3001 – 4000	154	0.19	552316	0.77
4001 – 5000	101	0.12	472386	0.65
5001 – 10000	175	0.22	1239758	1.72
10001 and above	123	0.15	59942473	83.07
TOTAL	81012	100.00	72161560	100.00

SHAREHOLDING PATTERN AS ON MARCH 31, 2020

SI No	Category	Shares	Holders	Percent
1	Promoter group - Individuals	26872770	2	37.24
2	Promoter group - Corporate Bodies	27248400	1	37.76
3	Mutual Funds	600000	1	0.83
4	Financial Institutions & Banks	76491	1	0.11
5	Insurance Companies	184971	1	0.26
6	Investor Education and Protection Fund Authority (IEPF)	21653	1	0.03
7	Other Bodies Corporate	1047036	388	1.45
8	Foreign Companies	1804057	2	2.50
9	NRIs	402752	700	0.56
10	Trusts	84	1	0.00
11	Public & Others	13785946	79826	19.10
12	Clearing Members	98449	85	0.13
13	Directors	18951	3	0.03
14	Foreign Portfolio Investor (Corporate)	0	0	0.00
	Total	72161560	81012	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, 2020, except 531 equity shares, the entire paid up equity share capital were held in dematerialisation form of which NSDL constitutes 91.54% and CDSL constitutes 8.45%. 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 2019-20, 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 fluctuation in exchange rates have impacted the Company's operations. The details of foreign currency exposure are disclosed in Note No. 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.

PLANT LOCATIONS

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

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 660 MW BoP project of OPGCL at Banaharpalli Village, Jharsuguda District, Odisha.
4. 1x800MW-Dr.Narla Tata Rao Thermal Power Station, Stage - V (1X800 mw), unit-8 at Ibrahimpatnam, Krishna District, Andhra Pradesh.
5. 1 x 800 MW - North Chennai Supercritical Thermal Power Project, Stage III, in Puzhuthivakkam village, Ponneri Taluk, Tiruvallur District, Tamil Nadu.
6. 3 x 660 MW - Super Critical Ghatampur Thermal Power Project at Ghatampur, Kanpur Nagar District, village Uttar Pradesh.
7. 2 x 800 MW STG and its auxiliary plant at NTPL at Lara, Chhattisgarh.

NAME OF THE COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE

Mr. R. Ramesh Kumar,
President - Corporate & 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. 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. During the last three years no penalties or 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, 2020 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 2019-20 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 which are joint ventures namely BGR Boilers Private Limited and BGR Turbines Company Private Limited are discussed by the Board.

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.

h) Fees to Statutory Auditors

Total fees of Rs. 39 Lakhs has been paid by the Company for all services provided by the statutory auditors during the Financial Year 2019-20.

For and on behalf of the Board of Directors

Place : Chennai
Date : June 30, 2020

SASIKALA RAGHUPATHY
Chairperson

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 2019 – 20:
 - 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 **P. R. EASWAR KUMAR**
 Managing Director President & CFO

Place : Chennai

Date : June 30, 2020

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, 2020.

Place : Chennai
 Date : June 30, 2020

Arjun Govind Raghupathy
 Managing Director

To

The Members of
BGR Energy Systems Limited

We 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, 2020 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. Our 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.

We 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 our opinion and to the best of our information and according to the explanations given to us, We 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:

1. According to Regulation 20(3) of SEBI (LODR)- The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders.

However, Stakeholder Relationship Committee Chairman did not attend the Annual General Meeting. On discussion with the management, it was clarified that the Chairman was not able to attend the AGM due to personal reasons.

2. As per Regulation 17(1)(b) of SEBI (LODR)- where the regular non-executive Chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of Board of Director or at one level below the Board of Directors, at least half of the board of directors of the listed entity shall consist of Independent Directors. But for the quarter ending June 2019, out of a total of nine Directors, there were only four independent directors in the Board. This was because, Mr. Heinrich Bohmer who was appointed as an Independent Director for a term upto March 31, 2019 vacated his office on expiry of term of appointment. Hence, Regulation 17(1)(b) was not complied during this quarter. However, this non compliance was rectified in the next quarter.

A. MOHAN KUMAR

Practising Company Secretary
Membership Number F 4347
CP Number 19145

Place : Chennai
Date : June 30, 2020

ANNEXURE VI

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	:	L40106AP1985PLC005318
(ii)	Registration Date	:	February 18, 1985
(iii)	Name of the Company	:	BGR ENERGY SYSTEMS LIMITED
(iv)	Category / Sub-Category of the Company	:	Company Limited by shares
(v)	Address of the Registered office and contact details	:	A-5, Pannamgadu Industrial Estate, Ramapuram Post, Sullurpet Taluk, Nellore District, Andhra Pradesh – 524 401. Tel : 044-27900181, Fax:044-27948249
(vi)	Whether listed company	:	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083. Tel : 022-4918 6000 Fax : 022-4918 6060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :-

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction and maintenance of power plants	42201	78.70%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	BGR Boilers Private Limited No. 443, Anna Salai, Teynampet, Chennai – 600018	U74200TN2009PTC070539	Subsidiary	70 %	2(87)(ii)
2.	BGR Turbines Company Private Limited No. 443, Anna Salai, Teynampet, Chennai – 600018	U40300TN2009PTC070541	Subsidiary	74 %	2(87)(ii)
3.	Sravanaa Properties Limited No. 443, Anna Salai, Teynampet, Chennai – 600018	U70200TN2002PLC049497	Subsidiary	100 %	2(87)(ii)

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IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

1) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	26872770	0	26872770	37.24	26872770	0	26872770	37.24	0
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt (s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	27248400	0	27248400	37.76	27248400	0	27248400	37.76	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-Total (A) (1)	54121170	0	54121170	75.00	54121170	0	54121170	75.00	0
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b) Other - Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	54121170	0	54121170	75.00	54121170	0	54121170	75.00	0
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	1344492	0	1344492	1.8632	600000	0	600000	0.8315	-1.0317
(b) Banks / Financial Institutions	107990	0	107990	0.1497	76491	0	76491	0.1060	-0.0437
(c) Central Government	0	0	0	0	0	0	0	0	0
(d) State Government(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	184971	0	184971	0.26	184971	0	184971	0.26	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(g) Foreign Institutional Investors / Foreign Portfolio Investors	738995	0	738995	1.0241	0	0	0	0.0000	-1.0241
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (Specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	2376448	0	2376448	3.29	861462	0	861462	1.20	-2.09

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	992050	0	992050	1.3748	1047036	0	1047036	1.4510	0.0762
ii. Overseas	1804057	0	1804057	2.50	1804057	0	1804057	2.50	0.00
(b) Individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	9789495	531	9790026	13.5668	10820551	531	10821082	14.9956	1.4288
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1374109	0	1374109	1.9042	2183785	0	2183785	3.0262	1.1220
(c) Others (Specify)									
(c-i) Directors	18951	0	18951	0.03	18951	0	18951	0.03	0.00
(c-ii) Clearing Member	454981	0	454981	0.6305	98449	0	98449	0.1364	-0.4941
(c-iii) Trust	184	0	184	0.0003	84	0	84	0.0001	-0.0002
(c-iv) Non-Resident Indians	329904	0	329904	0.4572	320586	0	320586	0.4443	-0.0129

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c-v) Non-Resident Indians (Non-Repatriable)	67221	0	67221	0.0932	82166	0	82166	0.1139	0.0207
(c-vi) IEPF	12422	0	12422	0.0172	21653	0	21653	0.0300	0.0128
(c-vii) Hindu Undivided Family	709237	0	709237	0.9828	780789	0	780789	1.0820	0.0992
(c-viii) NBFCs registered with RBI	110800	0	110800	0.1535	290	0	290	0.0004	-0.1531
Sub-Total (B)(2)	15663411	531	15663942	21.7068	17178397	531	17178928	23.8062	2.0994
Total Shareholding of Public =(B) (1) + (B) (2)	18039859	531	18040390	25.0000	18039859	531	18040390	25.0000	0.0000
C. Shares held by custodian for GDRs & ADRs									
Grand Total (A+B+C)	72161029	531	72161560	100.00	72161029	531	72161560	100.00	0.0000

(ii) Shareholding of Promoters:

S.No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mrs. Sasikala Raghupathy	26868450	37.23	0.00	26868450	37.23	0.00	0.00
2	BGR Investment Holdings Company Limited	27248400	37.76	0.00	27248400	37.76	0.00	0.00
3	Mr.S.K. Sridhar	4320	0.01	0.00	4320	0.01	0.00	0.00
	Total	54121170	75	0	54121170	75	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

There is no change in the shareholding of Promoter group during the year ended March 31, 2020.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 shareholders	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	CLIENT ROSEHILL LIMITED					
	At the beginning of the year		1156401	1.60		
	Date wise Increase / Decrease in Shareholding during the year		0	0.00	1156401	1.60
	At the end of the year				1156401	1.60
2.	CVCIGP II EMPLOYEE ROSEHILL LIMITED					
	At the beginning of the year		647656	0.90		
	Date wise Increase / Decrease in Shareholding during the year		0	0.00	647656	0.90
	At the end of the year				647656	0.90
3.	RELIANCE CAPITAL TRUSTEE CO LTD./C RELIANCE POWER & INFRA FUND					
	At the beginning of the year		1344492	1.86		
	Date wise Increase / Decrease in Shareholding during the year		0	0.00		
	30-08-2019	Transfer	(51423)	-0.07	1293069	1.79
	06-09-2019	Transfer	(52483)	-0.07	1240586	1.72
	13-12-2019	Transfer	(32003)	-0.05	1208583	1.67
	20-12-2019	Transfer	(408583)	-0.56	800000	1.11
	21-02-2020	Transfer	(200000)	-0.28	600000	0.83
	At the end of the year				600000	0.83
4.	R. RAJENDRAN					
	At the beginning of the year		287189	0.40		
	Date wise Increase / Decrease in Shareholding during the year		0	0.00	287189	0.40
	At the end of the year				287189	0.40
5.	ADITYA BIRLA MONEY LIMITED					
	At the beginning of the year		1596	0.00		
	Date wise Increase / Decrease in Shareholding during the year					
	05-04-2019	Transfer	220	0.00	1816	0.00
	12-04-2019	Transfer	830	0.00	2646	0.00

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Sl. No.	For each of the Top 10 shareholders	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	19-04-2019	Transfer	(54)	0.00	2592	0.00
	26-04-2019	Transfer	(1595)	0.00	997	0.00
	03-05-2019	Transfer	(5)	0.00	992	0.00
	17-05-2019	Transfer	242	0.00	1234	0.00
	24-05-2019	Transfer	108	0.00	1342	0.00
	31-05-2019	Transfer	(112)	0.00	1230	0.00
	07-06-2019	Transfer	62	0.00	1292	0.00
	14-06-2019	Transfer	(150)	0.00	1142	0.00
	21-06-2019	Transfer	(118)	0.00	1024	0.00
	29-06-2019	Transfer	294	0.00	1318	0.00
	05-07-2019	Transfer	280	0.00	1598	0.00
	12-07-2019	Transfer	(515)	0.00	1083	0.00
	19-07-2019	Transfer	294	0.00	1377	0.00
	26-07-2019	Transfer	(50)	0.00	1327	0.00
	02-08-2019	Transfer	(350)	0.00	977	0.00
	09-08-2019	Transfer	(52)	0.00	925	0.00
	16-08-2019	Transfer	(44)	0.00	881	0.00
	23-08-2019	Transfer	94	0.00	975	0.00
	30-08-2019	Transfer	250	0.00	1225	0.00
	06-09-2019	Transfer	(100)	0.00	1125	0.00
	13-09-2019	Transfer	(225)	0.00	900	0.00
	27-09-2019	Transfer	1831	0.00	2731	0.00
	30-09-2019	Transfer	(1956)	0.00	775	0.00
	11-10-2019	Transfer	10	0.00	785	0.00
	18-10-2019	Transfer	490	0.00	1275	0.00
	25-10-2019	Transfer	(300)	0.00	975	0.00
	01-11-2019	Transfer	(175)	0.00	800	0.00
	08-11-2019	Transfer	86	0.00	886	0.00
	15-11-2019	Transfer	39	0.00	925	0.00
	22-11-2019	Transfer	564	0.00	1489	0.00
	29-11-2019	Transfer	(439)	0.00	1050	0.00
	06-12-2019	Transfer	(361)	0.00	689	0.00

Sl. No.	For each of the Top 10 shareholders	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	13-12-2019	Transfer	136	0.00	825	0.00
	20-12-2019	Transfer	1491	0.00	2316	0.00
	27-12-2019	Transfer	10342	0.01	12658	0.02
	31-12-2019	Transfer	(1150)	0.00	11508	0.02
	03-01-2020	Transfer	(471)	0.00	11037	0.02
	10-01-2020	Transfer	(2572)	0.00	8465	0.01
	17-01-2020	Transfer	(4575)	-0.01	3890	0.01
	24-01-2020	Transfer	5238	0.01	9128	0.01
	31-01-2020	Transfer	(6615)	-0.01	2513	0.00
	07-02-2020	Transfer	3155	0.00	5668	0.01
	14-02-2020	Transfer	368349	0.51	374017	0.52
	21-02-2020	Transfer	(50483)	-0.07	323534	0.45
	28-02-2020	Transfer	(62413)	-0.09	261121	0.36
	06-03-2020	Transfer	(41941)	-0.06	219180	0.30
	13-03-2020	Transfer	250	0.00	219430	0.30
	20-03-2020	Transfer	1221	0.00	220651	0.31
	27-03-2020	Transfer	64707	0.09	285358	0.40
	31-03-2020	Transfer	(50)	0.00	285308	0.40
	At the end of the year				285308	0.40
6.	THE ORIENTAL INSURANCE COMPANY LIMITED					
	At the beginning of the year		184971	0.26		
	Date wise Increase / Decrease in Shareholding during the year		0	0.00	184971	0.26
	At the end of the year				184971	0.26
7.	SUSHMA SHIVKUMAR DAGA					
	At the beginning of the year		104000	0.14		
	Date wise Increase / Decrease in Shareholding during the year					
	13-12-2019	Transfer	110000	0.15	214000	0.30
	20-12-2019	Transfer	(104000)	-0.15	110000	0.15
	At the end of the year				110000	0.15

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Sl. No.	For each of the Top 10 shareholders	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8.	PRIYA DAGA					
	At the beginning of the year		89865	0.12		
	Date wise Increase / Decrease in Shareholding during the year		0	0.00	89865	0.12
	At the end of the year				89865	0.12
9.	MASTER CAPITAL SERVICES LIMITED					
	At the beginning of the year		1671	0.00		
	Date wise Increase / Decrease in Shareholding during the year					
	05-04-2019	Transfer	(319)	0.00	1352	0.00
	12-04-2019	Transfer	175	0.00	1527	0.00
	19-04-2019	Transfer	(101)	0.00	1426	0.00
	26-04-2019	Transfer	539	0.00	1965	0.00
	03-05-2019	Transfer	(633)	0.00	1332	0.00
	10-05-2019	Transfer	(310)	0.00	1022	0.00
	17-05-2019	Transfer	(197)	0.00	825	0.00
	24-05-2019	Transfer	(216)	0.00	609	0.00
	31-05-2019	Transfer	8962	0.01	9571	0.01
	07-06-2019	Transfer	(8612)	-0.01	959	0.00
	14-06-2019	Transfer	242	0.00	1201	0.00
	21-06-2019	Transfer	267	0.00	1468	0.00
	29-06-2019	Transfer	5157	0.01	6625	0.01
	05-07-2019	Transfer	1447	0.00	8072	0.01
	12-07-2019	Transfer	(6807)	-0.01	1265	0.00
	19-07-2019	Transfer	300	0.00	1565	0.00
	26-07-2019	Transfer	173	0.00	1738	0.00
	02-08-2019	Transfer	15	0.00	1753	0.00
	09-08-2019	Transfer	338	0.00	2091	0.00
	16-08-2019	Transfer	1924	0.00	4015	0.01
	23-08-2019	Transfer	(2035)	0.00	1980	0.00
	30-08-2019	Transfer	3669	0.01	5649	0.01
	06-09-2019	Transfer	(745)	0.00	4904	0.01

Sl. No.	For each of the Top 10 shareholders	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	13-09-2019	Transfer	18484	0.03	23388	0.03
	20-09-2019	Transfer	(21524)	-0.03	1864	0.00
	27-09-2019	Transfer	(2)	0.00	1862	0.00
	30-09-2019	Transfer	(100)	0.00	1762	0.00
	04-10-2019	Transfer	141	0.00	1903	0.00
	11-10-2019	Transfer	3081	0.00	4984	0.00
	25-10-2019	Transfer	(2522)	0.00	2462	0.00
	01-11-2019	Transfer	(11)	0.00	2451	0.00
	08-11-2019	Transfer	11950	0.02	14401	0.02
	15-11-2019	Transfer	(10103)	-0.01	4298	0.01
	22-11-2019	Transfer	(2919)	0.00	1379	0.00
	29-11-2019	Transfer	(200)	0.00	1179	0.00
	06-12-2019	Transfer	(40)	0.00	1139	0.00
	13-12-2019	Transfer	(106)	0.00	1033	0.00
	20-12-2019	Transfer	(894)	0.00	139	0.00
	31-12-2019	Transfer	200	0.00	339	0.00
	03-01-2020	Transfer	100	0.00	439	0.00
	10-01-2020	Transfer	(100)	0.00	339	0.00
	17-01-2020	Transfer	(100)	0.00	239	0.00
	07-02-2020	Transfer	2014	0.00	2253	0.00
	14-02-2020	Transfer	(2114)	0.00	139	0.00
	06-03-2020	Transfer	3998	0.01	4137	0.01
	13-03-2020	Transfer	76950	0.10	81087	0.11
	20-03-2020	Transfer	722	0.00	81809	0.11
	31-03-2020	Transfer	1	0.00	81810	0.11
	At the end of the year				81810	0.11
10.	ICICI BANK LIMITED					
	At the beginning of the year		34480	0.05		
	Date wise Increase / Decrease in Shareholding during the year					
	05-04-2019	Transfer	25069	0.03	59549	0.08
	12-04-2019	Transfer	3331	0.00	62880	0.08

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Sl. No.	For each of the Top 10 shareholders	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	19-04-2019	Transfer	(2078)	0.00	60802	0.08
	26-04-2019	Transfer	2001	0.00	62803	0.08
	03-05-2019	Transfer	(499)	0.00	62304	0.08
	10-05-2019	Transfer	12736	0.02	75040	0.10
	17-05-2019	Transfer	(4306)	-0.01	70734	0.10
	24-05-2019	Transfer	(7479)	-0.01	63255	0.09
	31-05-2019	Transfer	(15103)	-0.02	48152	0.07
	07-06-2019	Transfer	(1399)	0.00	46753	0.07
	14-06-2019	Transfer	(5148)	-0.01	41605	0.06
	21-06-2019	Transfer	3635	0.01	45240	0.07
	29-06-2019	Transfer	5758	0.01	50998	0.07
	05-07-2019	Transfer	(4430)	-0.01	46568	0.06
	12-07-2019	Transfer	22507	0.03	69075	0.09
	19-07-2019	Transfer	(3718)	-0.01	65357	0.08
	26-07-2019	Transfer	5655	0.01	71012	0.09
	02-08-2019	Transfer	(3069)	0.00	67943	0.09
	09-08-2019	Transfer	2669	0.00	70612	0.09
	16-08-2019	Transfer	2455	0.00	73067	0.09
	23-08-2019	Transfer	(388)	0.00	72679	0.09
	30-08-2019	Transfer	(20099)	-0.03	52580	0.06
	06-09-2019	Transfer	13839	0.02	66419	0.08
	13-09-2019	Transfer	8084	0.01	74503	0.09
	20-09-2019	Transfer	(8899)	-0.01	65604	0.08
	27-09-2019	Transfer	(1090)	0.00	64514	0.08
	30-09-2019	Transfer	(26789)	-0.04	37725	0.04
	04-10-2019	Transfer	25956	0.04	63681	0.08
	11-10-2019	Transfer	(5468)	-0.01	58213	0.07
	18-10-2019	Transfer	(2746)	0.00	55467	0.07
	25-10-2019	Transfer	5551	0.01	61018	0.08
	01-11-2019	Transfer	(6241)	-0.01	54777	0.07
	08-11-2019	Transfer	(2453)	0.00	52324	0.07
	15-11-2019	Transfer	5940	0.01	58264	0.08

Sl. No.	For each of the Top 10 shareholders	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	22-11-2019	Transfer	907	0.00	59171	0.08
	29-11-2019	Transfer	3535	0.00	62706	0.08
	06-12-2019	Transfer	(617)	0.00	62089	0.08
	13-12-2019	Transfer	(2651)	0.00	59438	0.08
	20-12-2019	Transfer	6897	0.01	66335	0.09
	27-12-2019	Transfer	(11456)	-0.02	54879	0.07
	31-12-2019	Transfer	(1798)	0.00	53081	0.07
	03-01-2020	Transfer	301	0.00	53382	0.07
	10-01-2020	Transfer	7293	0.01	60675	0.08
	17-01-2020	Transfer	11104	0.02	71779	0.10
	24-01-2020	Transfer	20360	0.03	92139	0.13
	31-01-2020	Transfer	6793	0.01	98932	0.14
	07-02-2020	Transfer	1623	0.00	100555	0.14
	14-02-2020	Transfer	(13090)	-0.02	87465	0.12
	21-02-2020	Transfer	(160)	0.00	87305	0.12
	28-02-2020	Transfer	27307	0.04	114612	0.16
	06-03-2020	Transfer	(43658)	-0.06	70954	0.10
	13-03-2020	Transfer	(293)	0.00	70661	0.10
	20-03-2020	Transfer	(5344)	-0.01	65317	0.09
	27-03-2020	Transfer	12980	0.02	78297	0.11
	31-03-2020	Transfer	(1806)	0.00	76491	0.11
	At the end of the year				76491	0.11

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(v) Shareholding of Directors and Key Managerial Personnel

S.No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. A. Swaminathan, Director - Engineering & Construction Business (E & C)*				
	At the beginning of the year	18100	0.03		
	Date wise Increase / Decrease in Shareholding during the year (Acquisition)	0	0.00	18100	0.03
	At the End of the year			18100	0.03
2.	Mr. V.R. Mahadevan, Joint Managing Director				
	At the beginning of the year	716	0.00		
	Date wise Increase / Decrease in Shareholding during the year	0	0.00	716	0.00
	At the End of the year			716	0.00
3.	Mr. S.R. Tagat, Director				
	At the beginning of the year	135	0.00		
	Date wise Increase / Decrease in Shareholding during the year	0	0.00	135	0.00
	At the End of the year			135	0.00
4.	Mrs. Sasikala Raghupathy, Chairperson				
	At the beginning of the year	26868450	37.23		
	Date wise Increase / Decrease in Shareholding during the year	0	0.00	26868450	37.23
	At the End of the year			26868450	37.23
5.	Mr. R. Ramesh Kumar, Company Secretary, KMP				
	At the beginning of the year	5546	0.01		
	Date wise Increase / Decrease in Shareholding during the year	0	0	5546	0.01
	At the End of the year			5546	0.01
6.	Mr. P.R. Easwar Kumar, Chief Financial Offer, KMP				
	At the beginning of the year	7355	0.01		
	Date wise Increase / Decrease in Shareholding during the year	0	0	7355	0.01
	At the End of the year			7355	0.01

* Mr. A.Swaminathan Vacated his office with effect from August 14, 2019.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	225920	0	0	225920
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	799	0	0	799
Total (i+ii+iii)	226719	0	0	226719
Change in Indebtedness during the financial year				
Addition	111537	0	0	111537
Reduction	(124461)	0	0	(124461)
Net Change	(12924)	0	0	(12924)
Indebtedness at the end of the financial year				
i) Principal Amount	212996	0	0	212996
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	799	0	0	799
Total (i+ii+iii)	213795	0	0	213795

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ Lakhs)

S.No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr. A. Swaminathan, Director-Engineering & Construction Business	Mr. V.R. Mahadevan Joint Managing Director	Mr. Arjun Govind Raghupathy Deputy Managing Director & COO	Mrs. Swarnamugi R Karthik Director - Corporate Strategy	
1	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	64.10	131.11	54.00	90.04	339.24
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.15	0.40	8.10	-	8.64
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
Total (A)		64.24	131.50	62.10	90.04	347.89
Ceiling as per the Act		10% of the net profits calculated as per Section 198 of the Companies Act, 2013.				

* Mr. A.Swaminathan Vacated his office with effect from August 14, 2019.

Extract of Annual Return

B. Remuneration to other Directors

(₹ Lakhs)

Particulars of Remuneration	Name of Directors				Total Amount
	Mr.S.R.Tagat	Mr.S.A.Bohra	Mr.M.Gopalakrishna	Mr. Gnana Rajasekaran	
Independent Directors					
Fee for attending board / committee meetings	7.40	7.60	7.20	6.40	28.60
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (1)	7.40	7.60	7.20	6.40	28.60
Other Non-Executive Directors	Mrs. Sasikala Raghupathy				
Fee for attending board / committee meetings	5.40	-	-	-	5.40
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (2)	5.40	-	-	-	-
Total (B) = (1)+(2)					34.00
Total Managerial Remuneration = (A) + (B)					381.89
Overall Ceiling as per the Act	11% of the net profits calculated as per Section 198 of the Companies Act, 2013.				

C. Remuneration to key managerial personnel other than MD/MANAGER/WTD:

(₹ Lakhs)

S.No	Particulars of Remuneration	Key Managerial Personnel		
		CS Mr.R.Ramesh Kumar	CFO Mr.P.R.Easwar Kumar	Total
1.	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	113.11	111.59	224.70
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	0.80
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	113.51	111.99	225.50

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

ANNEXURE VII

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONAL PERFORMANCE HIGHLIGHTS OF FY 2019-20

In the Power business segment, during FY 2019-20 the Company was successful in securing a prestigious EPC contract for construction of the 1 x 660 MW Supercritical Power Project at Ennore, Chennai, Tamil Nadu from TANGEDCO. This project contract is valued at Rs 4,443 Crores and is expected to be completed in 36 months.

The Company has achieved the completion of 2X660 MW Solapur and 2X660 MW Meja Super Critical Steam Generators and 2x800 MW Lara Super Critical Steam Turbines and Generators projects successfully.

The BOP, EPC and Construction segment has achieved turnover of Rs. 2307 crores and the Capital Goods Segment achieved turnover of Rs. 384 crores.

Air Fin Cooler Division (AFC) achieved sizeable share of business in offshore sector. The division executed orders in higher/special metallurgy and achieved major break through with global upstream market. AFC division continued its efforts in expansion in international markets and achieved significant breakthrough in the year under review.

In FY 2019-20 Environmental Engineering Division (EED) commissioned 45 MLD tertiary treatment sewerage plant in Chennai. This proven competency is expected to bolster the Company's market standing in water treatment sector. The Company secured further contracts for lake water and sewerage treatment. The Company is executing number of water projects and is poised to be major player in water industry. In the Deaerator segment, though market was sluggish in the first half of the year, EED focussed refinery sector and nuclear power.

Oil and Gas Equipment Division (OGED) booked orders of Rs.25 Crores during the year and the order backlog was Rs. 75 Crores for the FY2020-21. This includes the EPC project of gas compressor station and crude oil storage tank terminal with allied facilities. The Company added Gas dehydration unit in its product profile. OGED added three new clients in FY 2019 - 20. These companies are leaders in their businesses in specific areas of Oil & Gas globally.

Electrical Project Division (EPD) captured significant market share in T&D segment and amongst orders are from Nuclear Power Corporation Limited (NPCIL) for Control & Instrumentation package for KKNPP 3 & 4 Project and 220 kV AIS Switchyard Extension at Tarapur atomic Power Station for supply, installation, testing and commissioning of 3 Nos. 132/33 kV (New) GIS Substations at Sundarnagar, Sarath and Chattarpur on Turnkey basis funded by world bank, for 400 kV AIS SS with 2 Nos. 500 MVA 400/230 kV Transformers, 3 Nos. 200 MVA 400/110

kV Transformers and 2 Nos. 125 MVAR, 400 kV Reactors at Edayarpalayam, Coimbatore turnkey basis and an order from Nuclear Power Corporation of India (NPCIL). The contract deliveries in T&D segment has witnessed traction and the Company's EPC capability has become robust.

INDUSTRY ANALYSIS

The last few years has seen a depressed investment in the core sectors such as Power, Steel, Automotive, Refining and Petrochemicals, downstream allied chemical industry and the manufacturing sectors due to a subdued demand and decreasing growth over the previous years. There has been a virtual deceleration in the capex investments in the private sector which has forced the Governments both at the Centre and the States to increase the Capex spending on certain high intensive sectors other than Power such as Roads, Water Treatment & Distribution, Power Transmission, Medical Infrastructure. The capital expenditure by both the State and Central Governments in the above mentioned sectors are expected to accelerate to keep the economy and the key sectors such as Cement, Steel and the construction to sustain for the next few years until the investments by the private enterprises are stepped up owing to increased demand.

The AMRUT program embarked by the Water Resources Ministry of the Central Government to make available basic drinking water to the remotest corners of the country similar to the last mile connectivity of electricity to the remotest villages, Rejuvenation of River Ganga, interlinking of major rivers across the country has opened large business opportunity for companies in Water sector.

Similarly, integration of the electricity transmission network across the country to enable easy transmission of electricity in the short term across various regions is seeing major investment in the transmission lines and substation expansion and renovation. This again is a good opportunity for the company as the Company is well established in both the water treatment as well as the electrical transmission and distribution sectors to capitalize on the forthcoming opportunities.

PROSPECTS IN DOMESTIC AND INTERNATIONAL MARKETS

The Governments lay huge thrust on drinking water sector and the Company is fully geared up to tap sizeable water projects and sewerage treatment plants in the municipal sector in domestic market. 2-4 Desalination Plants in the South and West coast of India to be finalised in FY 2020-21. Recycling of sewage water initiative by government offers huge business potential. There is huge surge of tenders from State Governments for piped water supply. There has been a renewed focus to tap export market for deaerator backed by strong advantage in technology, cost competitiveness and quality.

For Oil and Gas Division, in the upstream and midstream sector, Ministry of Petroleum and Natural Gas recently awarded blocks through Open Acreage Licensing Policy for enhancing domestic exploration and production of Oil and Gas to leading exploration companies. This policy opened huge market potential for OGED to supply process packages and also to spread its foot paths in high value EPC projects. The Company is active to seize opportunities in UAE, Vietnam, Nigeria, and Qatar to supply process equipment. In the downstream (refinery) sector, PSU oil majors have already initiated their projects under their expansion policy and BS VI up-gradation policy and bio-refinery projects. These potential bring up new market potential in O&G sector.

In the backdrop of emphasis on renewable energy and a stagnating economy, the capacity utilization of the thermal power plants is hovering around 50-52%. In addition, the decreasing price trend of renewable energy generation discovered through the reverse auctions by the Ministry of Power in the last year has ensured the idling or lower capacity utilization of many thermal plants due to their higher cost of generation. The capacity addition in the thermal power Sector in the last 2 years has been nearly half of the capacity added in the renewable energy sector and this trend is expected to continue in the near future.

The annual demand for electricity also having reduced in the last 3 years owing to reduced offtake of energy by the manufacturing sector caused by the sustained low demand and recession, witnessed a lower plant load factor of the most operating thermal plants. This and the increasing emphasis on installation of green power has stalled expansion plans of coal based power projects across the country. With global shift towards green power, the world is slowly seeing a distinct shift towards cleaner sources of power generation from the conventional fossil/coal based power which was the dominant source of energy the world over.

The shift towards renewable sources of energy has also witnessed a gradual alignment of the financial lending agencies across the globe towards renewables over conventional fossil based power projects. This phenomenon has also affected India as can be seen from the decreasing levels of lending by these financial institutions reluctance to the thermal power sector.

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 and engaged an Internationally renowned business consulting firm to advise on growth strategy. The Company identified critical need for shift from current business segments

and following sectors being key drivers for growth in the medium term:

To diversify into adjacent business sectors to which public and private investments are planned by macro 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; and
- (v) Oil & Gas

The Company would continue to be 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 which are expected to witness capacity addition of 20 GW. In capital goods / manufacturing businesses, the Company has taken aggressive steps to expand the geographical market reach in international markets and has also identified key opportunities for expanding the product portfolio.

These strategies enabled the Company to address market opportunities of over Rs.10 Lakh Crore and with special focus on Rs.2,50,000 Crore markets over next three years. The Company is gearing up its capabilities and resources to seize these growth momentum.

FINANCIAL PERFORMANCE (STANDALONE)

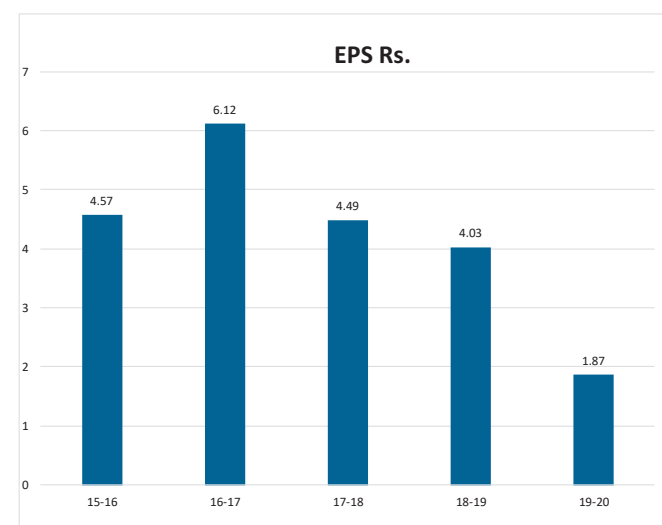
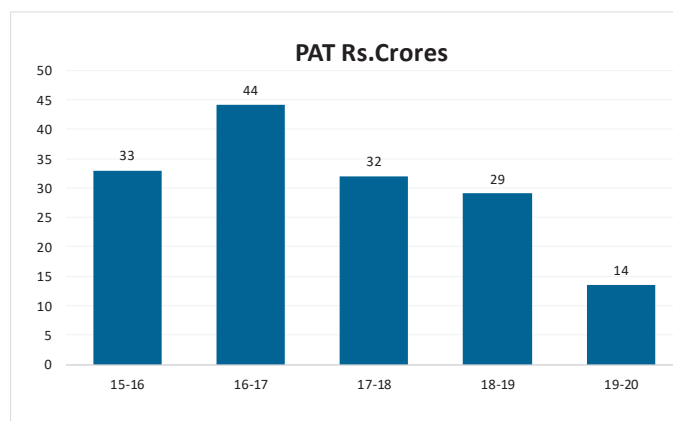
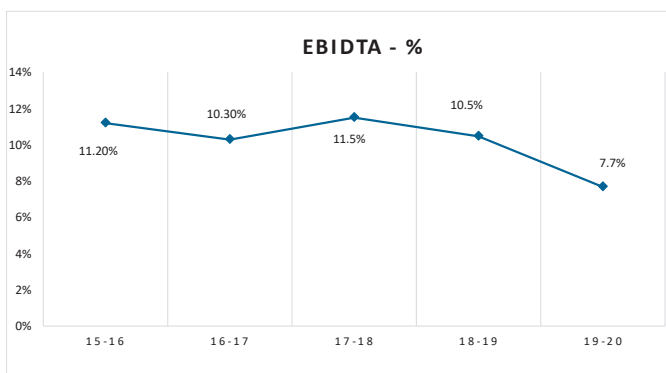
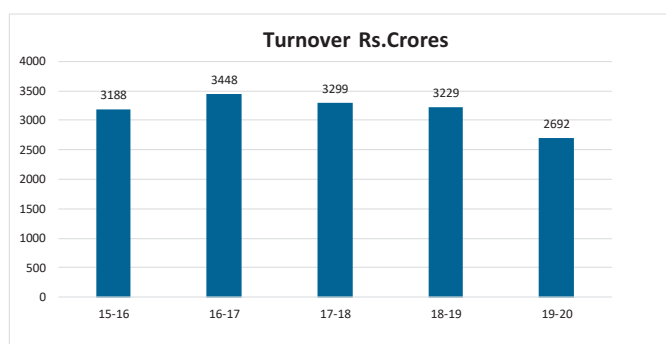
DESCRIPTION	Unit	FY 18-19	FY 19-20
Income from Operations	Rs.Crores	3229	2692
EBIDTA	Rs.Crores	338	207
EBIDTA	%	10.5%	7.7%
PBT	Rs.Crores	41	(64)
PAT	Rs.Crores	29	14
Networth	Rs.Crores	1406	1417
PBT Ratio	%	1.3%	-2.4%
PAT Ratio	%	0.91%	0.50%
Return on Networth	%	2.1%	1.0%
Employee Cost to Turnover	%	7.0%	7.2%
Overheads Cost to Turnover	%	1.95%	2.71%
Interest Cost to Turnover	%	8.4%	10.4%
Debtors Turnover	Days	455	450

Management Discussion & Analysis

DESCRIPTION	Unit	FY 18-19	FY 19-20
Debtors Turnover (Excluding Retention)	Days	289	264
Inventory Turnover	Days	4	6
Interest Coverage Ratio	Times	1.15	0.77
Current Ratio	Times	1.02	1.00
Debt Equity Ratio	Times	1.63	1.50

The Operating margin for the year 2019-20 was lower due to lower turnover due to COVID - 19 and Product mix. There is no significant changes in other key financial ratios as compared with previous year.

The Company has opted for new section 115 BAA of the Income Tax Act 1961 in the current year. Accordingly (a) the provision for current year and deferred tax has been determined at the rate of 25.17 %, (b) the deferred tax liabilities as on April 1, 2019 has been restated at the rate of 25.17 %, which resulted in the reversal of deferred tax liabilities (net) by Rs. 8479 lakhs.



IMPACT ON ACCOUNT OF COVID LOCKDOWN

The COVID-19 pandemic has hit the operations hard, and revenue and profitability are adversely impacted and project execution have come to a standstill. The normalisation of operations depends on the return of labourers and resumption of supply chain cycle.

The company's project sites remained closed from March 23, 2020 due to lockdown and partially reopened with effect from May 04, 2020. However the execution has not gained traction so far.

The Company has addressed its customers for suitable time and cost impact and compensation. The revised time lines are under discussion with customers.

Due to lockdown, the Company is going through liquidity crunch with mismatch of cash flow and is finding it difficult to meet its working capital requirements on time. The management is closely monitoring the cash inflow and outflow and are in discussion with banks for support.

The company has restarted project operations at a few project sites with a small portion of the workforce, as is

available due to migration, since May 4, 2020, adhering to the safety norms prescribed by the Government of India and respective State Governments.

STRENGTH AND OPPORTUNITIES

- I. Proven track record of successful execution of large turnkey EPC, BoP and LSTK contracts
- II. In-house design and engineering capability
- III. In-house capability to undertake and execute BoP packages.
- IV. Capability to manage multiple projects simultaneously
- V. Professional management and expertise in project management
- VI. Cost Competitiveness
- VII. Well experienced and motivated employees with a good balance of young talent and experienced leadership team.

INTERNAL CONTROL SYSTEMS AND AUDIT

As part of the audit system, the company has in-house experienced system and 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, key project personnel and the finance team review the audit reports of the internal auditors, pre auditors and in-house auditors in detail every quarter and a time bound action plan is initiated to address the key audit issues that need improvement and resolution. A summary of key audit observations, action taken to fix the gaps and the status is reviewed by the Audit Committee members in the quarterly audit committee meeting. The present internal control and audit systems are considered to be adequate.

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. 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 and is expected to be implemented soon. Delegation of Authority is reviewed each year to ensure that

the adequate controls are in place and required flexibility is 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.

The Company's activities are exposed to various financial risks like market risk, foreign exchange risk, credit risk and liquidity risk. These financial risks have a bearing on the operating profit of the Company. The Company's Senior Management oversees the management and mitigative measures of these risks. 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 key operating, compliance and financial risks on a timely manner.

HUMAN RESOURCE DEVELOPMENT

Employees are integral to the ongoing success of the company, the company is "Employee oriented" it cares about the employees and invested in their success. The individuals are respected and their suggestions are valued.

This year the main agenda of HR was involving people in transforming the company into a world class organization. In line with same, the Company embarked on LEAP -Lean Efficient Agile Program - a change management initiative. The employees across the Company provided valuable suggestions to bring paradigm change. Through the interactions the Company garnered valuable suggestions and a Steering Committee and Sub Committees taken up the implementation. The suggestions are at various levels of implementation in transforming the Company into truly world - class.

The another key agenda of HR this year was optimization of the workforce. Careful study was done on the workforce taking into consideration the criticality, the supply demand in the market and the growth of the company. By this study the company could optimize 10% of the manpower. The manpower of the company on 31st March 2020 was 1813.

Building capability in technical area was a key suggestion received, the Company set up technical training wing. This wing devised training modules, identified trainers and conducted training in building the skill inventory for the future. The other areas were on behavioural, safety and awareness programs.

"Employee oriented" companies acknowledge achievements and celebrate through recognitions. In line with the same, employees were recognized through

Management Discussion & Analysis

'Spot recognitions', 'Employee of the month' and 'Annual Star Performer' Awards for their achievements.

ENVIRONMENT, HEALTH AND SAFETY, (EHS)

The Company treats EHS as its core 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 so as 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 so designed to imbibe and enhance safety culture and to mitigate high potential risks among the employees and contractors through appropriate intervention and guidance.

During FY 2018-19, 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, AIDS awareness at project sites, 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 worker and recognition of best EHS performance by contractor.

COVID-19 brought number of health issues and risks. The Company took action well in time and constituted task forces and Marshalls so as to ensure the effect of pandemic is controlled on the employees and the organisation.

ANNEXURE VIII
BUSINESS RESPONSIBILITY REPORT AS ON MARCH 31, 2020
Section A: General Information about the Company:

Sl. No.		
1	Corporate Identity Number (CIN) of the Company	L40106AP1985PLC005318
2	Name of the Company	BGR Energy Systems Limited
3	Registered address	A-5, PANNAMGADU INDUSTRIAL ESTATE, RAMA-PURAM POST, SULLURPET TALUK, NELLORE DIST. ANDHRA PRADESH - 524 401. Tel : 044-27900181, Fax: 044-27948249
4	Website	www.bgrcorp.com
5	E-mailID	investors@bgrenergy.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Construction and maintenance of power plants NIC Code :42201
8	List three key products / services that the Company manufactures / provides (as in balance sheet)	Construction and maintenance of power plants and Capital Equipment for power and process industries
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	Ten
10	Markets served by the Company - Local / State / National / International	Local, State, National and International

Section B: Financial details of the Company

1	Paid-up Capital (INR)	Rs.72.16 Crores
2	Total Turnover (INR)	Rs.2692 Crores
3	Total profit after taxes (INR)	Rs.13.52.Crores
4	Total Spending on Corporate Social Responsibility(CSR) activities, as percentage of profit after tax(%)	0.52%
5	List of activities in which expenditure in 4 above has been incurred	Education

Section C: Other details

1	Does the Company have any Subsidiary Company / Companies?	Yes. The subsidiaries are ; 1. Sravanaa Properties Limited 2. BGR Boilers Private Limited 3. BGR Turbines Company Private Limited
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3	Do any other entity/entities (e.g.suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?[Less than 30%, 30-60%, More than 60%]	No

Section D: BR Information

1. Details of Director/Directors responsible for BR:

(a) Details of the Director/Director responsible for implementation of the BR policy/policies:

SI. No.	Particulars	Details
1	DIN Number	00176265
2	Name	Mr.R.Ramesh Kumar
3	Designation	Whole Time Director & Secretary *

*with effect from July 01, 2020

(b) Details of the BR head:

SI. No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. C.K. Ravi
3	Designation	Senior Vice President (Project Management)
4	Telephone Number	044 - 2430 1000
5	E-mail ID	ckravi@bgrenergy.com

2. Principle wise (as per NVGs) BR Policy/policies:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide equipment/systems and services that are safe and contribute to sustainability
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights policy.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y /N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	The policies have been framed keeping in mind the interests of the stakeholders at large								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Various practices / processes emanating out of these policies conform to national / international standards.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	BRR Policy is hosted on the Company's website and accessible to all stakeholders								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The Company is in the process of appointing independent internal / external agency for evaluating the working of all the Policies.								

Business Responsibility

(b) If answer to the question at serial number 1 against any principle is 'No', please explain why:(Tick upto 2 options):

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	NOT APPLICABLE								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

BRR is applicable for the financial year 2019-20. The company assesses the BR report annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the requirement of publishing the Business Responsibility Report is applicable from the financial year 2019-20. It is annexed to the Board's Report forming part of the Annual Report 19-20 and is available on the website www.bgrcorp.com

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

(1) Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes, it extends to all stake holders of the Company.

(2) How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No complaints received during the Financial Year 2019-20.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

The company is continuously improving its products to meet customer requirements. The Company is committed to be an environmental friendly organization and has a dedicated environmental policy across all its business units.

- The Water treatment plants
- Sewage and effluent treatment plant (including reverse osmosis)
- River rejuvenation systems
- Super critical steam generators and turbines reducing emissions

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

The Company's products and services geared to reduce consumption of coal thereby reducing carbon footprint.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Water consumption is reduced by adopting close cycle cooling systems.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
Yes

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company endeavors to source products on sustainable basis.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is initiating action towards maximization of local sourcing, wherever customer contracts permit.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so

The Company's does not produce recyclable waste except metal scrap

Principle 3: Businesses should promote the well-being of all employees

Sl. No.	Particulars	Details
1	Please indicate the Total number of employees.	1813
2	Please indicate the Total number of employees hired on temporary / contractual / casual basis.	672
3	Please indicate the Number of permanent women employees.	95
4	Please indicate the Number of permanent employees with disabilities	5
5	Do you have an employee association that is recognized by management?	No
6	What percentage of your permanent employees is members of this recognized employee association?	-

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a)	Permanent Employees	44%
(b)	Permanent Women Employees	62%
(c)	Casual/Temporary/ Contractual Employees available	17%
(d)	Employees with Disabilities	20%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, it has mapped both internal and external stakeholders. The Company leverages an informal method of engaging stakeholders to understand their concerns and works together to resolve them.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes: The Company engages with disadvantaged, vulnerable & marginalized stakeholders to address their concerns.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The management of the Company shall remain accessible to all stakeholders in order to understand their concerns and respond accordingly. It would take initiatives to address the concerns of stakeholders.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors/ NGOs / Others?

The Company has a Code of Conduct for business and ethics and a Policy of sexual harassment of employees, and vigil mechanism policy which covers aspects ensuring human rights of its employees. Adherence is expected from any person dealing with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Nil

Principle 6: Business should respect, protect and make efforts to restore the Environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

The company has built sustainable business practices through standardized systems. As a part of this, it encourages all employees and partners to participate in protecting the environment. This is applicable to the Company and its subsidiaries.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc?. If yes, please give hyperlink for webpage etc.

Yes, the Company has mechanisms in place to ensure compliance with the applicable environmental laws. The Company is committed to be an environmental friendly organization and has a dedicated environmental policy across all its operations.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No

5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc.

The Company has implemented a clean development technology for tertiary treatment sewage plant.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

(a) Confederation of Indian Industry

(b) Indo-American Chamber of Commerce

(c) India-ASEAN Sri Lanka Chamber of Commerce and Industry

(d) Indo-German Chamber of Commerce

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

No

Principle 8: Businesses should support inclusive growth and equitable Development.

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes. The company has a culture of equitable growth and development of employees, society, and partners. The company has a CSR program, details of which are available in the annual report on CSR activities.

2. Are the programmes / projects undertaken through in-house team/own foundation / external

NGO / government structures / any other organization ?

The Corporate Social responsibility initiatives of the Company are implemented through In-house team, as well as through our group unit.

3. Have you done any impact assessment of your initiative?

The Company is planning to do a periodic review.

4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?

Contribution of Rs. 7 lakhs in the last fiscal year. Please refer to Annual Report on CSR activities for additional details.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? (Please explain in 50 words or so)

Yes

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

Nil

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

The Company displays product information on the product label to the extent mandated as per applicable laws and customer contracts/stipulations/specifications.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carryout any consumer survey / consumer satisfaction trends?

No.

On behalf of the Board

Place : Chennai
Date : June 30, 2020

Arjun Govind Raghupathy
Managing Director

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 March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in equity and the Statement of cash flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS Financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their state of affairs of the Company as at March 31, 2020, the Profit 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>Appropriateness of estimation/revision of budgeted cost and contract value including non-cash consideration:</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> <p>a. identification of performance obligations, b. determination and allocation of transaction price including non-cash consideration to performance obligation, c. recognition of revenue over the period of contract and d. presentation and disclosures of all relevant items in the financial statements.</p> <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>Principal Audit procedures:</p> <p>We have performed the following audit procedures:</p> <p>a) We have reviewed the cost estimates including subsequent revisions, if any, as approved by the management for all the contracts in progress.</p> <p>b) We have reviewed the controls placed over the preparation of all relevant information for the purpose of revenue recognition.</p> <p>c) Verified the required documents, provisions made etc., for the actual costs incurred up to the year-end date.</p> <p>d) Discussed the status of the projects with the company's project management team and evaluated the reasonableness of estimates made by the management on cost to be incurred for completion of the respective projects.</p> <p>e) We have reviewed the workings provided by the management with reference to revision in the contract value or budgeted cost of all projects along with approvals.</p> <p>f) We further verified the billings made to customers which are in line with the revised contract values.</p>

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

S. No	Key Audit Matters	Response to Key Audit Matters
2	<p>Adoption of IND AS 116 – Leases</p> <p>The Company has adopted IND AS 116 from the current year. The Application and transition to this accounting standard is complex and is an area of focus in our audit.</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>During the first year of transition, the standard mandates detailed note on impact of transfer. Refer note 33 to the financial statements</p>	<p>Principal Audit Procedures:</p> <p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> a) We have reviewed the method of transition adopted and related adjustments in the financial statements. b) Reviewed various judgements and controls applied by the management in classifying the leases based on contractual agreements. c) We have verified the reconciliation prepared between short term or low value leases and leases where IND AS 116 was applied. d) Verified the recognition of right of use assets and lease liability including the estimates such as discount rates and lease term. e) Assessed and verified the presentation and disclosures of leases as per IND AS 116 including the disclosure requirements of transition period.
3	<p>Provision for Receivables:</p> <p>The Company has trade receivables (net) of Rs.332697 lakhs and contract assets (net) of Rs.88560 lakhs as at March 31, 2020. 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:</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 receivables and contract assets.</p>

EMPHASIS OF MATTER

Without qualifying our report, we draw attention to note 39 to the standalone financial statements, where the extent of COVID 19 pandemic's impact on company's financial performance depends on future developments, which are highly uncertain and as such, we are unable to quantify the financial impact.

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,

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

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report to the members of

M/s BGR ENERGY SYSTEMS LIMITED for the year ended March 31, 2020, we report that:

- (i) (a) The Company is maintaining 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 March 31, 2020, 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
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, Tamilnadu.
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
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	24482.00 ⁽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.

Independent Auditor's Report

Name of the Statute	Nature of Due	Disputed Tax Amount (INR Lakhs)	Financial Year	Forum in which dispute is lying
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
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	119.23	2013-14	The Appellate Deputy Commissioner (CT) North, Chennai.
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	136.44	2014-15	The Appellate Deputy Commissioner (CT) North, Chennai.
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	28.27	2015-16	The Appellate Deputy Commissioner (CT) North, Chennai.
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	58.33	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
The Employee Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	521.15 ⁽³⁾	2006-2010	The Honourable High Court, Hyderabad
Income-tax Act, 1961	Income Tax	137.65 ⁽²⁾	2006-07	The Honourable High Court, Andhra Pradesh
Income-tax Act, 1961	Income Tax	141.55 ⁽²⁾	2007-08	The Honourable High Court, Andhra Pradesh
Income-tax Act, 1961	Income Tax	192.15 ⁽²⁾	2008-09	The Honourable High Court, Andhra Pradesh
Income-tax Act, 1961	Income Tax	101.16 ⁽²⁾	2009-10	The Honourable High Court, Madras.
Income-tax Act, 1961	Income Tax	112.79 ^{(2),(3)}	2010-11	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	38.11 ⁽²⁾	2013-14	Commissioner of Income Tax (Appeals - 19), Chennai

Name of the Statute	Nature of Due	Disputed Tax Amount (INR Lakhs)	Financial Year	Forum in which dispute is lying
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 1598.39 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 excess of the limits prescribed under section 197 of the Companies Act, 2013. The company proposes to get requisite approval in the ensuing general meeting in compliance with Section 197 of the Companies Act, 2013.

(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

Date : June 30, 2020

Membership No: 207893

UDIN : 20207893AAAAJB3984

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 March 31, 2020, 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 March 31, 2020, 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, 2020
Membership No: 207893
UDIN : 20207893AAAAJB3984

Balance Sheet

₹ Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
I Non Current Assets			
(a) Property, plant and equipment	1	16111	17417
(b) Capital work in progress		-	-
(c) Other Intangible assets	2	232	298
(d) Financial assets			
(i) Investments	3 (a)	35935	36406
(ii) Trade receivables	3 (b)	110640	114863
(iii) Loans	3 (c)	3402	3506
(iv) Other financial assets	3 (d)	12049	12745
		178369	185235
II Current Assets			
(a) Inventories	4	4373	3717
(b) Financial assets			
(i) Trade receivables	5 (a)	222057	289144
(ii) Cash and cash equivalent	5 (b)	36153	37653
(iii) Loans	5 (c)	44027	39701
(iv) Other financial assets	5 (d)	963	1059
(c) Other current assets	6	125617	94029
		433190	465303
		611559	650538
TOTAL ASSETS			
EQUITY AND LIABILITIES			
I Equity			
(a) Equity Share Capital	7	7216	7216
(b) Other Equity		134506	133391
Total Equity		141722	140607
II Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	-	3568
(ii) Lease Liability	9	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	7863	9127
(b) Provisions	11	4176	4936
(c) Deferred tax liabilities (net)	29	25894	34437
		38526	52068
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	212996	208872
(ii) Lease Liability	9	742	-
(iii) Trade payables			
Total Outstanding dues of micro enterprises and small enterprises		12618	9180
Total Outstanding dues of creditors other than micro enterprises and small enterprises	10	105600	107401
(iv) Other financial liabilities	12	825	14317
(b) Other Current Liabilities	13	97815	117410
(c) Provisions	14	715	683
(d) Current tax liabilities (net)		-	-
		431311	457863
Total Liabilities		469837	509931
TOTAL EQUITY AND LIABILITIES		611559	650538

SASIKALA RAGHUPATHY
Chairperson

ARJUN GOVIND RAGHUPATHY
Managing Director

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

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

S.R.TAGAT
Director

Chartered Accountants
Firm Registration No.: 0007715

GNANA RAJASEKARAN
Director

P.R.EASWAR KUMAR
President & Chief Financial Officer

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

R.RAMESH KUMAR
President - Corporate & Secretary

Chennai
June 30, 2020

Statement of Profit and Loss

₹ Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	15	269197	322931
II Other income	16	4127	71
III Total Income (I + II)		273324	323002
IV Expenses			
(a) Cost of raw materials and components consumed	17	164055	190630
(b) Cost of manufacturing and construction	18	50623	60608
(c) Other direct cost	19	7499	8852
(d) Changes in inventories of work in progress		20	562
(e) Employee benefits expense	20	19095	22268
(f) Finance costs	21	27747	26965
(g) Depreciation and amortization expense	22	3478	2783
(h) Other expenses	23	7219	6222
Total expenses (IV)		279736	318890
V Profit/(Loss) before exceptional items and tax (III-IV)		(6412)	4112
VI Exceptional items		-	-
VII Profit/(Loss) before tax (V)+(VI)		(6412)	4112
VIII Tax expenses			
(i) Current tax		753	745
(ii) Deferred tax		(8479)	406
(iii) Tax - Earlier years		(38)	56
IX Profit/(Loss) for the period(VII)-(VIII)		1352	2905
X Other Comprehensive Income			
(i) items that will not be reclassified to profit or loss	25	(117)	(45)
(ii) items that will be reclassified to profit or loss	25	(120)	(17)
XI Total Comprehensive Income for the period (IX+X) (Comprising Profit and other Comprehensive Income for the Period)		1115	2843
XII Earnings per Equity Share :			
1.Basic (₹)		1.87	4.03
2.Diluted (₹)		1.87	4.03

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As per our report of even date
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Chartered Accountants
Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Cash Flow Statement

₹ Lakhs

S.No	Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net profit before tax and extraordinary items		(6412)		4112
	Adjustments for :				
	Depreciation, impairment and amortization	3478		2783	
	Dividend from investments - quoted	-		(2)	
	(Profit) / Loss on sale of fixed assets (net)	(61)		-	
	Net gain on sale of investment	(3910)		-	
	Provision for warranty and Contractual Obligation	(954)		2093	
	Lease Payment	599		-	
	Trade receivables written off	3811		-	
	Interest expense	27747	30710	26965	31839
	Operating profit before working capital changes		24298		35951
	Changes in working capital				
	(Increase) / decrease in trade receivables	67499		906	
	(Increase) / decrease in inventories	(656)		718	
	(Increase) / decrease in current assets	(29452)		(5489)	
	(Increase) / decrease in loans and advances	(4967)		(3431)	
	Increase / (decrease) in trade payables and provisions	(18996)		(1759)	
			13428		(9055)
	Cash generated from operations		37726		26896
	Direct taxes (paid) / refund (net)		(779)		(1192)
	Net cash flow from operating activities		36947		25704
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of fixed assets	(310)		(2641)	
	Sale of fixed assets	200		17	
	Sale of Subsidiary	4335		-	
	Dividend from investments - quoted	-		2	
	Increase in Market value of Investments	(46)		2	
	Net cash flow from investing activities		4179		(2620)
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Long term borrowings (repaid) / availed	(17047)		(10308)	
	Short term borrowings (repaid) / availed	4111		13769	
	Lease Payment	(599)		-	
	Lease Interest Payment	(232)		-	
	Interest paid	(27515)		(26616)	
	Net cash flow from financing activities		(41282)		(23155)
	Net increase\ (decrease) in cash and cash equivalents (A+B+C)		(156)		(71)
	Cash and cash equivalents as at April 1, 2019		2737		2808
	Cash and cash equivalents as at Mar 31, 2020		2581		2737
	Cash on hand		25		20
	On current accounts		2306		1396
	On deposit accounts		250		1321

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As per our report of even date
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Chartered Accountants
Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Statement of Changes in Equity (2019-20)

₹ Lakhs

S.No	Particulars	Equity Share Capital	Other Equity						Total (19-20)
			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 (01.04.2019)	7216	31895	14427	87020	29	(86)	106	140607
2	Profit for the year				1352				1352
3	Equity Instruments through Other Comprehensive Income					(30)			(30)
4	Effective Portion of Cash Flow Hedges						(120)		(120)
5	Remeasurement of net defined benefit Liability/Asset (net)							(87)	(87)
6	Transfer to General Reserve								-
7	Dividend								-
8	Any other Change								-
9	Balance at the end of reporting Period (31.03.2020)	7216	31895	14427	88372	(1)	(206)	19	141722

SASIKALA RAGHUPATHY
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Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

A. COMPANY OVERVIEW

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

B. SIGNIFICANT ACCOUNTING POLICIES

I) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

II) USE OF ESTIMATES

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

1. Recognition of revenue

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

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

III) FUNCTIONAL AND PRESENTATION CURRENCY

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

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

IV) MEASUREMENT OF FAIR VALUES

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

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

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

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

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

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

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

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

V) FOREIGN CURRENCY TRANSACTIONS

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

VI) EMPLOYEE BENEFITS

a) Short-term employee benefits :

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

b) Post employment benefits:

i) Defined contribution plan:

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

ii) Defined benefit plan:

Company's liability towards gratuity in accordance with the Payment of Gratuity

Act, 1972 is determined based on actuarial valuation using the Projected Unit Credit Method as at the reporting date. The company contributes all the ascertained liabilities to SBI Life Insurance which administers the contributions and makes the payment at retirement, death, incapacitation or termination of employment.

c) Other Long-term employee benefits:

The Company provides for compensated absences subject to certain rules. The employees are entitled to accumulate such absences for 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 selection 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 2019	1527	2661	26147	1934	844	237	2210	352	1403	37315
Additions	-	-	217	-	6	3	53	8	17	304
Disposals	125	-	22	-	1	-	1	-	64	213
At 31 March 2020	1402	2661	26342	1934	849	240	2262	360	1356	37406
Depreciation and impairment										
At 1 April 2019	-	635	13768	-	473	228	1598	237	1025	17964
Depreciation charge for the year	-	84	2183	670	76	3	273	26	91	3406
Disposals	-	-	11	-	1	-	-	-	62	74
At 31 March 2020	-	719	15940	670	548	231	1871	263	1054	21295
Net book value										
At 31 March 2020	1402	1942	10402	1264	301	9	391	97	302	16111
At 31 March 2019	1527	2026	12379	-	371	9	612	115	378	17417

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

** The Company has adopted Ind AS 116 Leases with effect from April 1, 2019. Accordingly, the Right of Use Asset has been recognised on the said date refer Note 33

2 INTANGIBLE ASSETS

₹ Lakhs

Particulars	Technical Knowhow	Software	Total
Cost or valuation			
At 1 April 2019	1348	2213	3561
Additions	-	6	6
At 31 March 2020	1348	2219	3567
Amortisation and impairment			
At 1 April 2019	1348	1915	3263
Amortisation	-	72	72
At 31 March 2020	1348	1987	3335
Net book value			
At 31 March 2020	-	232	232
At 31 March 2019	-	298	298

Notes to Financial Statements

3. FINANCIAL ASSETS

3(a) Investments

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Investments at Cost		
Investments in Equity instruments of Subsidiaries		
Unquoted equity shares		
42,50,000 Progen Systems and Technologies Limited (42,50,000) of Rs. 10 each (India)	-	425
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	36318
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.43.10 (Rs.280.10) per share	6	39
Quoted Investments in Mutual Funds		
50,000 SBI Mutual Fund-Magnum Multi Cap Fund - Dividend (50,000) units Market Value Rs.16.5839 (Rs.21.7878) per unit	8	11
2,50,000 SBI Mutual Fund-Infrastructure Fund - I - Growth (2,50,000) units Market Value Rs.11.1055 (Rs.15.0514) per unit	28	38
Investments carried at fair value through Other Comprehensive Income (B)	42	88
Total Investments	35935	36406
Current	-	-
Non-Current	35935	36406
Aggregate cost of quoted investments	43	43
Aggregate market value of quoted investments	42	88
Aggregate value of unquoted investments	35893	36318

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, 2020	As at March 31, 2019
i. Progen Systems and Technologies Limited	Chennai, India	Carried at Cost	-	69.67%
ii. BGR Boilers Private Limited	Chennai, India	Carried at Cost	70%	70%
iii. BGR Turbines Company Private Limited	Chennai, India	Carried at Cost	74%	74%
iv. Sravanna Properties Limited	Chennai, India	Carried at Cost	100%	100%

3 (b) Trade Receivables - Non Current

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	113477	117808
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	113477	117808
Less: Allowance for Credit Loss	(2837)	(2945)
Total Trade receivables	110640	114863

3 (c) Loans - Non current

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Loans considered good - secured	-	-
Loans considered good - unsecured		
- Deposits	1200	1401
- Other loans and advances	2202	2105
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total loans	3402	3506

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.

3.c. (ii). Tuticorin Project: The end client of Tirunelveli – Tuticorin Port Connectivity Project viz., Tuticorin Port Road Company Ltd (SPV of NHAI) terminated the contract and encashed BGs for aggregate value of Rs.2652 lakhs and the same were restituted as per orders of the High Court of Madras (Madurai Bench). The disputes, including termination of contract, were reviewed by the Disputes Review Board and recommendations were granted in favour of the JV. Tuticorin Port Road Company Ltd (SPV of NHAI)

Notes to Financial Statements

challenged the recommendations before the Arbitration Tribunal. The JV and NHA1 are exploring a settlement and hence arbitral proceedings remain suspended. In view of these facts, the company has identified a sum of Rs. 83 lakhs (Rs.83 lakhs) as at Mar 31, 2020 as recoverable advances from the end client through the JV and is grouped under other loans and advances. The Conciliation Committee of Independent Experts of NHA1 heard the matter and forwarded their recommendations to get formal approval from Executive committee of NHA1.

3 (d) Other financial Assets

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Margin money deposit held under lien to banks - maturity more than 12 months	11507	12572
Interest accrued on margin money deposits	542	173
Total Other financial Assets	12049	12745

4. INVENTORIES

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials and components	4371	3695
Work-in-progress	2	22
Total of inventories at lower of cost or net realisable value	4373	3717

5. FINANCIAL ASSETS

5 (a) Trade receivables

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured		
- From related parties	1306	1218
- From Others	226445	295134
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	227751	296352
Less: Allowance for Credit Loss	(5694)	(7208)
Total Trade receivables	222057	289144

Trade receivables includes retention amount of Rs.137442 lakhs (Rs. 147601 lakhs) which, in accordance with the terms of the contracts were not due for payments as at Mar 31, 2020.

5 (b) Cash and cash equivalent

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
- On current accounts	2306	1396
- On deposits accounts	250	1321
Cash on hand	25	20
Margin money deposits held under lien to banks	33546	34877
On unpaid dividend accounts	26	39
Total Cash and cash equivalent	36153	37653

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

5 (c) Loans

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Loans considered good - secured	-	-
Loans considered good - unsecured		
- Advance to related party	458	458
- Other loans and advances *	39057	34778
- Deposits	4512	4465
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total loans	44027	39701

* 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, 2020	As at March 31, 2019
Interest accrued on fixed deposits	963	1059
Total Other Financial Assets	963	1059

6. OTHER CURRENT ASSETS

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Advances other than capital advances		
Advance to suppliers	26966	21586
Others	8698	8698
Prepayments	1393	1027
Contract asset	90367	63998
Sub Total	127424	95309
Less : Allowance for Credit Loss on Contract Asset	(1807)	(1280)
Total Other Current Assets	125617	94029

Notes to Financial Statements

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

7. SHARE CAPITAL

Authorised Share Capital

₹ Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	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, 2020		As at March 31, 2019	
	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, 2020		As at March 31, 2019	
	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, 2020		As at March 31, 2019	
	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, 2020	As at March 31, 2019
Secured		
Term Loans from Banks	-	3568
Borrowings (Non Current)	-	3568
Working capital loans from banks	212996	208872
Borrowings (Current)	212996	208872
Total Borrowings	212996	212440

- 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, Syndicate Bank, Bank of Baroda, Indian Bank, Corporation Bank, Allahabad Bank, Bank of India, Andhra Bank, 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.

FINANCIAL LIABILITIES

9. LEASE LIABILITY

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liability - Non Current	593	-
Lease Liability - Current	742	-
Total Lease Liability	1335	-

Notes to Financial Statements

10. TRADE PAYABLES

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Micro enterprises and small enterprises	12618	9180
Others		
Trade Payables	113463	116528
Total Trade Payables	126081	125708
Trade Payables Current	118218	116581
Trade Payables Non Current	7863	9127

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, 2020	As at March 31, 2019
Principal amount remaining unpaid	13573	9877
Interest due thereon remaining unpaid	2159	1146
Payments made to the supplier beyond the appointed day during the year	8055	6244
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	2159	1146
Amount of further interest remaining due and payable in succeeding years	1146	201

11. PROVISIONS

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Employee benefit obligations		
Provision for leave encashment	307	320
Provision for gratuity	612	540
Provision for contractual obligation	1300	2185
Provision for warranty	1957	1891
Total Non Current Provisions	4176	4936

12. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowings	-	13479
Unpaid dividends	26	39
Interest accrued but not due	799	799
Total Financial liabilities	825	14317

13. OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from customers	65815	57572
Other payables *	7749	11206
Contract liability	24251	48632
Total Other Current Liabilities	97815	117410

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

14. PROVISIONS

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Employee benefit obligations		
Provision for bonus	32	28
Provision for leave encashment	193	181
Provision for gratuity	268	332
Others		
Provision for warranty	222	142
Total Provisions	715	683

PROFIT AND LOSS

15. REVENUE FROM OPERATIONS

₹ Lakhs

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Capital goods	38166	29200
Construction and EPC contracts	228075	290163
Other operating revenues	2956	3568
Total Revenue from operations	269197	322931

Notes to Financial Statements

16. OTHER INCOME

₹ Lakhs

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Dividend from investments - quoted	-	2
Others		
Net gain on disposal of property, plant and equipment	61	-
Net gain on sale of investment	3910	-
Interest Income	29	69
Interest Income - Tax Refund	127	-
Total Income	4127	71

17. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening inventory (Raw materials, consumables, bought outs and components)	3695	3851
Add : Purchases	164731	190474
	168426	194325
Less: Closing inventory (Raw materials, consumables, bought outs and components)	4371	3695
Cost of raw material and components consumed	164055	190630

Cost of materials is net of Rs.Nil (Rs.1,765 lakhs), being cost provision no longer required.

18. COST OF MANUFACTURING AND CONSTRUCTION

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Subcontracting and processing charges	50410	60450
Power and fuel	213	158
Cost of manufacturing and construction	50623	60608

19. OTHER DIRECT COST

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Insurance	606	860
Bank charges	6632	7290
Packing and forwarding	261	702
Other direct cost	7499	8852

20. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, allowances and bonus	17236	20333
Contribution to P.F., E.S.I.	549	637
Workmen and staff welfare expenses	1040	1001
Compensated Absences	172	118
Gratuity	98	179
Employee benefits expense	19095	22268

21. FINANCE COSTS

₹ Lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on working capital loans	23889	22323
Interest on term loans	974	2274
Interest - others	2884	2368
Finance costs	27747	26965

22. DEPRECIATION AND AMORTIZATION EXPENSE

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of tangible assets	3406	2713
Amortization of intangible assets	72	70
Depreciation and amortization expense	3478	2783

23. OTHER EXPENSES

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent	577	1422
Payment to auditors (refer details below)	38	41
Bank charges	65	84
Conveyance and vehicle running expenses	588	713
Trade receivables written off	3811	-
Electricity charges	196	215
Foreign exchange (gain)/loss (net)	491	(3143)
Insurance	363	197
Miscellaneous expenses	(969)	435
Printing and Stationery	117	145
CSR expenses	7	15
Provision for contractual obligation	(885)	2185
Professional charges	531	1168

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	70	90
Repairs and maintenance	1040	1277
Security charges	203	181
Selling expenses	68	78
Sitting fees	34	33
Telephone expenses	144	165
Travelling expenses	730	921
Total Other expenses	7219	6222

PAYMENT TO AUDITORS

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- For audit fees	36	36
- For tax matters	-	-
- For certification and others	2	5
Total Payment to Auditors	38	41

24. DETAILS OF CSR EXPENDITURE

₹ Lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a.Gross amount required to be spent during the Year	116	133

₹ Lakhs

b.Amount spent during the year	For the year ended March 31, 2020		For the year ended March 31, 2019	
	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	-	15	-

As required under Section 135 of Companies Act 2013, the company is required to spend Rs.116 Lakhs (Rs.133 lakhs) towards Corporate Social Responsibility (CSR) activities. Expenses incurred during the year is Rs.7 Lakhs (Rs.15 Lakhs) and no provision is made for balance amount during the financial year 2019-2020.

25. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Items that will not be reclassified to Profit/Loss		
Remeasurement of net defined benefit Liability/Asset (net)	(87)	(43)
Equity Instruments through Other Comprehensive Income (net)	(30)	(2)
Items that will be reclassified to Profit/Loss		
Fair value changes on cash flow hedges (net)	(120)	(17)
Total Other Comprehensive Income for the Year	(237)	(62)

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, 2020	For the year ended March 31, 2019
Basic EPS		
Profit after tax as per accounts	1352	2905
Weighted average number of equity shares (face value Rs.10 per share) (lakh Nos.)	722	722
Basic EPS (Rs.)	1.87	4.03
Diluted EPS		
Profit for the year for basic EPS	1352	2905
Less : Adjustment	-	-
Adjusted profit for diluted EPS	1352	2905
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.)	1.87	4.03

27. CONSTRUCTION CONTRACTS

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

₹ Lakhs

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
The aggregate amount of costs incurred and recognized profits (less recognized losses) (including amounts carried forward from previous years)	1581603	1343010
The amount of advances received	65815	57572
The amount of retentions	137442	147601
The gross amount due from customers for contract work as an asset (unbilled revenue)	90367	63998
The gross amount due to customers for contract work as a liability (unearned revenue)	24251	48632

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.

28. EMPLOYEE BENEFITS

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

Notes to Financial Statements

DEFINED CONTRIBUTION PLAN:

₹ Lakhs

Particulars	2019-20	2018-19
Employer's contribution to Provident fund	361	432
Employer's contribution to pension scheme	225	266
Employer's contribution to employee's state insurance	10	12

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, 2020	As of March 31, 2019	As of March 31, 2020	As of March 31, 2019
Projected benefit obligation at the beginning of the year	501	467	1526	1441
Service cost	81	72	149	181
Interest cost	33	35	92	101
Remeasurement (gain)/loss	(115)	(73)	(132)	(63)
Benefits paid	-	-	(250)	(134)
Projected benefit obligation at the end of the year	500	501	1385	1526

Change in the fair value of the plan assets

₹ Lakhs

Particulars	Gratuity (funded)	
	As of March 31, 2020	As of March 31, 2019
Fair value of the plan assets at the beginning of the year	654	689
Expected return on plan assets	37	48
Actuarial gain/(loss)	3	3
Employer contribution	61	49
Benefits paid	(250)	(135)
Fair value of plan assets at the end of the year	505	654
Actual return on plan asset	40	50

Amount recognised in the Balance sheet

₹ Lakhs

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As of March 31, 2020	As of March 31, 2019	As of March 31, 2020	As of March 31, 2019
Present value of projected benefit obligation at the end of the year	500	501	1385	1526
Fair value of plan assets at the end of the year	-	-	505	654
Funded status amount of liability recognised in the Balance Sheet	500	501	880	872
Current Liability	193	181	268	332
Non Current Liability	307	320	612	540

Expense recognised in the Statement of Profit and Loss

₹ Lakhs

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Service cost	81	72	149	181
Interest cost	33	35	92	101
Expected return on plan assets	-	-	(37)	(48)
Actuarial Gain / Loss due to Demographic Assumption changes in Defined Benefit Obligation	(11)	1	(6)	15
Actuarial Gain / Loss due to Financial Assumption changes in Defined Benefit Obligation	(26)	(48)	(78)	(183)
Actuarial Gain / Loss due to Experience on Defined Benefit Obligation	(77)	(26)	(48)	106
Return on Plan Assets (Greater) / Less than Discount Rate	-	-	(3)	(3)
Total cost recognised in P & L and OCI (Defined Benefit Cost)				
Cost recognised in P & L	114	107	204	234
Remeasurement Effect Recognised in OCI	(114)	(73)	(135)	(65)
Total defined Benefit Cost	-	34	69	169

Notes to Financial Statements

Summary of actuarial assumptions

₹ Lakhs

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As of March 31, 2020	As of March 31, 2019	As of March 31, 2020	As of March 31, 2019
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)	6.58%	7.40%	6.58%	7.40%
Expected rate of return on plan assets (per annum)	-	-	6.58%	7.39%
Rate of escalation in salary (per annum)	1.75% F5Y & 1.75% TA	4% F5Y & 7% TA	1.75%	4.00%
Attrition	10.00%	13.00%	10.00%	13.00%
Leave accounting & consumption technique	LIFO	LIFO	-	-
Proportion of Leave availment	7.94%	5.00%	-	-
Proportion of encashment in Service / Lapse	-	-	-	-
Proportion of encashment on separation	92.06%	95.00%	-	-

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

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

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

₹ Lakhs

Year	Leave encashment (unfunded)	Gratuity (funded)
	Amount	Amount
1 year	49	166
2 to 5 years	130	407
6 to 10 years	84	237
More than 10 years	237	575

Plan asset : The Gratuity plan's weighted-average asset allocation at March 31, 2020 and March 31, 2019.

Particulars	As of March 31, 2020	As of March 31, 2019
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, 2020	As of March 31, 2019
	% increase in Defined Benefit Obligation	
Discount rate + 100 basis points	-4.01%	-3.12%
Discount rate - 100 basis points	4.50%	3.42%
Salary growth rate + 100 basis points	4.32%	1.94%
Salary growth rate - 100 basis points	-3.91%	-1.88%
Attrition Rate + 100 basis points	1.18%	0.52%
Attrition Rate - 100 basis points	-1.31%	-0.56%
Mortality Rate 10% UP	0.03%	0.03%

Particulars	Gratuity	
	As of March 31, 2020	As of March 31, 2019
	% increase in Defined Benefit Obligation	
Discount rate + 100 basis points	-4.38%	-4.38%
Discount rate - 100 basis points	3.93%	3.93%
Salary growth rate + 100 basis points	3.87%	3.87%
Salary growth rate - 100 basis points	-4.37%	-4.37%
Attrition Rate + 100 basis points	-0.01%	-0.01%
Attrition Rate - 100 basis points	-0.91%	-0.91%
Mortality Rate 10% UP	-0.40%	-0.40%

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, 2020	Deferred tax liability as at March 31, 2020	Deferred tax asset as at March 31, 2019	Deferred tax liability as at March 31, 2019
Property, plant and equipment	-	564	-	1049
Other Intangibles	11	-	29	-
ECL on Trade Receivables	2147	-	3547	-
Provisions	280	-	513	-
Customer Retention	-	28241	-	52016
ECL on Contract Asset	455	-	447	-
Carry forward tax loss	-	-	8654	-
Lease Liability (net)	18	-	-	-
Sub Total	2911	28805	13190	53065
Net		25894		39875
Add / (Less) : MAT Credit entitlement		-		(5438)
Grand Total		25894		34437

INCOME TAX RECONCILIATION

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Profit before Income Tax	(6412)	4112
Enacted Tax Rates in India	25.17%	34.94%
Computed expected Tax expense	(1614)	1437
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	(2367)	692
Tax Effects of amounts which are deductible in calculating taxable income	-	-
Tax Reversals	-	-
Income Tax Expense	753	745

The applicable Indian statutory tax rate for fiscal year 2020 is 25.17% and fiscal year 2019 is 34.94%.

The Company has opted for new section 115 BAA of the Income Tax Act 1961 in the current year. Accordingly (a) the provision for current year and deferred tax has been determined at the rate of 25.17 %, (b) the deferred tax liabilities as on April 1, 2019 has been restated at the rate of 25.17 %, which resulted in the reversal of deferred tax liabilities (net) by Rs. 8479 lakhs.

30. FINANCIAL INSTRUMENTS

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	332697			332697	332697
Loans and advances	46335	1094		48616	47429
Other Financial Assets	13012			13012	13012
Total	428197	1094	42	430521	429333
LIABILITIES					
Borrowings	212996			212996	212996
Other Financial Liabilities	825			825	825
Trade Payables	126081			126081	126081
Total	339902	-	-	339902	339902

The Carrying Value and Fair Value of Financial Instruments as of March 31, 2019 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	37653			37653	37653
Investments:					
Equity Securities and others			42	13	42
Liquid mutual fund units			48	30	48
Trade Receivables	404007			404007	404007
Loans and advances	42113	1094		62996	43207
Other Financial Assets	13804			13804	13804
Total	497577	1094	90	518503	498761

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	212440			212440	212440
Other Financial Liabilities	14317			14317	14317
Trade Payables	125708			125708	125708
Total	352465	-	-	352465	352465

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, 2020	As at March 31, 2019
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, 2020	As at March 31, 2019
Assets (Trade receivables / advance to suppliers / bank balances)		
In foreign currency		
In USD	469.08	552.86
In EURO	283.40	373.39
In GBP	4.02	0.04
In JPY	3.05	1.85
In SEK	0.84	0.84
In AED	-	0.02
In CHF	0.04	0.04
In CNY	0.03	0.01
In OMR	0.00	0.00
In SAR	-	0.14
In THB	-	0.26
In MYR	0.01	-
In SGD	0.01	-
In Indian currency		
In USD	35,678.10	38,573.19
In EURO	23,927.62	29,437.95
In GBP	379.96	3.72
In JPY	2.16	1.18
In SEK	6.42	6.36
In AED	-	0.46
In CHF	3.23	2.86
In CNY	0.29	0.14
In OMR	0.08	0.16
In SAR	-	2.62
In THB	-	0.54
In MYR	0.14	-
In SGD	0.40	-
Liabilities (Advance from customers/trade payables/buyers credit)		
In foreign currency		
In USD	37.43	54.48
In EURO	168.06	171.11
In GBP	0.03	0.17
In SEK	-	-
In CAD	-	0.75
In OMR	-	-
In AED	0.03	-

Notes to Financial Statements

Particulars	As at March 31, 2020	As at March 31, 2019
In Indian currency		
In USD	2,846.86	3,801.02
In EURO	14,189.48	13,490.69
In GBP	2.82	15.31
In SEK	-	-
In CAD	-	39.44
In OMR	-	-
In AED	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 (31.03.2020) would have increased / (decreased) equity and profit by Rs.178 Lakhs (Rs.193 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, 2020		As at March 31, 2019	
	Forex working Capital demand loan	Trade payables	Forex working Capital demand loan	Trade payables
Number of contracts	5	-	-	1
Value in foreign currency				
USD	326.74	-	-	12.55
EURO	-	-	-	-
Value in INR	24,852	-	-	875

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, 2020	March 31, 2019
Fixed rate instruments		
Financial assets		
Fixed deposits with banks	45303	48770
Variable rate instruments		
Financial liabilities		
Borrowings from banks	-	17047
Working Capital Loans	212996	208872

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 (31.03.2020) would have increased / (decreased) equity and profit by Rs.1097 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.42 lakhs. An increase / decrease of 10% on the BSE Market index could have an impact of approximately 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.332697 Lakhs

Financial instruments and cash deposits

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

Liquidity risk

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

The following are the contractual maturities of financial liabilities.

₹ Lakhs

Particulars	Upto 12 months	More than 12 months
Trade payables	118218	7863
Borrowings	212996	-
Other financial liabilities	799	-

Notes to Financial Statements

Collateral risk

The Company has pledged its short-term deposits of Rs. 45053 lakhs to fulfil the security requirements for the contractual obligations. As at 31 March, 2020, 31 March, 2019 the fair values of the short-term deposits pledged were Rs. 45053 lakhs and Rs. 47449 lakhs respectively.

33. LEASES

The Company has adopted Ind AS 116 "Leases" with the date of initial application being April 1, 2019. The Company has applied Ind AS 116 using the modified retrospective approach.

On transition, the Company has recognized a lease liability measured at the present value of the remaining lease payments. Right of use (ROU) assets for leases were recognized and measured at an amount equal to the lease liability. As a result, the comparative information has not been restated.

Accordingly, on transition to Ind AS 116, the Company recognized ROU assets and lease liabilities amounting to Rs. 1934 lakhs. The company has adopted incremental borrowing rate at 12% for discounting the future lease payment to recognize lease liability at the date of initial recognition.

The changes in carrying value ROU assets and Lease liabilities for the year ended March 31, 2020 are as follows:

₹ Lakhs

Particulars	ROU Assets As at Mar 31,2020	Lease Liabilities As at Mar 31,2020
Opening balance	-	-
Add : Additions during the year	1,934	1,934
Add : Interest cost during the year	-	232
Less : Deletions during the year	-	-
Less : Depreciation during the year	670	-
Less : Payment of Lease Liabilities	-	831
Closing Balance	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. 577 lakh 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	2019-20 (Mar-20)				2018-19 (Mar-19)			
		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)	38445	230752	-	269197	29464	293467	-	322931
b)	Inter Segment sales	2490	-	(2490)	-	5104	-	(5104)	-
	Total Revenue	40935	230752	(2490)	269197	34568	293467	(5104)	322931
c)	Result	2101	15107		17208	3813	27193		31006

S.No	Particulars	2019-20 (Mar-20)				2018-19 (Mar-19)			
		Capital goods segment	Construction and EPC contracts segment	Inter Segment eliminations	Total	Capital goods segment	Construction and EPC contracts segment	Inter Segment eliminations	Total
	Add: Unallocated income (net of expenditure)				4127				71
	Profit before interest and tax				21335				31077
	Interest	1023	26724	-	27747	763	26202	-	26965
	Profit before tax				(6412)				4112
	Tax expenses								
	- Current tax				753				745
	- Deferred tax				(8479)				406
	- Tax - Earlier years				(38)				56
	- Total				(7764)				1207
	Profit for the year				1352				2905
d)	Assets	61725	502016	-	563741	46358	558024	-	604382
	Add: Unallocated corporate assets				47818				46156
	Total assets				611559				650538
e)	Liabilities	20126	423817	-	443943	10471	465023	-	475494
	Add: Unallocated corporate liabilities				25894				34437
	Total liabilities				469837				509931

Revenue of approximately INR Rs. 203399 lakhs (31.03.2019 - INR Rs.228910 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-20	31-Mar-19
Segment profit	17208	31006
Dividend Income	-	2
Net gain on disposal of property, plant and equipment	61	-
Net gain on sale of investment	3910	-
Interest Income	29	69
Interest Income - Tax Refund	127	-
Profit before interest and tax	21335	31077

Notes to Financial Statements

Reconciliation of assets	31-Mar-20	31-Mar-19
Segment operating assets	563741	604382
Investments	35935	36406
TDS receivable	11883	9750
Total assets	611559	650538

Reconciliation of liabilities	31-Mar-20	31-Mar-19
Segment operating liabilities	443943	475494
Deferred tax liabilities (net)	25894	34437
Total liabilities	469837	509931

Secondary segment information (geographic segments)

₹ Lakhs

Particulars	Domestic		Overseas		Total	
	31-March-20	31-March-19	31-March-20	31-March-19	31-March-20	31-March-19
External revenue by location of Customers	266510	318571	2686	4360	269197	322931
Carrying amount of segment non current assets by location of assets	178369	185235	-	-	178369	185235

35. CONTINGENT LIABILITIES AND COMMITMENTS

₹ Lakhs

Particulars	As at March 31,2020	As at March 31,2019
Contingent liabilities		
Claims against the company not acknowledged as debt		
a) On account of Sales tax *	24572	24553
b) On account of Income-tax *	3793	3622
c) On account of Service tax **	36665	36665
d) On account of Provident fund	521	521
e) Others	12588	20845
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	44	803

* Excludes interest, penalty and self assessment tax paid.

** (1) Out of Service tax demand, for a sum of Rs. 36,281 lakhs (Rs.36,281 lakhs) (excludes interest, penalty and self assessment tax paid), the Company has filed appeal before the Customs Excise and Service Tax Appellate Tribunal.

** (2) For a sum of Rs.384 Lakhs (Rs. 384 lakhs) (excludes interest, penalty and self assessment tax paid), the Company has filed writ appeal in High Court,Chennai. against dismissal of earlier writ.

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.A.Swaminatan
2. Mr.V.R.Mahadevan
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, 2020 and in respect of assets / liabilities as at March 31, 2020)

₹ 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	2019-20	2018-19
Sales	-	2,441	-	-	2,441	2,433
Purchases	5,249	883	-	-	6,132	10,241
Remuneration						
a) Short Term Employee Benefits	-	-	377	50	427	556
b) Post Employment Benefits	-	-	-	-	-	-
c) Other Long Term Employee Benefits	-	-	-	-	-	-
d) Termination Benefits	-	-	-	-	-	-
e) Share Based Payment	-	-	-	-	-	-
Rent expenses	18	274	-	44	336	336

Notes to Financial Statements

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	2019-20	2018-19
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Others	-	-	-	25	25	25
Advances given	-	235	-	-	235	604
Repayment of advance given	-	-	-	-	-	(237)
Other Obligations*	20,751	9,945	-	3,735	34,431	34,431
Loans & Advances						
-Loan availed	-	3,500	-	-	3,500	-
-Loan repaid	-	3,500	-	-	3,500	-
Interest on Loan	-	92	-	-	92	-
Sale of investments	-	4,335	-	-	4,335	-
Balances outstanding	(11,871)	1,433	-	(102)	(10,540)	(11,084)

* The Term Loan was fully repaid during the year and the collateral security of group companies released from change.

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.1540 lakhs, (Rs.2587 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
	19-20	19-20	18-19	18-19
Opening balance	2033	2185	1920	1550
Add :Addition / transfers	240	1300	402	2185
Less : (a) Provision utilised	(71)	-	(5)	(1550)
(b) Provision reversed	(23)	(2185)	(284)	-
Closing balance	2179	1300	2033	2185

39. COVID-19 IMPACT

Nationwide lockdown, consequent to spread of Covid-19 pandemic had temporarily disrupted the operations of the Company. The manufacturing facilities and site executions during the period (March 23rd to March 31st, 2020) were inoperative, which alongwith the Covid impact globally (before the lockdown in India) impacted the revenues for the year. Broadly, the impact on revenue for the year is assessed at Rs.30000 lakhs. Based on the internal and external informations up to the date approval of this financial statements, the company expects to recover the carrying amounts of its assets, investments, trade receivables, contract assets and inventories. The Company will continue to monitor the future economic conditions and assess its impact on its financial statements.

40. PREVIOUS YEAR FIGURES

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

SASIKALA RAGHUPATHY
Chairperson

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

GNANA RAJASEKARAN
Director

R.RAMESH KUMAR
President - Corporate & Secretary

Chennai
June 30, 2020

ARJUN GOVIND RAGHUPATHY
Managing Director

S.R.TAGAT
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

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 March 31, 2020, 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 March 31, 2020, 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>Appropriateness of estimation/revision of budgeted cost and contract value including non-cash consideration:</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 a. identification of performance obligations, b. determination and allocation of transaction price including non-cash consideration to performance obligation, c. recognition of revenue over the period of contract and d. presentation and disclosures of all relevant items in the financial statements.</p> <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>Principal Audit procedures:</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.

S. No	Key Audit Matters	Response to Key Audit Matters
2	<p>Adoption of IND AS 116 – Leases</p> <p>The Company has adopted IND AS 116 from the current year. The Application and transition to this accounting standard is complex and is an area of focus in our audit.</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>During the first year of transition, the standard mandates detailed note on impact of transfer.</p> <p>Refer note 31 to the consolidated Ind AS financial statements</p>	<p>Principal Audit Procedures:</p> <p>We have performed the following audit procedures:</p> <p>a) We have reviewed the method of transition adopted and related adjustments in the financial statements.</p> <p>b) Reviewed various judgements and controls applied by the management in classifying the leases based on contractual agreements.</p> <p>c) We have verified the reconciliation prepared between short term or low value leases and leases where IND AS 116 was applied.</p> <p>d) Verified the recognition of right of use assets and lease liability including the estimates such as discount rates and lease term.</p> <p>e) Assessed and verified the presentation and disclosures of leases as per IND AS 116 including the disclosure requirements of transition period.</p>
3	<p>Provision for Receivables:</p> <p>The Company has trade receivables (net) of Rs.332697 lakhs and contract assts (net) of Rs.88560 lakhs as at March 31, 2020. 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:</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 receivables and contract assets.</p>

EMPHASIS OF MATTER

Without qualifying our report, we draw attention to note 37 to the consolidated financial statements, where the extent of COVID 19 pandemic's impact on company's financial performance depends on future developments, which are highly uncertain and as such, we are unable to quantify the financial impact.

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.13066 lakhs as at March 31, 2020, total revenues of Rs.21.51 lakhs and net cash flows amounting to Rs.(0.71) 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.1677 lakhs as

at March 31, 2020, 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.71483 lakhs as on March 31, 2020, total revenue of Rs.6075 lakhs and net cash flows amounting to Rs.52.11 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'S 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 March 31, 2020 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 March 31, 2020 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 3.c.(ii) 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 Membership No: 207893
Date : June 30, 2020 UDIN : 20207893AAAAJD3248

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 March 31, 2020, 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

Independent Auditor's Report

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 March 31, 2020, 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
Place: Coimbatore
Date : June 30, 2020
Membership No: 207893
UDIN : 20207893AAAAJD3248

Consolidated Balance Sheet

₹ Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
I Non Current Assets			
(a) Property, plant and equipment	1	40042	48905
(b) Other Intangible assets	2	233	300
(c) Goodwill	2	59	59
(d) Financial assets			
(i) Investments	3 (a)	42	88
(ii) Trade receivables	3 (b)	110640	114864
(iii) Loans	3 (c)	4328	3880
(iv) Other financial assets	3 (d)	12049	12746
		167393	180842
II Current Assets			
(a) Inventories	4	4373	3717
(b) Financial assets			
(i) Trade receivables	5 (a)	222057	289143
(ii) Cash and cash equivalent	5 (b)	38124	39608
(iii) Loans	5 (c)	47604	39789
(iv) Other financial assets	5 (d)	966	1062
(c) Other current assets	6	143999	116251
		457123	489570
		624516	670412
TOTAL ASSETS			
EQUITY AND LIABILITIES			
I Equity			
(a) Equity Share Capital	7	7216	7216
(b) Other Equity		110671	115534
Equity attributable to owners of BGR Energy Systems Limited		117887	122750
II Non-Controlling Interest		(1159)	1586
Total Equity		116728	124336
III Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8 (a)	-	3568
(ii) Lease Liability	8 (b)	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)	7863	9127
(b) Provisions	9	4307	5063
(c) Deferred tax liabilities (net)	26	25894	34247
		38657	52005
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8 (a)	212996	208872
(ii) Lease Liability	8 (b)	742	-
(iii) Trade payables	8 (c)		
Total Outstanding dues of micro enterprises and small enterprises		12618	9180
Total Outstanding dues of creditors other than micro enterprises and small enterprises		103924	128628
(iv) Other financial liabilities	10	825	14317
(b) Other Current Liabilities	11	137065	132391
(c) Provisions	12	715	683
(d) Current tax liabilities (net)		246	-
		469131	494071
		507788	546076
		624516	670412
Total Liabilities			
TOTAL EQUITY AND LIABILITIES			

SASIKALA RAGHUPATHY
Chairperson

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

GNANA RAJASEKARAN
Director

R.RAMESH KUMAR
President - Corporate & Secretary

Chennai
June 30, 2020

ARJUN GOVIND RAGHUPATHY
Managing Director

S.R.TAGAT
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

Consolidated Statement of Profit and Loss

₹ Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	13	269197	327283
II Other income	14	4252	276
III Total Income (I + II)		273449	327559
IV Expenses			
(a) Cost of raw materials and components consumed	15	164059	194925
(b) Cost of manufacturing and construction	16	50623	60608
(c) Other direct cost	17	7499	8852
(d) Changes in inventories of work in progress		20	562
(e) Employee benefits expense	18	20052	23371
(f) Finance costs	19	27747	26965
(g) Depreciation and amortization expense	20	3486	2809
(h) Other expenses	21	7934	6687
Total expenses (IV)		281420	324779
V Profit/(Loss) before exceptional items and tax (III-IV)		(7971)	2780
VI Exceptional items		-	-
VII Profit/(Loss) before tax (V)+(VI)		(7971)	2780
VIII Tax expenses			
(i) Current tax		757	780
(ii) Deferred tax		(8479)	434
(iii) Tax - Earlier years		708	56
IX Profit/(Loss) for the period (VII)-(VIII)		(957)	1510
X Other Comprehensive Income			
(i) items that will not be reclassified to profit or loss	23	(117)	(45)
(ii) items that will be reclassified to profit or loss	23	(120)	(17)
XI Total Comprehensive Income for the Period (IX+X) (Comprising Profit and other Comprehensive Income for the Period)		(1194)	1448
Profit or Loss attributable to:			
Owners of BGR Energy Systems Ltd		(286)	1930
Non Controlling Interests		(671)	(420)
		(957)	1510
Total Comprehensive Income attributable to:			
Owners of BGR Energy Systems Ltd		(523)	1928
Non Controlling Interests		(671)	(480)
		(1194)	1448
XII Earnings per Equity Share (for Continuing Operation):			
1. Basic		(0.40)	2.67
2. Diluted		(0.40)	2.67

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As per our report of even date
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Firm Registration No.: 0007715

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Chennai
June 30, 2020

Consolidated Cash Flow Statement

₹ Lakhs

Particulars		For the year ended March 31, 2020		For the year ended March 31, 2019	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net profit before tax and extraordinary items		(7971)		2780
	Adjustments for :				
	Depreciation, impairment and amortization	3486		2809	
	Dividend from investments - quoted	-		(2)	
	(Profit) / Loss on sale of fixed assets (net)	(61)		(89)	
	Net gain on sale of investment	(3910)		-	
	Provision for warranty and Contractual Obligation	(885)		2093	
	Lease Payment	599		-	
	Trade Receivables written off	3811		-	
	Interest expense	27747	30787	26965	31776
	Operating profit before working capital changes		22816		34556
	Changes in working capital				
	(Increase) / decrease in trade receivables	67499		655	
	(Increase) / decrease in inventories	(656)		718	
	(Increase) / decrease in current assets	(25611)		(6548)	
	(Increase) / decrease in loans and advances	(8296)		11733	
	Increase / (decrease) in trade payables and provisions	(17696)		(14862)	
			15240		(8304)
	Cash generated from operations		38056		26252
	Direct taxes (paid) / refund (net)		(1093)		(1228)
	Net cash flow from operating activities		36963		25024
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of fixed assets	(310)		(2648)	
	Sale of fixed assets	200		107	
	Sale of Subsidiary	4335			
	Dividend from investments - quoted	-		2	
	Increase in Market value of Investments	(46)		(3)	
	Net cash flow from investing activities		4179		(2542)
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Long term borrowings (repaid) / availed	(17047)		(10308)	
	Short term borrowings (repaid) / availed	4111		13768	
	Lease Payment	(599)		-	
	Lease Interest Payment	(232)		-	
	Interest paid	(27515)		(26616)	
	Net cash flow from financing activities		(41282)		(23156)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		(140)		(674)
	Cash and cash equivalents as at April 1, 2019		4692		5366
	Cash and cash equivalents as at March 31, 2020		4552		4692
	Cash on hand		26		20
	On current accounts		2763		1538
	On deposit accounts		1763		3134

SASIKALA RAGHUPATHY
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As per our report of even date
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Chartered Accountants
Firm Registration No.: 0007715

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Consolidated Statement of Changes in Equity

7. Statement of Changes in Equity (2019-20)

₹ Lakhs

Particulars	Other Equity								Total Equity share capital and Other Equity	Non-Controlling interests	Total (19-20)	
	Equity Share Capital	Securities Premium Reserve	General Reserves	Revaluation Reserves	Retained Earnings	Capital reserve on consolidation	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges				Other Items of Other Comprehensive Income
Restated Balance at the beginning of reporting Period (01.04.2019)	7216	31895	14427	5090	63831	242	29	(86)	106	122750	1586	124336
Profit for the year					(286)						(671)	(957)
Amount transferred from Statement of Profit and Loss												
Equity Instruments through Other Comprehensive Income							(30)			(30)		(30)
Effective Portion of Cash Flow Hedges								(120)		(120)		(120)
Remeasurement of net defined benefit Liability/Asset (net)									(87)	(87)		(87)
Sale of Subsidiary					750					(4,340)	(2,074)	(6,414)
Transfer to General Reserve												
Balance at the end of reporting Period (31.03.2020)	7216	31895	14427	-	64295	242	(1)	(206)	19	117887	(1,159)	116728

SASIKALA RAGHUPATHY
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Chennai
June 30, 2020

ARJUN GOVIND RAGHUPATHY
Managing Director

S.R.TACAT
Director

P.PREASWAR KUMAR
President & Chief Financial Officer

As per our report of even date
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Chartered Accountants
Firm Registration No.: 0007715

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

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

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

VIII) FINANCIAL INSTRUMENTS

- a. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instruments.

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

- b. Financial assets - Classification

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

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

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

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

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

2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise from recognising them as measured at amortised cost or at FVOCI.

- c. Financial assets - Measurement

Financial assets at amortised cost:

These assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Any gain or loss on derecognition is recognised in profit or loss.

Financial assets measured at FVTOCI - Debt investments:

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

On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial assets measured at FVTOCI - Equity investments:

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

Financial assets at FVTPL:

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

d. Financial assets - Derecognition

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

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

e. Financial liabilities - Classification

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition.

f. Financial liabilities - Measurement

Financial liabilities measured at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

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

g. Financial liabilities - Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognises a financial liability when its term are modified and the cash flows under the modified

terms are substantially different, where a new financial liability based on the modified terms is recognised at fair value. Any gain or loss on derecognition in these cases, shall be recognised in profit or loss.

h. Offsetting

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

IX) CASH FLOW HEDGE

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

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

Notes to Consolidated Financial Statements

1. PROPERTY, PLANT AND EQUIPMENT

₹ Lakhs

Particulars	Land	Building*	Plant and Equipment	Right of Use Assets	Furniture and fixtures	Office fixtures	Office equipments	Electrical installations	Vehicles	Total
Cost or valuation										
At 1 April 2019	32,800	3,052	26,726	1,934	896	237	2,265	439	1,442	69,791
Additions	-	-	217	-	6	3	53	8	17	304
Disposals	7,507	324	601	-	11	-	39	87	98	8,667
At 31 March 2020	25,293	2,728	26,342	1,934	891	240	2,278	360	1,361	61,428
Depreciation and impairment										
At 1 April 2019	-	877	14,303	-	516	228	1,647	319	1,062	18,952
Depreciation charge for the year	-	86	2,184	670	79	3	273	26	92	3,413
Disposals	-	208	546	-	10	-	38	82	95	979
At 31 March 2020	-	755	15,941	670	585	231	1,882	263	1,059	21,386
Net book value										
At 31 March 2020	25,293	1,973	10,401	1,264	306	9	396	97	302	40,042
At 31 March 2019	32,800	2,175	12,424	-	380	9	617	120	380	48,905

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

**The Company has adopted Ind AS 116 Leases with effect from April 1, 2019. Accordingly, the Right of Use Asset has been recognised on the said date. Refer Note 33

2. INTANGIBLE ASSETS

₹ Lakhs

Particulars	Goodwill	Technical Knowhow	Software	Total
At 1 April 2019	59	1,348	2,262	3,669
Additions	-	-	6	6
Disposal	-	-	-	-
At 31 Mar 2020	59	1,348	2,268	3,675
Amortisation and impairment				
At 1 April 2019	-	1,348	1,962	3,310
Amortisation	-	-	73	73
Disposal	-	-	-	-
At 31 Mar 2020	-	1,348	2,035	3,383
Net book value				
At 31 Mar 2020	59	-	233	292
At 31 March 2019	59	-	300	359

3. FINANCIAL ASSETS

3 (a) Non Current Investments

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
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.43.10 (Rs.280.10) per share	6	39
Quoted Investments in Mutual Funds		
50,000 SBI Mutual Fund-Magnum Multi Cap Fund - Dividend (50,000) units Market Value Rs.16.5839 (Rs.21.7878) per unit	8	11
2,50,000 SBI Mutual Fund-Infrastructure Fund - I - Growth (2,50,000) units Market Value Rs.11.1055 (Rs.15.0514) per unit	28	38
Investments carried at fair value through Other Comprehensive Income (B)	42	88
Total Investments	42	88
Current	-	-
Non-Current	42	88
Aggregate cost of quoted investments	43	43
Aggregate market value of quoted investments	42	88
Aggregate value of unquoted investments	-	-

Notes to Consolidated Financial Statements

3 (b) Trade Receivables - Non Current

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	113477	117809
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
	113477	117809
Less: Allowance for Credit Loss	(2837)	(2945)
Total Trade receivables	110640	114864

3 (c) Loans - Non current

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Loans - Non current		
Loans considered good - secured	-	-
Loans considered good - unsecured		
- Deposits	1356	856
- Other loans and advances	2972	3024
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total loans	4328	3880

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.

3.c.(ii). Tuticorin Project: The end client of Tirunelveli - Tuticorin Port Connectivity Project viz., Tuticorin Port Road Company Ltd (SPV of NHAI) terminated the contract and encashed BGs for aggregate value of Rs.2652 lakhs and the same were restituted as per orders of the High Court of Madras (Madurai Bench). The disputes,

including termination of contract, were reviewed by the Disputes Review Board and recommendations were granted in favour of the JV. Tuticorin Port Road Company Ltd (SPV of NHAI) challenged the recommendations before the Arbitration Tribunal. The JV and NHAI are exploring a settlement and hence arbitral proceedings remain suspended. In view of these facts, the company has identified a sum of Rs. 83 lakhs (Rs.83 lakhs) as at Mar 31, 2020 as recoverable advances from the end client through the JV and is grouped under other loans and advances. The Conciliation Committee of Independent Experts of NHAI heard the matter and forwarded their recommendations to get formal approval from Executive committee of NHAI.

3 (d) Other financial Assets

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Margin money deposit held under lien to banks - maturity more than 12 months	11507	12573
Interest accrued on margin money deposits	542	173
Total Other financial Assets	12049	12746

4. INVENTORIES

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials and components	4371	3695
Work-in-progress	2	22
Total of inventories at lower of cost or net realisable value	4373	3717

CURRENT ASSETS

5. FINANCIAL ASSETS

5 (a) Trade receivables

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured		
- from related parties	1306	1218
- from Others	226445	295133
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
	227751	296351
Less: Allowance for Credit Loss	(5694)	(7208)
Total Trade receivables	222057	289143

Notes to Consolidated Financial Statements

Trade receivables includes retention amount of Rs.137442 lakhs (Rs. 147601 lakhs) which, in accordance with the terms of the contracts were not due for payments as at Mar 31, 2020.

5 (b) Cash and cash equivalent

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
– On current accounts	2763	1538
– On deposits accounts	1763	3134
Cash on hand	26	20
Margin money deposits held under lien to banks	33546	34877
On unpaid dividend accounts	26	39
Total Cash and cash equivalent	38124	39608

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

5 (c) Loans

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Loans Considered good - Secured	-	-
Loans Considered good - Unsecured	-	-
– Advance to related party	458	458
– Other loans and advances *	42634	34843
– Deposits	4512	4488
Loans which have significant increase in credit risk	-	-
Loans - Credit impaired	-	-
Total loans	47604	39789

* 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, 2020	As at March 31, 2019
Interest accrued on fixed deposits	966	1062
Total Other Financial Assets	966	1062

6. OTHER CURRENT ASSETS

₹ Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Unsecured, considered good				
Advance to suppliers		45341		40565
Others		8698		8698
Contracts Asset		90367		63998
Advance Income tax (net of provision)		-		3228
Prepayments		1400		1042
Sub Total		145806		117531
Less : Allowance for Credit Loss on Contract Asset		(1807)		(1280)
Total Other Current Assets		143999		116251

During the FY 2018-19, a client arbitrarily encashed three performance bank guarantees totalling to Rs.8698 Lakhs (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".

7. SHARE CAPITAL

Authorised Share Capital

₹ Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	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, 2020		As at March 31, 2019	
	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, 2020		As at March 31, 2019	
	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

Notes to Consolidated Financial Statements

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	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, 2020	As at March 31, 2019
Secured		
Term Loans from Banks	-	3568
Borrowings (Non Current)	-	3568
Working capital loans from banks	212996	208872
Borrowings (Current)	212996	208872
Total Borrowings	212996	212440

- 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, Syndicate Bank, Bank of Baroda, Indian Bank, Corporation Bank, Allahabad Bank, Bank of India, Andhra Bank, 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.

8 (b) Lease Liability

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liability - Non Current	593	-
Lease Liability - Current	742	-
Total Lease Liability	1335	-

8 (c) Trade Payables

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Micro and small enterprises	12618	9180
Others		
Trade Payables	111787	137755
Total Trade Payables	124405	146935
Trade Payables Current	116542	137808
Trade Payables Non Current	7863	9127

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, 2020	As at March 31, 2019
Principal amount remaining unpaid	13573	9877
Interest due thereon remaining unpaid	2159	1146
Payments made to the supplier beyond the appointed day during the year	8055	6244
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	2159	1146
Amount of further interest remaining due and payable in succeeding years	1146	201

9. NON CURRENT PROVISIONS

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Employee benefit obligations		
Provision for leave encashment	364	375
Provision for gratuity	686	612
Provision for contractual obligation	1300	2185
Provision for warranty	1957	1891
Total Non Current Provisions	4307	5063

Notes to Consolidated Financial Statements

10. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowings	-	13479
Unpaid dividends	26	39
Interest accrued but not due	799	799
Total	825	14317

11. OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from customers	65815	57572
Other payables *	46999	21968
Contract Liability	24251	52851
Total Other Current Liabilities	137065	132391

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

12. PROVISIONS

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Employee benefit obligations		
Provision for bonus	32	28
Provision for leave encashment	193	181
Provision for gratuity	268	332
Others		
Provision for warranty	222	142
Total Provisions	715	683

PROFIT AND LOSS

13. REVENUE FROM OPERATIONS:

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Capital Goods	38166	29200
Construction and EPC contracts	228075	294515
Other operating revenues	2956	3568
Total	269197	327283

14. OTHER INCOME

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Dividend from investments - quoted	-	2
Others		
Net gain on disposal of property, plant and equipment	61	89
Net gain on sale of investment	3910	-
Interest on advances / deposit / IT-refunds	281	185
Total Income	4252	276

15. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening inventory (Raw materials, consumables, bought outs and components)	3695	3851
Add : Purchases	164735	194769
	168430	198620
Less: Closing inventory (Raw materials, consumables, bought outs and components)	4371	3695
Cost of raw material and components consumed	164059	194925

Cost of materials is net of Rs.Nil (Rs.1,765 lakhs), being cost provision no longer required.

Notes to Consolidated Financial Statements

16. COST OF MANUFACTURING AND CONSTRUCTION

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Subcontracting and processing charges	50410	60450
Power and fuel	213	158
Cost of manufacturing and construction	50623	60608

17. OTHER DIRECT COST

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Insurance	606	860
Bank charges	6632	7290
Packing and forwarding	261	702
Other direct cost	7499	8852

18. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, allowances and bonus	18149	21384
Contribution to P.F., E.S.I.	575	671
Workmen and staff welfare expenses	1040	1001
Compensated Absences	172	118
Gratuity	116	197
Employee benefits expense	20052	23371

19. FINANCE COSTS

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on working capital loans	23889	22323
Interest on term loans	974	2274
Interest - others	2884	2368
Finance costs	27747	26965

20. DEPRECIATION AND AMORTIZATION EXPENSE

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of tangible assets	3413	2737
Amortization of intangible assets	73	72
Depreciation and amortization expense	3486	2809

21. OTHER EXPENSES

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent	591	1330
Payment to auditors (refer details below)	74	59
Bank charges	66	90
Conveyance and vehicle running expenses	650	713
Trade receivables written off	3811	-
Electricity charges	196	222
Foreign exchange (gain)/loss (net)	716	(2877)
Insurance	367	202
Miscellaneous expenses	(579)	599
CSR expenses	7	15
Provision for Contractual Obligation & ECL	(885)	2185
Professional charges	581	1217
Rates and taxes	84	131
Repairs and maintenance	1068	1308
Security charges	209	193
Selling expenses	68	78
Sitting fees	34	33
Telephone expenses	146	166
Travelling expenses	730	1022
Total Other expenses	7934	6687

Notes to Consolidated Financial Statements

PAYMENT TO AUDITORS

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- For audit fees	72	53
- For tax matters	-	1
- For certification and others	2	5
Total Payment to Auditors	74	59

22. DETAILS OF CSR EXPENDITURE

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Gross amount spent during the Year	116	133

b. Amount spent during the year	For the year ended March 31, 2020		For the year ended March 31, 2019	
	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	-	15	-

As required under Section 135 of Companies Act 2013, the company is required to spend Rs.116 Lakhs (Rs.133 lakhs) towards Corporate Social Responsibility (CSR) activities. Expenses incurred during the year is Rs.7 Lakhs (Rs.15 Lakhs) and no provision is made for balance amount during the financial year 2019-2020

23. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Items that will not be reclassified to Profit/Loss		
Remeasurement of net defined benefit Liability/Asset (net)	(87)	(43)
Equity Instruments through Other Comprehensive Income (net)	(30)	(2)
Items that will be reclassified to Profit/Loss		
Fair value changes on cash flow hedges (net)	(120)	(17)
Total Other Comprehensive Income for the Year	(237)	(62)

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, 2020	For the year ended March 31, 2019
Basic EPS		
Profit after tax as per accounts	(286)	1930
"Weighted average number of equity shares (face value Rs.10 per share) (lakh Nos.)"	722	722
Basic EPS (Rs.)	(0.40)	2.67
Diluted EPS		
Profit for the year for basic EPS	(286)	1930
Less : Adjustment	-	-
Adjusted profit for diluted EPS	(286)	1930
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.)	(0.40)	2.67

25. CONSTRUCTION CONTRACTS

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

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
The aggregate amount of costs incurred and recognized profits (less recognized losses) (including amounts carried forward from previous years)	1581603	1313196
The amount of advances received	65815	57572
The amount of retentions	137442	147601
The gross amount due from customers for contract work as an asset (unbilled revenue)	90365	63998
The gross amount due to customers for contract work as a liability (unearned revenue)	24227	48632

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

Notes to Consolidated Financial Statements

26. DEFERRED TAXES

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

₹ Lakhs

Particulars	Deferred tax asset as at March 31, 2020	Deferred tax liability as at March 31, 2020	Deferred tax asset as at March 31, 2019	Deferred tax liability as at March 31, 2019
Property, plant and equipment	-	564	-	1049
Other Intangibles	11	-	29	-
Trade Receivables	2147	-	3547	-
Provisions	280	-	513	-
Customer Retention	-	28241	-	52016
ECL on Contract Asset	455	-	447	-
Carry forward tax loss	-	-	8654	-
Lease Liability (net)	18	-	190	-
Sub Total	2911	28805	13380	53065
Net		25894		39685
Add / (Less) : MAT Credit entitlement		-		(5438)
Grand Total		25894		34247

INCOME TAX RECONCILIATION

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Profit before Income Tax	(7,971)	2,780
Enacted Tax Rates in India	25.17%	34.94%
Computed expected Tax expense	(2,006)	971
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	2,763	(191)
Tax Effects of amounts which are deductible in calculating taxable income	-	-
Tax Reversals	-	-
Income Tax Expense	757	780

The applicable Indian statutory tax rate for fiscal 2020 is 25.17% and fiscal 2019 is 34.94%.

The holding Company has opted for new section 115 BAA of the Income Tax Act 1961 in the current year. Accordingly (a) the provision for current year and deferred tax has been determined at the rate of 25.17 %, (b) the deferred tax liabilities as on April 1, 2019 has been restated at the rate of 25.17 %, which resulted in the reversal of deferred tax liabilities (net) by Rs. 8479 lakhs.

The subsidiary companies BGR Boilers Private Limited and BGR Turbines Private Limited have accumulated losses resulting into deferred tax assets. The same have not been recognised since it is not probable that the Companies will have adequate taxable income to offset these deferred tax assets.

27. INTEREST IN OTHER ENTITIES

A) Subsidiaries

The group's subsidiaries at 31st March, 2020 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-March-20	31-March-19	31-March-20	31-March-19	
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-March-20	31-March-19	31-March-20	31-March-19
Current assets	8143	8084	5044	4520
Current liabilities	15338	14684	3135	2598
Net current assets	(7195)	(6600)	1909	1922
Non-current assets	4137	4042	2899	2840
Non-current liabilities	1322	1303	1524	1393
Net non-current assets	2815	2739	1375	1447
Net assets	(4380)	(3861)	3284	3369

Accumulated Non-Controlling interests

₹ Lakhs

Summarized statement of profit and loss	BGR Boilers Private Limited		BGR Turbines Company Private Limited	
	31-March-20	31-March-19	31-March-20	31-March-19
Revenue	4965	12424	1109	1072
Profit for the Year	(1733)	(1540)	(580)	26
Other Comprehensive Income	-	-	-	-
Profit allocated to NCI	(520)	(462)	(151)	7
Dividends paid to NCI	-	-	-	-

Notes to Consolidated Financial Statements

28. FINANCIAL INSTRUMENTS

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	332697			332697	332697
Loans	50838	1094		53040	51932
Other Financial Assets	13015			13015	13015
Total	434674	1094	42	436919	435810
LIABILITIES					
Other Financial Liabilities	825			825	825
Trade Payables	124405			124405	124405
Borrowings	212996			212996	212996
Total	338226	-	-	338226	338226

The Carrying Value and Fair Value of Financial Instruments as of March 31, 2019 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	39608			39608	39608
Investments:					
Equity Securities and others			39	13	39
Liquid mutual fund units			49	30	49
Trade Receivables	404007			404007	404007
Loans	42575	1094		42268	43669
Other Financial Assets	13808			14683	13808
Total	499998	1094	88	500609	501180
LIABILITIES					
Other Financial Liabilities	14317			14317	14317
Trade Payables	146935			146935	146935
Borrowings	212440			212440	212440
Total	373692	-	-	373692	373692

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, 2020	As at March 31, 2019
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, 2020	As at March 31, 2019
Assets (Trade receivables / advance to suppliers / bank balances)		
In foreign currency		
In USD	469.08	552.86
In EURO	283.40	373.39
In GBP	4.02	0.04
In JPY	3.05	1.85

Notes to Consolidated Financial Statements

Particulars	As at March 31, 2020	As at March 31, 2019
In SEK	0.84	0.84
In AED	-	0.02
In CHF	0.04	0.04
In CNY	0.03	0.01
In OMR	0.00	0.00
In SAR	-	0.14
In THB	-	0.26
In MYR	0.01	-
In SGD	0.01	-
In Indian currency		
In USD	35678.10	38573.19
In EURO	23927.62	29437.95
In GBP	379.96	3.72
In JPY	2.16	1.18
In SEK	6.42	6.36
In AED	-	0.46
In CHF	3.23	2.86
In CNY	0.29	0.14
In OMR	0.08	0.16
In SAR	-	2.62
In THB	-	0.54
In MYR	0.14	-
In SGD	0.40	-
Liabilities (Advance from customers/trade payables/buyers credit)		
In foreign currency		
In USD	37.43	54.48
In EURO	168.06	171.11
In GBP	0.03	0.17
In SEK	-	-
In CAD	-	0.75
In OMR	-	-
In AED	0.03	-
In Indian currency		
In USD	2846.86	3801.02
In EURO	14189.48	13490.69
In GBP	2.82	15.31
In SEK	-	-
In CAD	-	39.44
In OMR	-	-
In AED	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 (31.03.2020) would have increased / (decreased) equity and profit by Rs.178 Lakhs (Rs.193 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, 2020		As at March 31, 2019	
	Forex Working Capital Demand Loans	Trade payables	Forex Working Capital Demand Loans	Trade payables
Number of contracts	5	-	-	1
Value in foreign currency				
USD	326.74	-	-	12.55
EURO	-	-	-	-
Value in INR	24852	-	-	875

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, 2020	As at March 31, 2019
Fixed rate instruments		
Financial assets		
Fixed deposits with banks	46816	50584
Variable rate instruments		
Financial liabilities		
Borrowings from banks	-	17047
Working Capital Loans	212996	208872

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 (31.03.2020) would have increased / (decreased) equity and profit by Rs.1097 Lakhs

Notes to Consolidated Financial Statements

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.42 lakhs. An increase / decrease of 10% on the BSE Market index could have an impact of approximately 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.402938 Lakhs

Financial instruments and cash deposits

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

Liquidity risk

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

The following are the contractual maturities of financial liabilities.

₹ Lakhs

Particulars	Up to 12 months	More than 12 months
Trade payables	116542	7863
Borrowings	212996	-
Other financial liabilities	799	-

Collateral risk

The Company has pledged part of its short-term deposits of Rs. 46816 lakhs to fulfil the security requirements for the contractual obligations. As at 31 March, 2020, 31 March, 2019 the fair values of the short-term deposits pledged were Rs. 46816 lakhs and Rs. 47449 lakhs respectively.

31. LEASES

The Company has adopted Ind AS 116 "Leases" with the date of initial application being April 1, 2019. The Company has applied Ind AS 116 using the modified retrospective approach.

On transition, the Company has recognized a lease liability measured at the present value of the remaining lease payments. Right of use (ROU) assets for leases were recognized and measured at an amount equal to the lease liability. As a result, the comparative information has not been restated.

Notes to Consolidated Financial Statements

Accordingly, on transition to Ind AS 116, the Company recognized ROU assets and lease liabilities amounting to Rs. 1934 lakhs. The company has adopted incremental borrowing rate at 12% for discounting the future lease payment to recognize lease liability at the date of initial recognition.

The changes in carrying value ROU assets and Lease liabilities for the year ended March 31, 2020 are as follows:

₹ Lakhs

Particulars	ROU Assets As at Mar 31,2020	Lease Liabilities As at Mar 31,2020
Opening balance	-	-
Add : Additions during the year	1,934	1,934
Add : Interest cost during the year	-	232
Less : Deletions during the year	-	-
Less : Depreciation during the year	670	-
Less : Payment of Lease Liabilities	-	831
Closing Balance	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. 577 lakh 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 31,2020	As at March 31,2019
Contingent liabilities		
Claims against the Group not acknowledged as debt		
a) On account of sales tax *	24572	24553
b) On account of income-tax *	3992	4787
c) On account of service tax **	36665	36665
d) On account of provident fund	521	521
g) Others	44880	50881
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	44	803

* Excludes interest, penalty and self assessment tax paid.

** (1) Out of Service tax demand, for a sum of Rs. 36281 lakhs (Rs.36,281/- lakhs) (excludes interest, penalty and self assessment tax paid), the Company has filed appeal before the Customs Excise and Service Tax Appellate Tribunal.

** (2) For a sum of Rs.384 Lakhs (Rs. 384 lakhs) (excludes interest, penalty and self assessment tax paid), the Company has filed writ appeal in High Court,Chennai. against dismissal of earlier writ.

Notes to Consolidated Financial Statements

33. SEGMENT INFORMATION

Primary segment information (business segments)

₹ Lakhs

Particulars	2019-2020 (Mar-2020)				2018-19 (Mar-19)			
	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)	38445	230752	-	269197	29464	297819	-	327283
b) Inter Segment sales	2490	-	(2,490)	-	5104	-	(5,104)	-
Total Revenue	40935	230752	(2,490)	269197	34568	297819	(5,104)	327283
b) Result	2101	13423		15524	3824	25645		29469
Add: Unallocated income (net of expenditure)				4252				276
Profit before interest and tax				19776	763	28982		29745
Interest	1023	26724		27747				26965
Profit before tax				(7971)				2780
Tax expenses								
- Current tax				757				780
- Deferred tax				(8479)				434
- Tax - earlier years				708				56
- Total				(7014)				1270
Profit for the year				(957)				1510
c) Assets	61725	550867		612592	46359	614215		660574
Add: Unallocated corporate assets				11925				9838
Total assets				624516				670412
d) Liabilities	20126	461768		481894	32524	479306		511830
Add: Unallocated corporate liabilities				25894				34247
Total liabilities				507788				546076

Revenue of approximately INR Rs. 203399 lakhs (31.03.2019 - INR Rs.228910 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-20	31-Mar-19
Segment profit	15524	29469
Dividend Income	-	2
Net gain on disposal of property, plant and equipment	61	89
Net gain on sale of investment	3910	-
Interest Income	281	185
Profit before interest and tax	19776	29745

Reconciliation of assets	31-Mar-20	31-Mar-19
Segment operating assets	612592	660574
Investments	42	88
TDS receivable	11883	9750
Total assets	624516	670412

Reconciliation of liabilities	31-Mar-20	31-Mar-19
Segment operating liabilities	481894	511830
Deferred tax liabilities (net)	25894	34247
Total liabilities	507788	546076

Secondary segment information (geographic segments)

₹ Lakhs

Particulars	Domestic		Overseas		Total	
	31-March-20	31-March-19	31-March-20	31-March-19	31-March-20	31-March-19
External revenue by location of Customers	266511	322923	2686	4360	269197	327283
Carrying amount of segment assets by location of assets	167393	180842	-	-	167393	180842

34. RELATED PARTY TRANSACTIONS

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

1. Enxio 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.A.Swaminatan
2. Mr.V.R.Mahadevan
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, 2020 and in respect of assets / liabilities as at Mar 31, 2019)

₹ Lakhs

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	2019-20	2018-19
Sales	2,441	-	-	2,441	2,433
Purchases	883	-	-	883	1,207
Remuneration					
a) Short Term Employee Benefits	-	377	50	427	556
b) Post Employment Benefits	-	-	-	-	-
c) Other Long Term Employee Benefits	-	-	-	-	-
d) Termination Benefits	-	-	-	-	-
e) Share Based Payment	-	-	-	-	-
Rent expenses	274	-	44	318	119
Sale of fixed assets	-	-	-	-	-
Others	-	-	25	25	25
Advances given	235	-	-	235	604
Repayment of advance given	-	-	-	-	-
Other Obligations *	9,945	-	3,735	13,680	3,735
Loans & Advances	-	-	-	-	-
- Loan availed	3,500	-	-	3,500	-
- Loan repaid	3,500	-	-	3,500	-
Interest on Loan	92	-	-	92	-
Sale of investments	4,335	-	-	4,335	-
Balances outstanding	1,433	-	(102)	1,331	534

* The Term Loan was fully repaid during the year and the collateral security of group companies released from charge.

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.1540 lakhs, (Rs.2587 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
	19-20	19-20	18-19	18-19
Opening balance	2033	2185	1920	1550
Add :Addition / transfers	240	1300	402	2185
Less : (a) Provision utilised	(71)	-	(5)	(1,550)
(b) Provision reversed	(23)	(2,185)	(284)	-
Closing balance	2179	1300	2033	2185

37. COVID-19 IMPACT

Nationwide lockdown, consequent to spread of Covid-19 pandemic had temporarily disrupted the operations of the Company. The manufacturing facilities and site executions during the period (March 23rd to March 31st, 2020) were inoperative, which alongwith the Covid impact globally (before the lockdown in India) impacted the revenues for the year. Broadly, the impact on revenue for the year is assessed at Rs.30000 lakhs. Based on the internal and external informations up to the date approval of this financial statements, the company expects to recover the carrying amounts of its assets, investments, trade receivables, contract assets and inventories. The Company will continue to monitor the future economic conditions and assess its impact on its financial statements.

38. The Consolidated financial statements for the year ending 31.03.2020, 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 2018-19, 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	40933	4965	446
2) BGR Turbines Company Private Limited	30550	1109	1,484

40 Previous year figures

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

SASIKALA RAGHUPATHY
Chairperson

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

GNANA RAJASEKARAN
Director

R.RAMESH KUMAR
President - Corporate & Secretary

Chennai
June 30, 2020

ARJUN GOVIND RAGHUPATHY
Managing Director

S.R.TAGAT
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

(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

Sl. No.	Name of the subsidiary	Reporting period (FY)	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	2019-20	INR	13558	(28160)	40933	40933	-	4932	(1582)	151	(1733)	-	70%
2	BGR Turbines Company Private Limited	2019-20	INR	18400	(6017)	30550	30550	-	1020	17	597	(580)	-	74%
3	Sravanaa Properties Limited	2019-20	INR	17	13041	13066	13066	-	18	6	1	5	-	100%

SASIKALA RAGHUPATHY
Chairperson

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

GNANA RAJA SEKARAN
Director

R.RAMESH KUMAR
President - Corporate & Secretary

Chennai
June 30, 2020

ARJUN GOVIND RAGHUPATHY
Managing Director

S.R.TAGAT
Director

P.R.EASWAR KUMAR
President & Chief Financial Officer

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

Chartered Accountants
Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

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	March 31, 2020
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. (0.22) Lakhs
	i. Considered in Consolidation	Rs. (0.22) Lakhs
	ii. Not Considered in Consolidation	Rs. Nil

SASIKALA RAGHUPATHY
Chairperson

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

GNANA RAJASEKARAN
Director

R.RAMESH KUMAR
President - Corporate & Secretary

Chennai
June 30, 2020

ARJUN GOVIND RAGHUPATHY
Managing Director

S.R.TAGAT
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







BGR ENERGY SYSTEMS LIMITED

Registered Office: A-5 Pannamgadu Industrial Estate, Ramapuram Post
Sullurpet Taluk, Nellore District, Andhra Pradesh - 524 401

Corporate Office: 443 Anna Salai, Teynampet, Chennai - 600 018 India
Phone: +91 44 2430 1000 Fax: +91 44 2436 4656
Email: investors@bgrenergy.com Website: www.bgrcorp.com



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 34th Annual General Meeting of the Members of BGR Energy Systems Limited will be held at 3.00 p.m. (Indian Standard Time(IST)) on Thursday, September 17, 2020 through Video Conferencing / Other Audio Visual means to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon and to pass, the following resolutions as Ordinary Resolutions:

- a) "RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."
- b) "RESOLVED THAT the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. To appoint Mr. Arjun Govind Raghupathy, who retires by rotation as a Director and pass the following resolution as an Ordinary Resolution:

"RESOLVED that in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Arjun Govind Raghupathy (DIN 02700864), who retires by rotation at this meeting and being eligible, offers himself for re-appointment, be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS

3. Approval for appointment of Mr. R.Ramesh Kumar as a Director of the Company.

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

"RESOLVED that the appointment of Mr. R. Ramesh Kumar (DIN 00176265) as a Director by the Board of Directors under Section 161(4) of the Companies Act, 2013 with effect from July 01, 2020 in the vacancy caused by the resignation of Mr.V.R.Mahadevan, Director be and is hereby approved and he shall hold office up to the date Mr.V.R.Mahadevan would have held the office, if it had not been vacated."

4. Approval for appointment of Mr. R.Ramesh Kumar as Whole Time Director of the Company.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 198 and 199 and other applicable provisions, if any, of the Companies Act, 2013, ("Act"), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including statutory modification thereof for the time being in force, as applicable, the approval of the members be and is hereby accorded to the appointment of Mr.R.Ramesh Kumar (DIN: 00176265), to the office of Whole Time Director of the Company for a period of three years with effect from July 01, 2020 and to the terms and conditions thereof set out hereunder";

"RESOLVED FURTHER that the Board of Directors and/or Nomination and Remuneration Committee of the Board be and are hereby authorised to alter and vary the terms and conditions of the said appointment and/or remuneration subject to Section 197 and Schedule V of the Companies Act 2013".

"FURTHER RESOLVED that approval of the Company be and is hereby accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection to give effect to this Resolution including authority to settle any questions, difficulties or doubts that may arise in this regard".

"ALSO RESOLVED that where in any financial year during the currency of the tenure of the

appointee, the Company has no profits or its profits are inadequate, the Company may pay to the appointee, the remuneration set out hereunder as the minimum remuneration by way of salary, allowances, perquisites and reimbursements and other benefits”.

TERMS OF APPOINTMENT

- a. Designation : Whole Time Director (Governance & Legal), Company Secretary & Chief Compliance Officer
- b. Period of Appointment : From 01.07.2020 to 30.06.2023
- c. Remuneration
- (i) Salary : Rs. 3,35,000/- per month
- (ii) Allowances, Perquisites & Reimbursements:
- In addition to the salary, the Appointee shall be entitled to allowances, perquisites and reimbursements subject to a ceiling of Rs. 1,20,00,000/- per annum. The value of perquisites shall be valued as per the Income Tax Act, 1961 and in the absence of such rules the actual cost incurred by the company in providing such perquisites;
- (iii) In addition to the salary and perquisites, the appointee shall be entitled to bonus/ex-gratia and use of chauffer driven company's car in accordance with the rules of the company.
- (iv) Contribution to provident fund and gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- (v) Encashment of earned leave at the end of the tenure as per rules of the company shall not be included in the computation of ceiling on remuneration.
- (vi) Provision of car for use on company's business, telephone and other communication facilities at residence would not be considered as perquisites.
- (vii) The Appointee at the end of tenure of this appointment shall be entitled to all benefits for continuous service with the Company regardless of any change in terms of appointment.
- d. Performance linked Incentive (PLI).

The Appointee shall be entitled to a performance linked incentive (PLI) of Rs.40,00,000/- (Rupees Forty lakhs only-) per annum. The PLI will be effective from 01.07.2020.

5. To approve waiver of recovery of excess remuneration paid to Mr.A.Swaminathan, Director - Engineering & Construction Business during the FY 2019-20.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the Members of the Company do hereby approve the waiver of the recovery of Rs.64.42 lakhs, being the excess remuneration paid over the limits permissible under section 197(3) and Schedule V of the Act to Mr.A.Swaminathan (DIN: 00673790) Director - Engineering & Construction Business of the Company during the Financial Year 2019-20 consequent to the loss incurred by the Company in the said Financial Year”

“RESOLVED FURTHER that the Board of Directors of the Company or the Nomination and Remuneration Committee thereof be and are hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto to give effect to the aforesaid Resolution including authorisation to settle any questions, difficulties or doubts that may arise in this regard.”

6. Waiver of recovery of excess remuneration paid to Mr.V.R.Mahadevan, Joint Managing Director during the FY 2019-20.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the Members of the Company do hereby approve the waiver of the recovery of Rs.168.37 lakhs being the excess remuneration paid and payable in excess of the limits permissible under section 197(3) and Schedule V of the Act to Mr. V.R.Mahadevan (DIN: 00174667), Joint Managing Director of the Company during the Financial Year 2019-20 consequent to the loss incurred by the Company in the said Financial Year”

“RESOLVED FURTHER that the Board of Directors of the Company or the Nomination and Remuneration Committee thereof be and are hereby authorized to do all acts, deeds, matters

and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto to give effect to the aforesaid Resolution including authorisation to settle any questions, difficulties or doubts that may arise in this regard.”

7. Waiver of recovery of excess remuneration paid to Mrs.Swarnamugi R Karthik, Director - Corporate Strategy during the FY 2019-20.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the Members of the Company do hereby approve the waiver of the recovery of Rs.91.68 lakhs, being the excess remuneration over the limits permissible under section 197(3) and Schedule V of the Act paid to Mrs.Swarnamugi R Karthik (DIN: 03494012), Director - Corporate Strategy of the Company during the Financial Year 2019-20 consequent to the loss incurred by the Company in the said Financial Year”.

“RESOLVED FURTHER that the Board of Directors of the Company or the Nomination and Remuneration Committee thereof be and are hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto to give effect to the aforesaid Resolution including authorization to settle any questions, difficulties or doubts that may arise in this regard.”

8. Waiver of recovery of excess remuneration paid to Mr.Arjun Govind Raghupathy, Deputy Managing Director & COO during the FY 2019-20.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the Members of the Company do hereby approve the waiver of the recovery of Rs.62.11 lakhs, being the excess remuneration over the limits permissible under section 197(3) and Schedule V of the Act paid to Mr.Arjun Govind Raghupathy (DIN: 02700864), Deputy Managing Director & COO of the Company during the Financial Year 2019-20 consequent to the loss incurred by the Company in the said Financial Year”.

“RESOLVED FURTHER that the Board of Directors of the Company or the Nomination and Remuneration Committee thereof be and are hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto to give effect to the aforesaid Resolution including authorization to settle any questions, difficulties or doubts that may arise in this regard.”

9. To approve payment of Minimum remuneration to Mr.Arjun Govind Raghupathy, Managing Director - for rest of his tenure of appointment.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Schedule V thereto and the Rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force the remuneration payable to Mr.Arjun Govind Raghupathy (DIN:02700864), Managing Director of the Company for the period from April 1, 2020 and up to November 10, 2021, being remainder of the current term of appointment, be the same as approved by the Members vide the Special Resolution No:5 passed at the 31st Annual General Meeting held on 27th September 2017 and as set out in the Statement annexed hereto and the approval of the Members of the Company be and is hereby accorded for payment of such remuneration as the minimum remuneration to Mr.Arjun Govind Raghupathy notwithstanding that the Company may have no profits or inadequate profits in any financial year”.

“RESOLVED FURTHER that the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to vary and/or revise the remuneration of the said Mr.Arjun Govind Raghupathy, Managing Director within the overall limits approved herein and to settle any question or difficulty in connection therewith and incidental thereto.”

10. To approve payment of Minimum remuneration to Mrs.Swarnamugi R Karthik, Director - Corporate Strategy for rest of her tenure of appointment.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Schedule V thereto and the Rules made thereunder and SEBI (Listing Obligations & Disclosure

Requirements) Regulations, 2015 including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force the remuneration payable to Mrs.Swarnamugi R Karthik (DIN : 03494012), Director -Corporate Strategy of the Company for the period from April 1, 2020 and up to February 07, 2023, being remainder of the current term of appointment, be the same as approved by the Members vide the Special Resolution No:3 passed at the 32nd Annual General Meeting held on 26th September 2018 and as set out in the Statement annexed hereto and the approval of the Members of the Company be and is hereby accorded for payment of such remuneration as the minimum remuneration to Mrs.Swarnamugi R Karthik notwithstanding that the Company may have no profits or inadequate profits in any financial year”.

“RESOLVED FURTHER that the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to vary and/or revise the remuneration of the said Mrs.Swarnamugi R Karthik Director – Corporate Strategy within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto.”

11. To approve payment of Minimum remuneration to Mr.V.R.Mahadevan, Joint Managing Director for rest of his tenure of appointment.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Schedule V thereto and the Rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force the remuneration payable to Mr.V.R.Mahadevan (DIN: 00174667), Joint Managing Director of the Company for the period from April 1, 2020 and up to June 30, 2020, being period of office held in the current term of appointment, be the same as approved by the Members vide the Special Resolution No:3 passed at the 33rd Annual General Meeting held on 14th August 2019 and as set out in the Statement annexed hereto and the approval of the Members of the Company be and is hereby accorded for payment of such remuneration as the minimum remuneration to Mr.V.R.Mahadevan notwithstanding that the Company may have no profits or inadequate profits in the financial year 2020-21”.

12. Ratification of Remuneration to Cost Auditor.

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

“RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, the remuneration of Rs.1,50,000/- plus reimbursement of out of pocket expenses payable to A N Raman & Associates, Cost Auditor to audit the cost records maintained by the Company for the Financial Year 2020-21 as approved by the Board is hereby ratified”.

By order of the Board

Place : Chennai

R. RAMESH KUMAR

Date : August 11, 2020

Director & Secretary

Notes:

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act, 2013), in respect of the special businesses to be transacted at the AGM, as set out in the Notice is annexed hereto.

1. In view of the outbreak of CoVID-19 pandemic, social distancing norms is being followed and the continuing restriction on movement of persons at several places in the country and pursuant to the Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020 and Circular No. 20/2020 dated 5th May 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India (“SEBI”) and in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), physical attendance of the Members at the AGM venue is not required and AGM will be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate at the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. However, pursuant to the aforesaid MCA and SEBI Circulars, the facility to appoint proxy by Members under Section 105 of the Act, 2013 to attend and cast vote for the Members is not available for this AGM as the physical attendance of Members has been dispensed with. However, body corporates are entitled to appoint authorised representatives as its Member to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-Voting.

3. 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 cut off 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.
4. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
5. Pursuant to the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the Circulars issued by MCA dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the businesses 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 voting at the meeting will be provided by NSDL.
6. In line with MCA Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.bgrcorp.com The Notice can also be accessed from the 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 the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been 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

8. Members who have not encashed the dividend warrants for the FY 2012-13 and FY 2013-14 are requested to write to the Company giving necessary and sufficient details.
9. Dividend which remains unclaimed out of the dividend declared by the Company for the year ended March 31, 2013 at the Annual General Meeting held on September 25, 2013 will be transferred to the investor education and protection fund of the Central Government in November 2020 in terms of the provisions of Section 124 of the Companies Act, 2013. Thereafter, no claim shall lie on these dividends from the shareholders. Hence, the shareholders who have not encashed/claimed the dividend for FY 2012-13 are advised to claim the same immediately without any further delay.

General

10. 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.
11. 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

12. 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.
13. 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.
14. 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

15. Members can submit their PAN details to the Company/ Share Transfer Agent (STA).
16. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, Mandates, Nomination as per Section 72 of the Act, 2013 by filling Form SH-13, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., with the Company / STA. Blank forms (SH-13) will be sent by e-mail.
17. 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

18. 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').
19. 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.
20. 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, 2020 being the "Cut-off Date" ("Cut-Off" for the purpose of Rule 20(4)(vii) of the Rules) fixed for determining voting rights of Members entitled to participate in the remote e-Voting process through the platform provided by NSDL viz., www.evoting.nsdl.com.

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

During the day of 34th 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 REMOTE E-VOTING AND VOTING AT THE MEETING ARE AS UNDER:

1. The remote e-Voting period begins on September 14, 2020 at 9:00 A.M. (IST) and ends on September 16, 2020 at 5:00 P.M. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
2. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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.nsdl.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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services 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. Your password details 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' would be 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.

- 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.

Details on Step 2 is mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login as provided in Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of BGR ENERGY SYSTEMS LIMITED for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose e-mail IDs are not registered with the depositories for procuring user id and password and registration of e-mail 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 and AADHAR (self-attested scanned copy) by email to investors@bgrenergy.com. 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 and AADHAR (self-

attested scanned copy) to investors@bgrenergy.com.

2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

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

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- ii. Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not cast 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 at the AGM.
- iii. 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.
- iv. 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 TO THE MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- i. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-Voting credentials. The link for VC/OAVM will be available in shareholder/members login where EVEN of the 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that participants connecting from Mobile Devices or Tablets or through Laptops 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.

Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number/folio number, email id, mobile number at ksragh@bgrenergy.com atleast 72 hours in advance before the start of the meeting i.e. by September 14, 2020 by 3:00 P.M. IST.

- v. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

- vi. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's e-mail address investors@bgrenergy.com atleast 72 hours in advance before the start of the meeting. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.

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 rsavoting@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. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
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. In case of any queries, Members may refer to 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.: 1800-222-990. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ or contact Mrs Pallavi, Manager - NSDL/ 022-24994545.
6. 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.
7. 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.
8. Pursuant to the Circulars issued by MCA and SEBI, owing to the difficulties involved in dispatching of physical copies of the Notice of the AGM and the Annual Report for the year 2019-20, the said documents are being sent only by email to the Members.

Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the AGM and the Annual Report for the year 2019-20 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

- a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement,

AADHAR) supporting the registered address of the Member, by email to the Company's email address investors@bgrenergy.com.

- b) For Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

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

Item Nos.3 & 4

The Board of Directors, at its meeting held on June 30, 2020 pursuant to the recommendation of Nomination and Remuneration Committee appointed Mr. R.Ramesh Kumar, as a Director in the vacancy arisen due to the resignation of Mr.V.R.Mahadevan, Director of the Company with effect from July 01, 2020. The Board, at the same meeting, has appointed him to the office of Whole-time Director of the Company effective the same date, for a period of three years and upon terms and conditions set out in the resolution, subject to the approval of the Members. As per the provisions of Section 161(4) of the Companies Act, 2013 he holds office of up to the date Mr.V.R.Mahadevan would have held the office if it had not been vacated, and is eligible for reappointment as Director and shall be liable to retire by rotation.

The appointment of Mr.R.Ramesh Kumar as Whole Time Director was made under Section 196 and other applicable provisions of the Companies Act, 2013. In terms of Section 196 read with Schedule V of the Companies Act, 2013 the appointment as Whole-time Director and terms and conditions thereof shall be approved by Members in general meeting. In the event of loss or inadequacy of profits during any financial year the Board of Directors at its discretion shall have the authority to pay remuneration up to the limits specified in Schedule V of the Companies Act, 2013 provided the shareholders approved the remuneration by way of special resolution instead of an ordinary resolution. Accordingly, the approval of shareholders is sought for his appointment and remuneration by way of special resolution and the Board of Directors recommend resolution set out at item No. 3 & 4 of the Notice for approval by the shareholders. Further information as per part II of Section II of Schedule V of the Companies Act, 2013 are disclosed in the statement to item No: 9 to 11.

Except Mr. Ramesh Kumar, none of the directors and key managerial personnel of the Company and their relatives is interested or concerned financially or otherwise in this resolution.

Item Nos.5,6,7 & 8

Mr.A.Swaminathan was appointed by the Board of Directors as Whole-time Director and was designated as "Director - Engineering & Construction Business" for a period of one year from October 01, 2018 and the appointment and terms thereof were approved by the shareholders at the EGM held on February 15, 2019.

The shareholders at the Annual General Meeting of the Company held on August 14, 2019 approved the re-appointment of Mr.V.R.Mahadevan as Joint Managing Director of the Company for a period of two years from June 01, 2019.

The shareholders at the Annual General Meeting of the Company held on September 26, 2018 approved the appointment of Mrs.Swarnamugi R Karthik as Director-Corporate Strategy of the Company for a period of five years from February 08, 2018.

The shareholders at the Annual General Meeting of the Company held on September 27, 2017 approved the appointment of Mr.Arjun Govind Raghupathy as Deputy Managing Director & COO of the Company for a period of five years from November 11, 2016.

The remuneration of Managing directors and Whole-time directors were fixed for the respective period of appointment and they were determined when the Company was making adequate profits. The Company had made consistent and adequate profits up to the financial year ended March 31, 2018. The company was expected to make adequate net profits in FY 2019-20 and hence remuneration were paid to the Managing Directors/Whole-time directors as per the respective terms of appointment approved by the shareholders. However, the Company witnessed no profit situation and incurred loss during FY 2019-20 resulting thereby the managerial remuneration paid to these Directors were in excess of the limits as set out in Section 197 and Schedule V to the Companies Act, 2013. The actual remuneration paid to these directors during the FY 2019-20 are given below:

No.	Name of Director & Designation	Actual Remuneration paid during FY 2019-20 (Rs.in lakhs)
1	Mr.A.Swaminathan, Director -Engineering & Construction Business	64.42
2	Mr.V.R.Mahadevan, Joint Managing Director	168.37#

3	Mrs.Swarnamugi R Karthik, Director - Corporate Strategy	91.68
4	Mr.Arjun Govind Raghupathy, Deputy Managing Director & COO	62.11

Rs.38.46 lakhs due but not paid in anticipation of approval of the Members.

As per the provisions of Section 197(9) of the Companies Act, 2013 and as amended under 2017 Act, if any director draws or receives, by way of remuneration in excess of the limit prescribed, he shall refund such sums to the Company within two years and until such sum is refunded, hold it in trust for the Company. Section 197(10) of the Act provides that the Company shall not waive the recovery of any sum refundable unless approved by the shareholders by a special resolution within two years from the date it becomes refundable.

The Nomination and Remuneration Committee at its meeting held on June 30, 2020 considered the excess remuneration paid to all managing directors and whole time directors together and recommended to the Board to seek approval of the shareholders for waiver of recovery of excess remuneration so paid and the Board of Directors at its meeting held on June 30, 2020 approved the same and now commends the approval of the shareholders by way of Special Resolution.

Accordingly, the approval of shareholders is sought for waiver of recovery of aggregate remuneration of Rs.386.58 Lakhs from Mr.A.Swaminathan, Mr.V.R.Mahadevan, Mrs.Swarnamugi R Karthik and Mr.Arjun Govind Raghupathy by way of special resolutions and the Board of Directors recommends the resolution set out in item No:5,6,7 & 8 of the Notice for approval by shareholders.

Mr.V.R.Mahadevan is interested in the resolution set out in item No.6. save and except above none of the directors and key managerial personnel of the Company and their relatives is interested or concerned financially or otherwise in these resolutions.

With regard to resolution No. 7 & 8 except Mrs. Swarnamugi R Karthik, Mrs. Sasikala Raghupathy and Mr.Arjun Govind Raghupathy, none of the directors and key managerial personnel of the Company and their relatives is interested or concerned financially or otherwise in these resolutions.

Item Nos.9,10 & 11

As the members were aware that the shareholders at the 31st Annual General Meeting of the Company held on September 27, 2017 approved the appointment of

Mr.Arjun Govind Raghupathy as Deputy Managing Director & COO of the Company for a period of five years from November 11, 2016.

The shareholders at the 32nd Annual General Meeting of the Company held on September 26, 2018 approved the re-appointment of Mrs.Swarnamugi R Karthik as Director-Corporate Strategy of the Company for a period of five years from February 08, 2018.

The shareholders at the 33rd Annual General Meeting of the Company held on August 14, 2019 approved the re-appointment of Mr.V.R.Mahadevan as Joint Managing Director of the Company for a period of two years from June 01, 2019. Mr.Mahadevan resigned from the office of Joint Managing Director effective June 30, 2020.

The terms of their remuneration approved by the Members at the 31st, 32nd and 33rd AGM inter alia included payment of "Minimum Remuneration" to the said Whole-time Directors in the event of inadequacy or absence of profits, in any financial year or years during the currency of their tenure, comprising basic salary, performance linked incentive, contribution to Provident and other funds, perquisites, allowances and benefits as under, subject to requisite compliances under the Act :

Mr.Arjun Govind Raghupathy, Managing Director Terms of appointment

a. Remuneration

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

(ii) Perquisites & Reimbursements:

In addition to the salary, the Appointee shall be entitled to a rent free furnished accommodation and other perquisites and reimbursements subject to a ceiling of Rs.20,00,000/- per annum.

(iii) In addition to the salary and perquisites, the appointee shall be entitled to bonus/ex-gratia and use of chauffer driven company's car in accordance with the rules of the company.

(iv) Performance linked incentive (PLI) : The Appointee shall be entitled to a performance linked incentive (PLI) of Rs.1,00,00,000/- (Rupees One Crore only) per annum. The PLI will be effective from 01.04.2017.

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

Minimum remuneration

During the term of the appointment, where in any financial year the company has no profits or the profits are inadequate, the Appointee shall be

entitled to such remuneration not exceeding the limits specified under section II of part II of Schedule V to the Companies Act, 2013, as applicable or such remuneration as may be approved by the shareholders by necessary resolution and/or by the Central Government. The remuneration and perquisites as set out hereinabove shall be further subject to the overall maximum remuneration payable to all managerial personnel of the company in accordance with the provisions of the Companies Act 2013, as applicable.

Terms of appointment of Mrs.Swarnamugi R Karthik, Director - Corporate Strategy

a. Remuneration

(i) Salary : Rs.2,20,000/- per month

(ii) Allowances & Perquisites : Rs.5,50,000/- per month

(iii) Minimum Remuneration:

During the term of the appointment, where in any financial year the company has no profits or the profits are inadequate, Mrs.Swarnamugi R Karthik shall be entitled to such remuneration not exceeding the limits specified under section II of part II of Schedule V to the Companies Act, 2013, as applicable or such remuneration as may be approved by the shareholders by a special resolution and/or by the Central Government, if required. During the term of appointment payment of remuneration for a period exceeding three years from the date of appointment shall be subject to due compliance of Schedule V to the Companies Act, 2013. The remuneration and perquisites as set out hereinabove shall be further subject to the overall maximum remuneration payable to all managerial personnel of the company in accordance with the provisions of Section 196 and 197 of the Companies Act 2013.

Terms of appointment of Mr.V.R.Mahadevan, Joint Managing Director

a. Remuneration

(i) Salary : Rs.4,85,000/- per month

(ii) Allowances, Perquisites & Reimbursements : Rs.10,00,000/- per month

(iii) Performance linked Incentive(PLI) : The Appointee shall be entitled to a performance linked incentive of Rs.25,00,000 (Rupees Twenty Five Lakh only) per annum.

(iv) In addition to the salary, allowances and perquisites, the appointee shall be entitled to use

of company's car in accordance with the rules of the company.

(v) Minimum remuneration

During the term of the appointment, where in any financial year the company has no profits or the profits are inadequate, the Appointee shall be entitled to such remuneration not exceeding the limits specified under section II of part II of Schedule V to the Companies Act, 2013, as amended from time to time and applicable to the respective financial year, and as may be approved by the shareholders by a special resolution, as the case may be. The remuneration and perquisites as set out hereinabove shall be further subject to the overall maximum remuneration payable to all managerial personnel of the Company in accordance with the provisions of Section 196 and 197 of the Companies Act 2013.

As the Members are aware, the Company had been making consistent and adequate profits upto the Financial Year 2017-18. However, there was a drop in the profitability in subsequent years for reasons and circumstances as explained hereinafter. As a result, the Company had inadequate profits or loss for the Financial Years 2018-19 and 2019-20 for the purpose of payment of Managerial Remuneration to the Whole Time Directors. The Company had to therefore pay Minimum Remuneration to them, within the limits as approved by the Members at the 31st, 32nd and 33rd AGM, which exceeded the limits specified under Section 197 of the Companies Act, 2013 (Act) read with Schedule V thereto.

Pursuant to the amended provisions of Section 197 (3) of the Act read with Schedule V thereto, if in any Financial Year, the Company has no profits or its profits are inadequate, it can pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V to the Act i.e., not exceeding the limits specified under Item (A) of Section II of Part II of the said Schedule: provided that the remuneration in excess of above limits may be paid if the resolution passed by the Members is a Special Resolution. Based on Audited Financial Results of the Company for the year ended 31st March 2020, the impact Covid 19 Pandemic from April 2020 onwards and other relevant factors including prevailing market conditions, it is anticipated that the Company may not earn adequate profits in the Financial year ending 31st March 2021 so as to pay the remuneration to Managing Directors and Whole-time directors, as was approved by the Members at the time of their respective appointments. It is therefore considered desirable to seek and obtain fresh approval of the Members by way of special resolutions for payment of minimum remuneration to the said Managing Directors and Whole-time Directors for FY 2020-21 and rest of their tenure of appointment, in case the Company has no or inadequacy of Profits during the relevant financial years.

Further, the special resolution earlier passed by the Members at the 31st AGM and 33rd AGM for appointment of Mr.Arjun Govind Raghupathy and Mr.V.R.Mahadevan the Managing Directors, specified that "in the event of inadequacy or absence of profits under Sections 197 and 198 of the said Act in any financial year or years, the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Directors not exceeding the limits prescribed in section II of part II of Schedule V to the Companies Act, 2013 or as may be approved by the shareholders. In respect of Mrs.Swarnamugi R Karthik the earlier approval of Members at the 32nd AGM provided appointment for a period of five years specified that the minimum remuneration for a period exceeding three years from the date of appointment shall be subject to due compliance of provisions of Schedule V to the Act.

In view of the above it is also proposed to seek and obtain fresh approval of the Members by way of Special Resolutions as mentioned at serial Nos. 9,10 & 11 of the Notice to the remuneration payable to Mr.Arjun Govind Raghupathy and Mrs.Swarnamugi R Karthik for the Financial Year 2020-21 commencing 1st April 2020 and ending on 31st March 2021 and for the remaining period of their respective tenures i.e., up to 10th November 2021 and 7th February 2023 respectively and for Mr.V.R.Mahadevan up to June 30, 2020 (effective date of resignation), which shall be in accordance with and within the remuneration and overall limits of managerial remuneration already approved by the Members at the aforesaid 31st, 32nd and 33rd AGM as mentioned in the Para 2 hereinabove.

The Nomination and Remuneration Committee and Board of Directors of the Company at their respective Meetings held on June 30, 2020 have inter alia recommended above Resolutions for approval of the Members by means of Special Resolutions.

In terms of Schedule V to the Companies Act, 2013, the relevant details are given below

1. General Information:
 1. Nature of Industry: Power Infrastructure; Construction and Manufacture of capital equipment
 2. Date or expected date of Commencement of Commercial Production: The Company has been carrying on business since its incorporation in the year 1985
 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus : Not applicable

4. Financial Performance based on given indicators:

Particulars for FY 2019-20	Rs.in Crores
Revenue from Operations	2692
Operating Profit	207
Profit/(Loss) before Tax	(64)
Tax	(78)
Profit after Tax	14

5. Foreign investments or collaborations, if any ; Not applicable

II. Information about the appointees

1. Background details:

Mrs.Swarnamugi R Karthik, 38 years, is the Director – Corporate Strategy. She is responsible to formulate strategies and for creating environment to enable operational excellence, productivity, strategic planning and achievement of corporate goals. She is an engineering graduate and holds a post graduate qualification in embedded system. She was inducted into the Company in 2005 as Executive Assistant to President and worked her way up in project execution. She has been involved in central procurement, corporate monitoring and business strategies. She was inducted into the Board on February 08, 2013.

Mr.Arjun Govind Raghupathy, 30 years, is the Managing Director of the Company. He is a graduate in Mechanical Engineering from Anna University and joined the Company in 2011. Mr.Arjun was involved in business development of large value EPC/BoP contracts, project monitoring and site construction. He was subsequently appointed as the Managing Director of GEA BGR Energy Systems India Ltd, where he was responsible for business development, sales, contracts delivery, client interaction, financial management, operations control and human resource. He was inducted into the Board of Directors of the Company and designated as Deputy Managing Director & Chief Operating Officer with effect from November 11, 2016.

Mr. V. R. Mahadevan, 60 years, was the Joint Managing Director, joined the Company in 1987. He was responsible for the overall management and supervision of the operations of the technology and human resources. He holds a Bachelor's degree in Electrical Engineering from Annamalai University, Tamil Nadu. He has over 30 years of experience in the fields of project and business management.

Mr.R. Ramesh Kumar, 58 years, is a post graduate, Fellow Member of The Institute of

Company Secretaries Of India and qualified as Chartered Secretary from Institute of Chartered Secretaries and Administrators, UK. He has joined the Company in 1992 as Company Secretary and held positions of Vice-President (Corporate) and President (Corporate) and has more than 30 years of rich and proven experience in corporate secretarial, compliance, legal, corporate strategic management, finance, accounting, governance , technology collaboration and Joint Ventures.

2. Past Remuneration : Details for Mr.Arjun Govind Raghupathy, Mrs.Swarnamugi R Karthik and Mr.V.R.Mahadevan are given hereinabove. Past Remuneration details of Mr.R.Ramesh Kumar is given below:

Salary, Allowances and Perquisites : Rs.1,60,08,000 per annum

Performance Linked Incentive: Rs.25,00,000 per annum

3. Recognition or awards : Nil

4. Job Profile and their suitability:

Mr. Arjun Govind Raghupathy, Managing Director of the Company is entrusted with the responsibility of management of the business and affairs of the Company. He is responsible for the operating performance and management of affairs of the Company, including sales, contracts delivery, financial and corporate management. Taking into consideration his qualifications and proven performance in the past years and in relevant fields, Mr Arjun Govind Raghuparthy is well suited for the responsibilities currently assigned to him.

Mrs. Swarnamugi R Karthik, Director- Corporate Strategy of the Company is responsible to formulate strategies and for creating environment to enable operational productivity, strategic excellence, planning and achievement of corporate goals. She has contributed significantly in the past years and demonstrated leadership and hence considered suitable for the position.

Mr. Mahadevan was in-charge of the business operations relating to execution and completion of the contracts with NTPC for Solapur, Meja and Lara projects and completion of process of termination of contract with DVC for Raghunathpur project, Joint venture partnership with Hitachi and responsible for control and supervision and business performance of joint venture companies viz., BGR Boilers Private Limited and BGR Turbines Company Private Limited.

Mr. Ramesh Kumar will be in charge of and responsible to provide leadership to corporate,

secretarial, compliance and legal teams of the company and entrusted with responsibility of corporate governance and establish and monitor governance systems and best practices, compliance, stakeholders representation and legal compliance in conduct of affairs of the Company in accordance with laws applicable to the Company. Taking into consideration of his professional qualifications and proven leadership in the relevant fields in the Company for more than 25 years he is best suited for the responsibility assigned to him.

The Whole-time Directors are committed to ensuring good governance and statutory compliances both in letter and spirit while pursuing long term interest of all stakeholders. The responsibilities of the managerial personnel have increased substantially over the years with the growth of the Company. The Whole-time Directors have demonstrated stewardship and strong leadership in the midst of slow down and intensifying competition in the industry. They laid great emphasis on customer satisfaction and took utmost care to serve the interest of all stakeholders of the Company.

5. Remuneration proposed : There is no change in the terms of appointment and remuneration of Mr.Arjun Govind Raghupathy, Mrs.Swarnamugi R Karthik and Mr.V.R.Mahadevan as was approved by the Members at the 31st, 32nd and 33rd AGM. The details of Remuneration proposed for Mr.R.Ramesh Kumar are set out in Resolution No.4 of the Notice of AGM.

6. Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person :

The executive/managerial remuneration in the Industry witness wide variance across private and public sector companies engaged in similar business. Being a dominant market player in EPC, BoP and LSTK segments in Indian power and process industry the remuneration already approved were at comparable levels as that of peer companies. The Nomination and Remuneration Committee of the Company critically reviewed and evaluated the remuneration of managerial persons prevalent in the industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of aforesaid Managerial Personnel and other relevant factors while determining their remuneration at the time of their appointments.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration

proposed herein, Mr.Arjun Govind Raghupathy and Mrs.Swarnamugi R Karthik do not have any other pecuniary relationship with the Company.

Mr.Arjun Govind Raghupathy and Mrs.Swarnamugi R Karthik are related to Mrs.Sasikala Raghupathy, Chairperson of the Company. They are not related to any other Director and Key Managerial Personnel of the Company, as defined under the Act. Mr. Mahadevan is not related to any Director and Key Managerial Personnel of the Company.

III OTHER INFORMATION

1. Reason for loss or inadequacy of Profits:

The Company's fortunes have been facing significant challenges in the backdrop of severe slow down of the economy in general and Indian thermal power sector in particular. The capacity addition in the industry has witnessed downturn for the past few years leading to adverse market opportunities and stiff competition. This has resulted in lower profitability in the recent past years and the COVID-19 pandemic has caused severe constraints on sales, profitability, liquidity and cash flows resulting thereby loss in the FY 2019-20.

2. Steps taken or proposed to be taken for improvement

The Company keeping in view of the long term challenges in Indian thermal power sector has initiated Strategic Growth Plan 2025 with focus on business of adjacencies of immediate prospects where the existing competency could be leveraged. The Company identified Water, Infrastructure, Highways, Roads, Transportation and Construction segments and has engaged Internationally reputed consulting firm to advise the Company.

3. Expected increase in productivity and profits in measurable terms

The Company's efforts towards achievement of growth in sales and profits in measurable terms are expected to yield positive impact and results in the medium term. There has been no constraint on productivity and the Company anticipates a turnaround in its operating performance in the short term after the current pandemic abates.

Accordingly, the approval of shareholders is sought for payment of minimum remuneration to Mr.Arjun Govind Raghupathy, Mrs.Swarnamugi R Karthik and Mr.V.R.Mahadevan by way of special resolutions and the Board of Directors recommends the resolution set out in item Nos. 9, 10 & 11 of the Notice for approval by shareholders.

Mrs.Swarnamugi R Karthik, Mrs. Sasikala Raghupathy, Mr.Arjun Govind Raghupathy are interested in item 9 and 10 and Mr.V.R.Mahadevan is interested in item 11. No other directors and key managerial personnel of the Company and their relatives are interested or concerned financially or otherwise in these resolutions.

Item No.12

The proposal for appointment of A N Raman & Associates as Cost Auditor for Financial Year 2020-21 was recommended by the Audit Committee to the Board and the Board appointed him to be the Cost Auditor for FY 2020-21 at the meeting held on June 30, 2020. Copy of certificate dated May 01, 2020 issued by AN Raman & Associates regarding eligibility for appointment as cost auditor will be available for inspection through electronic mode. Shareholders may write to the Company at investors@bgrenergy.com in this regard. As per the Rule

14 of the Companies (Audit and Auditors) Rules, 2014 the appointment and remuneration payable to the cost auditors require ratification by the shareholders of the Company.

Mr.Raman is a member of Institute of Cost and Works Accountants of India, Institute of Chartered Accountants of India and Fellow member of Institute of Certified Management Accountants of Sri Lanka. He has wide experience in the field of cost accounting, management accounting and enterprise governance. He is in practice as a Cost and Management Accountant since 1993.

The Board recommends that the appointment and remuneration be ratified by the shareholders. None of the directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution.

INFORMATION PERTAINING TO ITEM Nos.2 & 3

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 Director	Mr.Arjun Govind Raghupathy	Mr.R.Ramesh Kumar
Age	30 years	58 years
Experience	He was the Managing Director of GEA- BGR Energy System India Limited responsible for business development, sales, contracts delivery, client interaction, financial management, operations control and human resources.	He has been holding leadership position in the Company and has more than 30 years of rich and proven experience in corporate secretarial, compliance, legal, corporate strategic management, finance, accounting, governance, technology collaborations, joint ventures and overseas investment
Date of first appointment	11.11.2016	01.07.2020
Qualifications	BE	M.A., FCS, ACIS(UK,London)
Names of other entities in which the person also holds the directorships	<ol style="list-style-type: none"> 1. GEA BGR Energy System India Limited. 2. Menmai Estate Private Limited 3. Arjun Govin Estate Private Limited 4. Sasikala Estate Private Limited 5. BGR Estate Holdings Limited 6. BGR Investment Holdings Company Limited 7. Mega Funds India Limited 	<ol style="list-style-type: none"> 1. Schmitz India Private Limited 2. BGR Turbines Company Private Limited 3. Cuddalore Powergen Corporation Limited 4. ENEXIO Power Cooling Solutions India Private Limited 5. Pragati Computers Limited

Name of Director	Mr.Arjun Govind Raghupathy	Mr.R.Ramesh Kumar
	8. ANI Constructions Private Limited 9. BGR Turbines Company Private Limited 10. BGR Odisha Powergen Limited 11. Cuddalore Powergen Corporation Limited 12. Sravanaa Properties Limited 13. Argo Raiment LLP	
Names of other entities in which the person also holds membership of Committees of Board	–	Cuddalore Powergen Corporation Limited
Shareholding in the Company as on 31.3.2020	–	5546 shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Son of Mrs.Sasikala Raghupathy, Chairperson and brother of Mrs.Swarnamugi R Karthik, Director –Corporate Strategy	N.A.
Number of Meetings of Board Attended during the year	6	N.A.

By order of the Board

Place: Chennai

Date : August 11, 2020

R. RAMESH KUMAR

Director & Secretary