



**BGR ENERGY SYSTEMS LIMITED**

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BeSec/202/2022

March 23, 2022

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

BSE Limited  
Department of Corporate Services  
P. J. Towers, Dalal Street  
Mumbai – 400 001  
**BSE Scrip Code: 532930**

Dear Sirs,

**SUB: Media Release - Disclosure under regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith forward a copy of media release dated March 23, 2022 in respect of false news carried on in print, electronic and social media against the Company.

Thanking You,

Yours truly,  
For BGR Energy Systems Limited.

  
R/Ramesh Kumar  
Director & Secretary

Enclosure: copy of media release

**REGISTERED OFFICE:**

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**Corporate Identity Number: L40106AP1985PLC005318**

**MEDIA RELEASE – DATED 23.03.2022**

In the wake of certain malicious, unsubstantiated, false propaganda and allegations against BGR Energy Systems Limited (BGR Energy / Company) during the last one week (March 2022) in print, electronic and social media the Company issues this factual statement on each of the false and motivated allegation.

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**Allegation : 1**

1. **There has been large scale procedural violations and financial impropriety, favouritism to BGR Energy by TANGEDCO in award and reinstatement of EPC contract for 1x660 MW Supercritical Ennore Thermal power station.**

**Fact :****Events leading to award, cancellation and reinstatement of contract.**

10.08.2018 - TANGEDCO called for bids for the EPC contract for completion of balance works in the Project "As is where is condition" of 1x660 MW Supercritical Ennore Thermal Power Station Expansion.

09.01.2019 - BGR bid was submitted to TANGEDCO for the above said project. BGR fulfilled all pre-qualifying requirements and offered lowest price.

12.12.2019 - TANGEDCO issued Letter of Intent (LOI) to BGR. LOI provides for 10% Security Deposit cum Contract Performance Guarantee after deducting EMD. Time to furnish SDCPG was 30 days from the date of LOI.

BGR was ready to commence work and due to Covid-19 pandemic invoked the "Force Majeure" clause.

12.11.2020 - Government of India had announced Atmanirbhar package policy for reduction of bank guarantee from 10% to 3% total contract value for all existing contracts and future contracts to be concluded till 31.12.2021 by procurement Policy Division of Department of Expenditure, Ministry of Finance.

It is noteworthy to point out that this policy on Performance Security is extended by Government of India upto 31.03.2023.

18.02.2021 - Letter by BGR to TANGEDCO for the extension of benefit of reduction of PBG and also brought to the notice of TANGEDCO regarding implementation of the Government of India notification.

23.04.2021 - TANGEDCO had cancelled the LOI issued to BGR on the ground of failure to provide SDCPG and forfeited the EMD.

26.04.2021 - Writ Petition was filed by BGR before High court of Judicature at Madras.



28.04.2021 – On the basis of arguments of BGR the High court of Madras directed BGR to submit a proposal to the TANGEDCO and if the proposal is agreed by the Board of TANGEDCO a report should be submitted for disposal of writ petition. This was agreed by TANGEDCO before the High Court, Madras and undertook not to proceed with the fresh tender for Ennore project.

11.06.2021 - Proposal submitted by BGR to TANGEDCO as per the order of Hon'ble High Court of Madras dated 28.04.2021.

10.12.2021 - Proposal was accepted by TANGEDCO and TANGEDCO submitted its report to the High court of Madras for reinstatement of LOI.

01.02.2022 - Letter by TANGEDCO to BGR for reduction of bank guarantee to 3% of the contract value as per Government of India Policy Notification.

07.02.2022 - In view of the acceptance of the proposal, Memo was filed by BGR for withdrawal of Writ Petition. The High Court recorded and Petition was dismissed as withdrawn.

09.03.2022 - Reinstatement of cancelled LOI and reduction of bank guarantee to 3% of contract value issued by TANGEDCO.

The above events clearly demonstrate that BGR was well qualified for award of ETPS project contract and there were no procedural violations nor any favouritism to BGR Energy by TANGEDCO.

Allegation : 2

2. **The reduction of BG value to 3% was available only for five months from November, 2020.**

Fact :

This is absolutely false. The Central Government based on Atmanirbhar package dated 12.11.2020 3.0 was available upto 31.12.2021 (Now extended upto 31.03.2023) for contract ordered upto 31.12.2021. TANGEDCO adopted the Government of India policy for projects awarded to various contractors upto 31.12.2021 and accordingly the Bank Guarantee was reduced from 10% to 3% and BGR Energy was not shown any favouritism. This policy was available to all the contracts awarded upto 31.12.2021.

Allegation : 3

3. **BGR Energy is a “paper company”.**

Fact :

The company is engaged in large scale power projects, environmental water projects, electrical projects and manufacturing of hi-tech equipment. The company operates four manufacturing units and has more than 30 project sites all over India. It has more than 1400 direct employees and more than 2000 indirect employees. BGR, which is operating vibrant businesses across India and International exports in various sector, cannot be called as a paper company.

This is a false and motivated campaign.



Allegation : 44. **BGR Energy is incompetent for large power projects.**Fact :

BGR has so far executed large projects with installed capacity of 14000 MW for various customers viz., NTPC, ONGC, NPCIL, MAHAGENCO, Orissa, APGENCO, Rajasthan and other State and Private Power Utilities and large PSU companies in Oil, Gas and Water sector and in International markets. BGR is a market leader for BoP contracts for power projects. All these projects have been successfully commissioned and have been appreciated by the clients. Currently BGR is executing BoP contracts for the thermal power projects at 1x800 MW in Tamilnadu, 1x800 MW in Andhra Pradesh; 3x660 MW in Uttar Pradesh.

BGR with creditable track record in all its business vertical, cannot be called as incompetent company. This propaganda is unsubstantiated and without any basis.

Allegation : 55. **BGR Energy is a sick company.**Fact :

The current positive net worth of the Company is Rs.950 Crore. A company with such high net worth can never be called as sick company.

This allegation is false and an attempt to disrepute the Company.

Allegation : 66. **BGR Energy has cash balance of only Rs.38 Crore.**Fact :

It is well known in cash flow management that the cash balance in the balance sheet is based on cash flow velocity of the business. The company has earned Rs.467 Crore of net cash flow from operating activity in the financial year 2020-21.

Allegation : 77. **BGR Energy has not made profit in the last five years.**Fact :

In the last five years, there were 20 quarterly financial results published by the company as per SEBI LODR and IndAS. Out of 20 quarters, only in 8 quarters the company has posted loss. This is mainly due to adverse impact of Covid-19 Pandemic as manufacturing and construction activities in various sites have been crippled due to lockdown, disruption in supply chain and lack of adequate manpower and other extraneous causes.



Allegation : 8

8. **The Hon'ble High Court of Judicature at Madras has not given any direction in the Writ Petition.**

Fact :

Writ Petition filed by BGR Energy came up for hearing on 28.04.2021. The order of the Hon'ble High Court dated 28.04.2021 is very clear that pursuant to the arguments and proposal put forth by Senior Counsel of BGR Energy and accepted by the TANGEDCO Counsel, the Court has directed BGR Energy to submit a proposal to TANGEDCO and TANGEDCO should submit a report to the Court.

Allegation : 9

9. **BGR made false statement SEBI.**

Fact :

The disclosures made on April 26, 2021 and June 30, 2021 to the stock exchanges by the company regarding order passed by High Court in the writ petition are based on facts and in compliance with SEBI LODR.

Allegation : 10

10. **BGR Energy has engaged Mr. P. Wilson, Sr. Counsel (Member of Parliament, DMK) to derive political advantage.**

Fact :

Mr. P. Wilson is a designated Senior Counsel appearing before High Court of Madras and Supreme Court of India. The Company's counsel on record engaged Mr. Wilson much prior to the government formed by DMK in May, 2021.

He appeared in the writ petition in his professional capacity and the matter was argued by him on the facts and on merits of the writ petition and the Court passed order based on merits.

No advantage was and will be extended by the Hon'ble High Court. This allegation is contempt of court.

Allegation : 11

11. **Deliberate non-appearance in High Court.**

Fact :

This is absolutely false. BGR Energy as the Petitioner has appeared as and when the matter was listed by the Hon'ble High Court of Madras and there has been no instance of non-appearance.

Allegation : 12

12. **BGR Energy does not have any assets.**

Fact :

The Company's gross block of asset is Rs.128 Crore and the aggregate asset including financial assets are Rs.5296 Crores as of 31.03.2021.





Allegation : 13

13. **BGR Energy did not purposely provide cash flow for the quarter ended 31.12.2021.**

Fact :

As per SEBI LODR the cash flow statement need to be published only for half year ended September 30 and full year ended March 31. The Company has published cash flow statement accordingly and there was no attempt to withhold or default in publishing cash flow statement.

Allegation : 14

14. **The cash flow statement for December 31, 2021 was suppressed so as to create a false picture of investment by third party and based on that TANGEDCO reinstated the contract.**

Fact :

This is absolutely false statement as there was no investment by any person into the Company. Hence, infusion of funds by people as alleged to have been invested is wrong and motivated.

Allegation : 15

15. **BGR Energy did not complete the 600 MW Mettur Thermal power project.**

Fact :

600 MW Mettur thermal power project was completed successfully and handed over to the client on 12.10.2013. The project has achieved continuous operation of more than 100 days in 2014, 2016 and 2017 and has achieved generation of PLF at 92.62%.

After due contract review, TANGEDCO has settled all dues to BGR Energy and there has been no occasion for inability of TANGEDCO to recover penalty / liquidated damages.

Allegation : 16

16. **Mettur project has achieved low PLF due to BGR Energy.**

Fact :

The Company is responsible to deliver contractual commitments. Trial run Operations was carried out and commercial operation date was declared on 12.10.2013. Performance of the Plant was demonstrated with better parameter even more than the Guaranteed Values. The Plant at any time is capable of achieving better outputs as compared to any similar capacity plants. The Company is not responsible / liable for operating or generating power after due performance and handing over.

This statement is wrong and motivated and self-serving.

Allegation : 17

17. **CAG has black listed BGR Energy in respect of Mettur project.**

Fact :

This is malicious statement and there has been no notice / communication from CAG or any other statutory authority of black listing.



BGR is at loss to understand as to how and why CAG could black list a private sector company like BGR ?

Allegation : 18

18. **BGR Energy did not have the technology to supply 'gas turbine' to Mettur project.**

Fact :

Mettur Thermal power project was a coal based thermal power project and there is no need for installation of Gas Turbine in this power station.

There was complete ignorance on the power sector to mislead the public and media.

Allegation : 19

19. **CAG has quantified huge loss for TANGEDCO on account of Mettur project.**

Fact :

BGR Energy has completed the Mettur project as per the terms and conditions laid down under the contract awarded to it and has no knowledge of any such loss reported by CAG.

Allegation : 20

20. **BGR Energy has blood relationship with people in Gopalapuram.**

Fact :

This is false, and BGR does not have any blood relationship with people living in and around Gopalapuram.

Allegation : 21

21. **BGR Energy artificially pushed up the stock price by resorting to insider trading.**

Fact :

BGR Energy has robust Code of Conduct for prevention of insider trading and has strict pre-clearance procedures for trading. This has been no trading by any insider prior to disclosure of reinstatement of ETPS contract.

The spurt in price and price movement in the stock market is based on investor interest in the Company and market scenario. The company absolutely has no control on the price movement of the stock in stock exchanges.

The company makes due and proper disclosures as stipulated by SEBI LODR Regulations and there has been no default in this regard.



Allegation : 22

22. **The company was raided by IT department in the year 2017 and found fake invoices for Rs.113 Crores.**

Fact :

There was no Income tax search against BGR in the year 2017.

The Income tax department made search operations in the year 2014. Consequently, based on revised returns of income filed by the company, orders have been passed by the Assessing Officer. These assessment orders have been challenged before the Hon'ble High Court of Madras and matter is now sub-judice. The company therefore refrain from commenting on the merits of the case. The company further denies that cash was generated by fake invoices, bills and that cash was used to bribe political people. This is malicious, motivated, mischievous and false allegation.

Allegation : 23

23. **TANGEDCO is going to give orders for Rs.35000 Crores to BGR Energy.**

Fact :

This is nothing but hyper imagination. BGR will participate only for projects it is eligible and on merits. Any contract could be awarded by TANGEDCO only on merit and based on lowest price.

Allegation : 24

24. **BGR Energy is a fraud company.**

Fact :

In the last 35 years of existence there was no allegation of fraud ever made against BGR Energy. This allegation is made to prejudice the minds of general public.

Allegation : 25

25. **BGR Energy was responsible for power cut during 2006 to 2011.**

Fact :

BGR Energy is engaged in the construction of power plant and is no way connected with generation and distribution of electricity and hence is not responsible for any power cut in Tamilnadu.

This statement is highly inflammatory to cause prejudice in the minds of public.

Allegation : 26

26. **BGR Energy did not initiate any legal proceedings after issuance of defamation notice.**

Fact :

The Company is under the process of initiating civil and criminal legal proceedings shortly against those who carried on unlawful, defamatory and slanderous campaign against BGR.