BGR ENERGY

TRANSFORMING ENERGY INTO ACTION

BGR ENERGY SYSTEMS LIMITED
ANNUAL REPORT 2018-19

660 MW Super Critical
Steam Generator – NTPC
Solapur Thermal Power Plant

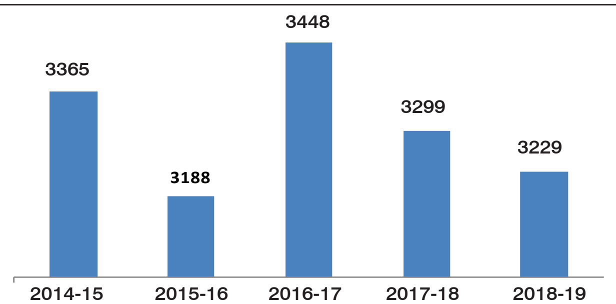
Main Plant Electrical Package
for 2 x 700 MWe
Kakrapar Nuclear Power Project

Contents

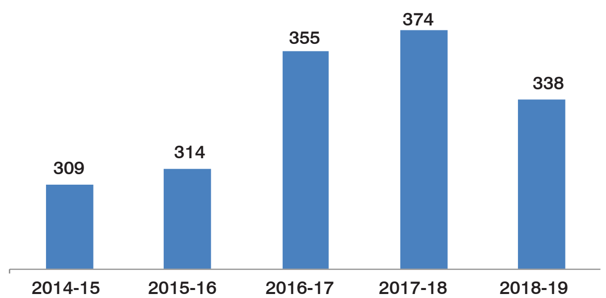
Financial Highlights

(₹ Crores except per share data)

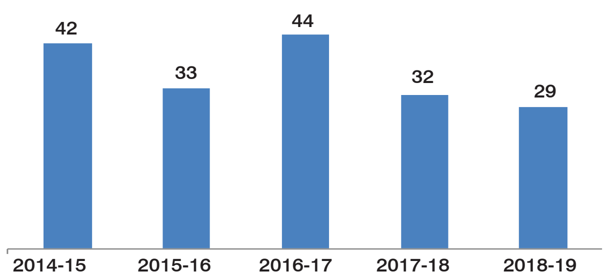
DESCRIPTION	2014-15	2015-16	2016-17	2017-18	2018-19
SALES AND EARNINGS					
Sales	3365	3188	3448	3299	3229
Other Income	2	6	0	21	1
EBIDTA	309	314	355	374	338
PAT	42	33	44	32	29
ASSETS					
Fixed Assets	183	179	172	178	177
Investments	364	364	364	364	364
Other Asset (Net)	3256	3457	3094	3332	3334
Total Assets	3803	4000	3631	3874	3875
FUNDED BY					
Equity Share Capital	72	72	72	72	72
Reserves and Surplus	1272	1305	1305	1333	1334
Networth	1344	1377	1378	1405	1406
Deferred Taxes	347	374	327	344	344
Borrowings	2112	2248	1926	2125	2124
Total Liabilities	3803	4000	3631	3874	3875
EPS (₹)	5.84	4.57	6.12	4.49	4.03



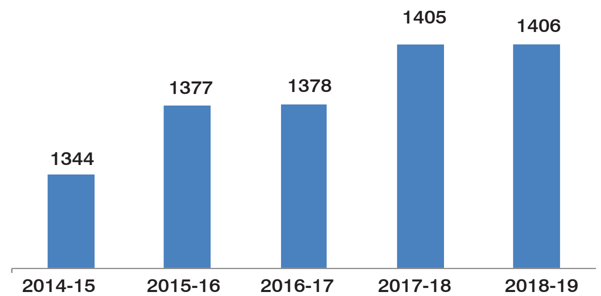
Sales (₹ Crores)



EBIDTA (₹ Crores)



PAT (₹ Crores)



Networth (₹ Crores)

BOARD OF DIRECTORS

Sasikala Raghupathy
Chairperson

A. Swaminathan
Director -
Engineering & Construction Business

V.R. Mahadevan
Joint Managing Director

Arjun Govind Raghupathy
Deputy Managing Director & COO

Swarnamugi R Karthik
Director – Corporate Strategy

INDEPENDENT DIRECTORS

M.Gopalakrishna

S.A.Bohra

S.R.Tagat

Gnana Rajasekaran

COMPANY SECRETARY

R. Ramesh Kumar

CHIEF FINANCIAL OFFICER

P. R.Easwar Kumar

REGISTERED OFFICE

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

CORPORATE OFFICE

443, Anna Salai,
Teynampet, Chennai,
Tamil Nadu – 600018
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 AUDITORS

J V Associates
V Krishnan & Co.
Ramachandran&Murali
Raghu & Gopal
A. John Moris& Co,

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
Indian Overseas Bank
Kotak Mahindra Bank Ltd.
Punjab National Bank
Syndicate Bank
The Karur Vysya Bank Limited
Union Bank of India

To the Members of

BGR ENERGY SYSTEMS LIMITED

Your directors have pleasure in presenting their 33rd Annual Report together with the audited financial statements for the year ended March 31, 2019.

FINANCIAL RESULTS

The highlights of the standalone financial performance of the Company during the financial year ended March 31, 2019 as compared with the previous financial year ended March 31, 2018 are summarized below:

(₹ in Crore)

Description	2018-19	2017-18 (Restated)
Income from operations	3229	3299
Other income	0.71	21
Total Income	3230	3320
Earnings before Interest, Depreciation, Tax and Amortization	338	374
Profit before exceptional item and tax	41	83
Exceptional item	-	-19
Tax Expense	12	32
Net Profit after tax	29	32
Other Comprehensive income(net)	-0.62	-0.27
Restatement of retained earnings	-28	-
Net Worth	1406	1405

No material changes and commitments have occurred after the closure of the Financial Year 2018-19 till the date of this Report, which would affect the financial position of your Company.

DIVIDEND AND APPROPRIATION

Considering the lower profit during the year and as a measure to augment resources, your Board of Directors have not recommended any dividend during the year.

COMPANY'S STATE OF AFFAIRS

Your Company continues to serve one core sector of the Nation – Power generation and also other key sectors viz., Oil & Gas, Water, Electricity Transmission and Distribution. Your Company despite significant slowdown and challenges in Indian thermal power sector sustained its operating performance and the financial position remains strong.

Your Company has adopted a Strategy plan "BGR ASCEND 2025" with the objective to build and offer a portfolio of high technology systems and services to the Indian and international industry whereby sustained growth is achieved and an environment of high value creation to all stakeholders is enabled.

OPERATING PERFORMANCE

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

SUBSIDIARIES AND JOINT VENTURES

BGR Boilers Private Limited, which supplies 660 MW super critical steam generators, had an operating income of ₹ 124.02 Crores and incurred a loss of ₹ 15.40 Crores in the year 2018-19. BGR Turbines Company Private Limited, which supplies 800MW super critical steam turbine generators, has had an operating income of ₹ 9.82 Crores and made a profit of ₹ 0.29 Crore in the year 2018-19. These JV companies have carried necessary and significant accounting adjustments consequent to the Settlement Agreement with Hitachi and such adjustments have been duly dealt with in the respective company's books of account and has had no impact on your Company's financial statements.

THE PERFORMANCE AND FINANCIAL POSITION OF EACH SUBSIDIARY AND JV

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

The first term of office of Mr.M.Gopalakrishna, Mr.S.A.Bohra, Mr.S.R.Tagat and Mr.Heinrich Bohmer, as independent directors of the Company in terms of the Companies Act, 2013 expired on March 31, 2019. Upon recommendation of the Nomination and Remuneration Committee and the Board of Directors the shareholders re-appointed Mr.M.Gopalakrishna, Mr.S.A.Bohra and Mr.S.R.Tagat as independent directors of the Company for a period of 5 years with effect from April 01, 2019 at the Extra-Ordinary General Meeting held on February 15, 2019.

Mr.Heinrich Bohmer, independent director of the Company has vacated his office of director on March 31, 2019.

The term of appointment of Mr.A.Swaminathan as Joint Managing Director & CEO expired on September 30, 2018 and pursuant to the recommendation of the Nomination and Remuneration Committee, he was appointed as Director - Engineering & Construction Business for a period of one year from October 01, 2018 or up to the date of the ensuing annual general meeting, whichever is earlier. Mr. Swaminathan retires by rotation at the ensuing annual general meeting and he does not seek reappointment.

The present term of appointment of Mr.V.R.Mahadevan as Director/ Joint Managing Director expires on May 31, 2019 and the Board, based on the recommendation of the Nomination and Remuneration Committee, appointed him as an additional director and also to office of Joint Managing Director for a further period of two years from June 01, 2019.

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.

MEETINGS OF BOARD

During the year, 5 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 objective 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 Nomination and Remuneration Committee, 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 reviewed by the Committee.

SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2019 was ₹ 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 ₹ 10,03,420/- being the unclaimed dividend declared by the Company for the financial year ended March 31, 2011 was transferred to the Investor Education and Protection Fund of the Central Government in November 2018 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, 2012 at the Annual General Meeting held on September 21, 2012 will be transferred to the Investor Education and Protection Fund of the Central Government in November 2019 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 2010-11 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 VIII) forming part of this Directors report.

For prevention, prohibition and redressal of sexual harassment of Women at workplace the Company has put 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 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 2018-19, the Foreign exchange earnings and outgo were ₹ 212.01 Crores and ₹ 20.15 Crore respectively. During the year there was no activity relating to technology absorption and hence there are no particulars to be disclosed with respect to technology absorption.

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 except the following no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed except manipulation of control system connected with a fraud reported below.

An employee of the Company was found to have committed fraud over a period of time by transfer of funds to many bank accounts created by him in fictitious names. He has created false records for making these fraudulent payments and abused his access to the IT network and software of the Company. In doing such fraudulent fund transfers he has committed forgery, falsification of documents and other criminal acts for which action has been initiated.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted the Corporate Social Responsibility Committee 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 line with Schedule VII of the Companies Act, 2013 and the Company is focusing on CSR activities pertaining to education, health, skill development and care of destitute women care and their welfare. The information on 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. 3 to the Financial Statements.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were in the ordinary course of business and on an arm's length basis and transactions which are not on arm's length were placed before the Board for approval based on the recommendation of the Audit Committee (Details are provided in Annexure IV in Form AOC 2). 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. All related party transactions are placed before the Audit Committee for approval and where prior approval was not obtained such transactions were reviewed and approved by the Audit committee subsequently. 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 2018-19 orders were passed by a district court and awards given by two arbitral tribunals against the Company to the extent of ₹ 27.62 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. This 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, 2019, 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, 2019 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, 2019 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 Regn. 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 2019-20.

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 Accountant as the Cost Auditor of the Company for the Financial year 2019-20, under Section 148 of the Companies Act, 2013. The Cost Audit Report for the financial year ended March 31, 2018 issued by Mr.A.N.Raman, Cost Auditor was submitted to the Central Government on September 07, 2018.

SECRETARIAL STANDARDS AND SECRETARIAL AUDIT

The Board of Directors confirm, that your Company has complied with the applicable Secretarial Standards during the year 2018-19.

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 V. The audit report is unqualified and without reservation or adverse comment on compliance.

REPORTING OF FRAUD 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 VIII) 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 VI.

EXTRACT OF ANNUAL RETURN

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

ANNEXURES FORMING PART OF DIRECTORS' 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
II	Annual Report on CSR activities
III	Remuneration Policy
IV	Form AOC 2
V	Secretarial Audit Report
VI	Corporate Governance Report along with the Certificate of Auditors
VII	Extract of Annual Return in Form MGT-9
VIII	Management Discussion & Analysis 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 acknowledges the commitment and contribution made by the employees at all levels during a difficult period. Your Board conveys its gratitude to the shareholders for their continued patronage and cooperation.

For and on behalf of the Board

Place : Chennai
Date : May 30, 2019

Sasikala Raghupathy
Chairperson

ANNEXURE I

ENERGY CONSERVATION

Manufacturing units of the Company have implemented energy conservation measures and adopted alternate source of energy during the FY 2018 – 19 as below.

1. Conventional welding rectifiers were substituted with inverter welding machines for manufacturing resulting in power saving.

2. Factory indoor lightings were converted to LED lighting.

3. 30/10T EOT cranes have been installed with full inverter drive technology to enable significant power saving.Planned to install IGBT Based Inverter Plasma machine in place of Rectifier Based High power consuming machine.

4. 250 LPH RO Plant for AFC factory drinking water has been installed from the existing water source at factory and thereby outsourcing of Drinking water stopped.

ANNEXURE II

ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

1. Brief outline of CSR policy including overview of projects or programs undertaken or 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 support and promote such social activities for the common welfare. The projects under taken will be within the broad frame work of Schedule VII to the Companies Act, 2013.

   The Company is presently engaged in CSR activities pertaining to Education, Health, Skill development and care of destitute women.

2. Composition of CSR Committee:

   Mrs.Sasikala Raghupathy, Chairperson
   Mrs.Swarnamugi R Karthik
   Mr.Gnana Rajasekaran

3. Average net profit of the Company for the last three financial years:

   ₹ 66.52 Crores

4. Prescribed CSR Expenditure(two percent of the amount as in item 3 above):

   ₹ 1.33 Crores

5. Details of CSR spent mone during the financial year 2018-19

   a) Total amount to be spent for the FY 2018-19

      ₹ 1.33 Crores

   b) Amount unspent, if any.
      ₹ 1.18 Crores

   c) Manner in which the amount spent during the FY 2018-19

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
Disaster Relief	Eradicating hunger, poverty and promoting health care	Kerala Flood Relief	-	₹ 10 lakhs	₹ 10 lakhs	Implementing Agency i.e.BGR Foundation
Education	Promotion of Education for Children	Vijayawada, Andhra Pradesh	-	₹ 5.20 lakhs	₹ 5.20 lakhs	Implementing Agency i.e.BGR Foundation

d) Reasons for not spending the amount during FY 2018-19

   Company spent money on programs genuinely identified by the Company during the year and meet the needs of the people and serve the objectives of CSR. The Company is in the process of identifying programs/projects to achieve the purpose of CSR.

6. Responsibility Statement:

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

Arjun Govind Raghupathy
Deputy Managing Director & COO

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, positive 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 Chairperson 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 (Joint Managing Director & Chief Executive Officer, Joint Managing Director, Deputy Managing Director & Chief Operating Officer, 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

   i. Fixed salary, variable salary, bonus / ex-gratia

   ii. 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.

REMUNERATION TO OTHER EMPLOYEES

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

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

ANNEXURE IV

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1(i). Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship

BGR Boilers Private Limited - Related party by virtue of common directorship of Mrs.Sasikala Raghupathy, Mr.V.R.Mahadevan and Mr.A.Swaminathan.

(b) Nature of contracts/arrangements/transactions

Purchase of Fuel Oil Station

(c) Duration of the contracts / arrangements/transactions

Single transaction

(d) Salient terms of the contracts or arrangements or transactions including the value, if any

Purchase of Fuel Oil HFO/LDO station 4 Nos. for Meja Project at ₹ 1,99,83,789/-

(e) Justification for entering into such contracts or arrangements or transactions.

The fuel oil stations for Meja project were supplied by BGR Boilers Private Limited by sourcing from Hitachi Power Europe (HPE), Germany and the same were damaged in a fire accident. This proposed purchase is for replacement of these items. The Company will have to procure these items through BGR Boilers Private Limited so as to ensure overall performance guarantee. The cost of procurement is on the higher side and market rate of the same also cannot be determined as these items are to be procured on replacement basis by Hitachi.

(f) Date(s) of approval by the Board

August 14, 2018

(g) Amount paid as advances, if any

Not applicable

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

Not applicable

2. Details of material contracts or arrangement or transactions at arm's length basis

Not applicable

Sasikala Raghupathy
Chairperson

ANNEXURE IV

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March 2019, 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:

I 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 2019 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; (Not Applicable)

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable)

(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)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable)

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, Standards etc., mentioned above.

I observe that the Company has obtained the approval of Audit Committee subsequently with respect to a related party transaction for the value of ₹ 17.08 Crores during the year.

I also observe that the Company is required to spend ₹ 133 lakhs on CSR activities as per the provision of Section 135(5) of the Companies Act, 2013 for the Financial Year 2018-19 and against the same the Company has incurred expenses of ₹ 15.20 lakhs during the year resulting in balance unspent amount of ₹ 117.80 lakhs.

The Company has provided for managerial remuneration in excess of limits prescribed under Section 197 of the Companies Act, 2013 during the Financial Year 2018-19 and the Company proposes to get requisite approval in the ensuing general meeting in compliance with Section 197 of the Companies Act, 2013.

I 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. There is no change in the composition of the Board of Directors during the period under review.

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.

I 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.

I 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.

V Suresh
Practising Company Secretary
FCS No. 2969
C.P.No. 6032

Place :Chennai
Date : May 30, 2019

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 to time on Corporate Governance, your Company is committed to practice high standards of corporate governance across all its business activities, processes and dealings 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 complies 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 comprised 10 directors as on March 31, 2019 of whom one is promoter non-executive director, two are promoter executive directors, two professional executive directors and five independent directors. The composition of the Board is in conformity with the requirements stipulated under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015("Regulations") as amended from time to time. The Board includes two women directors. One independent director vacated his office with effect from April 01, 2019 consequent to the expiry of his term of appointment. The Company propose to induct an women independent director shortly.

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, two professional whole-time directors 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, 2019 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 held at the Corporate Office. The Agenda for the meeting is prepared by the President – Corporate & Secretary in consultation with the Chairperson and and Deputy Managing Director & COO 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 study and 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 by 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 take decision and review 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 2018 – 19, 5 (five) Board Meetings were held on May 30, 2018, August 14, 2018, September 25, 2018, November 09, 2018 and February 14, 2019 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, 2019 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.

PARTICULARS OF THE DIRECTORS' ATTENDANCE AT THE BOARD MEETINGS AND AT THE ANNUAL GENERAL MEETING HELD ON SEPTEMBER 26, 2018 AND PARTICULARS OF THEIR DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS IN OTHER COMPANIES ARE GIVEN BELOW:

Name & Category of the Director	Attendance at meetings during 2018-19		No. of Directorship in other Companies@	No. of Committee Membership & Chairman-ship in other Companies#
	Board Meetings	At Last AGM held on September 26, 2018		
Mrs. Swarnamugi R Karthik Director – Corporate Strategy Promoter / Executive	3	No	9	-
Mr. A.Swaminathan Director – Engineering & Construction Business, Executive	5	Yes	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. Heinrich Bohmer Director Independent	3	No	-	-
Mr. M.Gopalakrishna Director, Independent	5	Yes	7	8
Mr. S.A.Bohra Director, Independent	5	Yes	-	-
Mr. S.R.Tagat Director, Independent	5	Yes	-	-
Mr. Gnana Rajasekaran Director, Independent	5	Yes	1	1

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

@ Excludes private companies and foreign companies.

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

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
Mrs. Swarnamugi R Karthik Director – Corporate Strategy Promoter / Executive	-	-
Mr. A.Swaminathan Director – Engineering & Construction Business, Executive	-	-
Mr. V.R.Mahadevan Joint Managing Director, Executive	-	-
Mr. Arjun Govind Raghupathy Deputy Managing Director & COO Promoter / Executive	-	-
Mrs. Sasikala Raghupathy, Chairperson, Promoter / Non-Executive	-	-
Mr. Heinrich Bohmer Director, Independent	-	-
Mr. M.Gopalakrishna Director, Independent	i) Suven Life Sciences Limited ii) JOCIL Limited iii) Pitti Engineering Limited iv) Olectra Greentech Limited	Non – Executive Independent Director
Mr. S.A.Bohra Director, Independent	-	-
Mr. S.R.Tagat Director, Independent	-	-
Mr. Gnana Rajasekaran Director, Independent	Odyssey Technologies Limited	Non – Executive Independent Director

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:

a) Knowledge of 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.

b) Behavioral skills - attributes and competencies and Human Resource Developement to use their knowledge and skills to contribute effectively to the growth of the Company.

c) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.

d) Financial and Management skills.

e) Technical / Professional skills and specialized knowledge in relation to Company's business

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

INTER SE RELATIONSHIPS AND ESOP TO DIRECTORS

Except Mrs. Swarnamugi R Karthik, Director – Corporate Strategy and Mr.Arjun Govind Raghupathy, Deputy Managing Director & COO, 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 holds shares in the Company.

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 Directors, 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 2018 – 19 on May 29, 2018, August 14, 2018, September 25, 2018 November 09, 2018 and February 14, 2019.

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	1

The Chairperson of the Audit Committee Mr.S.R.Tagat attended the previous Annual General Meeting of the Company held on September 26, 2018.

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

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 9 (Nine) meetings of Committee of Directors held during Financial Year 2018 – 19 on April 24, 2018, July 04, 2018, August 16, 2018, September 27, 2018, October 20, 2018, November 03, 2018, November 28, 2018, December 20, 2018 and February 08, 2019.

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	7
Mr. A. Swaminathan	3
Mr. Arjun Govind Raghupathy	9
Mrs. Swarnamugi R Karthik	3
Mr. R. Ramesh Kumar	9
Mrs. Sasikala Raghupathy	9

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 ₹ 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 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 2018 – 19 on September 25, 2018 and November 09, 2018.

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 2018-19

(₹ Lakhs)

Name of Director	Remuneration		Sitting Fees*
	Salary & Allowances	Bonus/ Ex-gratia	
Mrs. Swarnamugi R Karthik, Director – Corporate Strategy	94.83*	-	-
Mr. A.Swaminathan Director – Engineering & Construction Business	179.69*	-	-
Mr. V.R. Mahadevan, Joint Managing Director	171.97*	-	-
Mr. Arjun Govind Raghupathy, Deputy Managing Director & COO	68.58*	-	-
Mrs. Sasikala Raghupathy, Chairperson	-	-	5.40
Mr. Heinrich Bohmer, Director	-	-	3.00
Mr. M. Gopalakrishna, Director	-	-	6.00
Mr. S.A. Bohra, Director	-	-	6.40
Mr. S.R. Tagat, Director	-	-	6.40
Mr. Gnana Rajasekaran, Director	-	-	5.40

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

Details of Shares of the Company held by Directors as on March 31, 2019.

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. Heinrich Bohmer	-
Mr. M. Gopalakrishna	-
Mr. S.A. Bohra	-
Mr. S.R. Tagat	135
Mr. Gnana Rajasekaran	-

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 3 complaints from investors / shareholders. All the complaints were 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, 2019, there were no pending share transfers.

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 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.

a) To approve re-mat request and issue physical share certificates.

b) To approve and register, transfer and transmission of equity shares.

c) To register power of attorney or any similar documents.

d) To sub-divide, split, consolidate and issue share certificates.

e) To affix or authorise affixation of Common Seal of the Company to the share certificates and

f) 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
2017 - 18	September 26, 2018	3.00 P.M.	Registered Office
2016 - 17	September 27, 2017	3.00 P.M.	Registered Office
2015 - 16	September 14, 2016	11.00 A.M.	Registered Office

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

Financial Year	Date of AGM	Details of special resolution
2017 - 18	September 26, 2018	Appointment of Mrs.Swarnamugi R Karthik as Director – Corporate Strategy of the Company.
2016 - 17	September 27, 2017	1. Approval for appointment of Mr. Arjun Govind Raghupathy as Deputy Managing Director & Chief Operating Officer of the Company from November 11, 2016 2. Approval for appointment of Mr.V.R.Mahadevan as Joint Managing Director of the Company from June 01, 2017
2015 - 16	September 14, 2016	For Creation of charge on the assets of the Company

c) No special resolution was passed through postal ballot during the Financial Year 2018-19. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

MEANS OF COMMUNICATION

i. **Results**: The quarterly, half-yearly and annual results are normally published in 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.

ii. **Website:** The Company's website contains a dedicated section "Investors" which displays details/information of interest to various stakeholders.

iii. **News releases:** Material information and official press releases are sent to the Stock Exchanges and the same is hosted on the website of the Company.

GENERAL SHAREHOLDER INFORMATION

Day, date, time and venue of the 33rd Annual General Meeting:

AGM Date	:	Wednesday, August 14, 2019
Time & Venue	:	3.00 P.M. Registered Office : A-5, Pannamgadu Industrial Estate, Ramapuram Post, Sulurpet Taluk, Nellore District, Andhra Pradesh 524 401.

The details about the financial year and listing:

Financial Year	:	April 1, 2018 to March 31, 2019
Listing on Stock Exchanges	:	National Stock Exchange of India Limited BSE Limited The listing fees for the Financial Year 2018 – 19 have been paid to the above stock exchanges.
Stock Code	:	National Stock Exchange of India Limited – BGRENERGY BSE Limited – 532930
Demat ISIN	:	INE661I01014

Stock Market Price Data & Stock performance in BSE:

Month	BSE		SENSEX	
	High (₹)	Low (₹)	High	Low
Apr-18	114.95	101.10	35213.30	32972.56
May-18	112.60	91.10	35993.53	34302.89
Jun-18	118.20	88.25	35877.41	34784.68
Jul-18	96.80	81.00	37644.59	35106.57
Aug-18	93.40	79.00	38989.65	37128.99
Sep-18	81.25	54.70	38934.35	35985.63
Oct-18	64.80	50.15	36616.64	33291.58
Nov-18	71.50	55.00	36389.22	34303.38
Dec-18	65.40	54.80	36554.99	34426.29
Jan-19	62.00	52.00	36701.03	35375.51
Feb-19	54.70	44.95	37172.18	35287.16
Mar-19	73.25	49.40	38748.54	35926.94

Stock Market Price Data & Stock performance in NSE:

Month	NSE		NIFTY	
	High (₹)	Low (₹)	High	Low
Apr-18	115.00	102.15	10759.00	10111.30
May-18	112.85	91.10	10929.20	10417.80
Jun-18	118.45	88.35	10893.25	10550.90
Jul-18	96.80	81.00	11366.00	10604.65
Aug-18	93.30	79.10	11760.20	11234.95
Sep-18	81.00	54.50	11751.80	10850.30
Oct-18	64.80	50.10	11035.65	10004.55
Nov-18	71.40	54.30	10922.45	10341.90
Dec-18	65.35	54.50	10985.15	10333.85
Jan-19	62.25	52.15	10987.45	10583.65
Feb-19	55.55	45.30	11118.10	10585.65
Mar-19	73.25	49.00	11630.35	10817.00

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: Ms. Udaya Rao, Senior 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

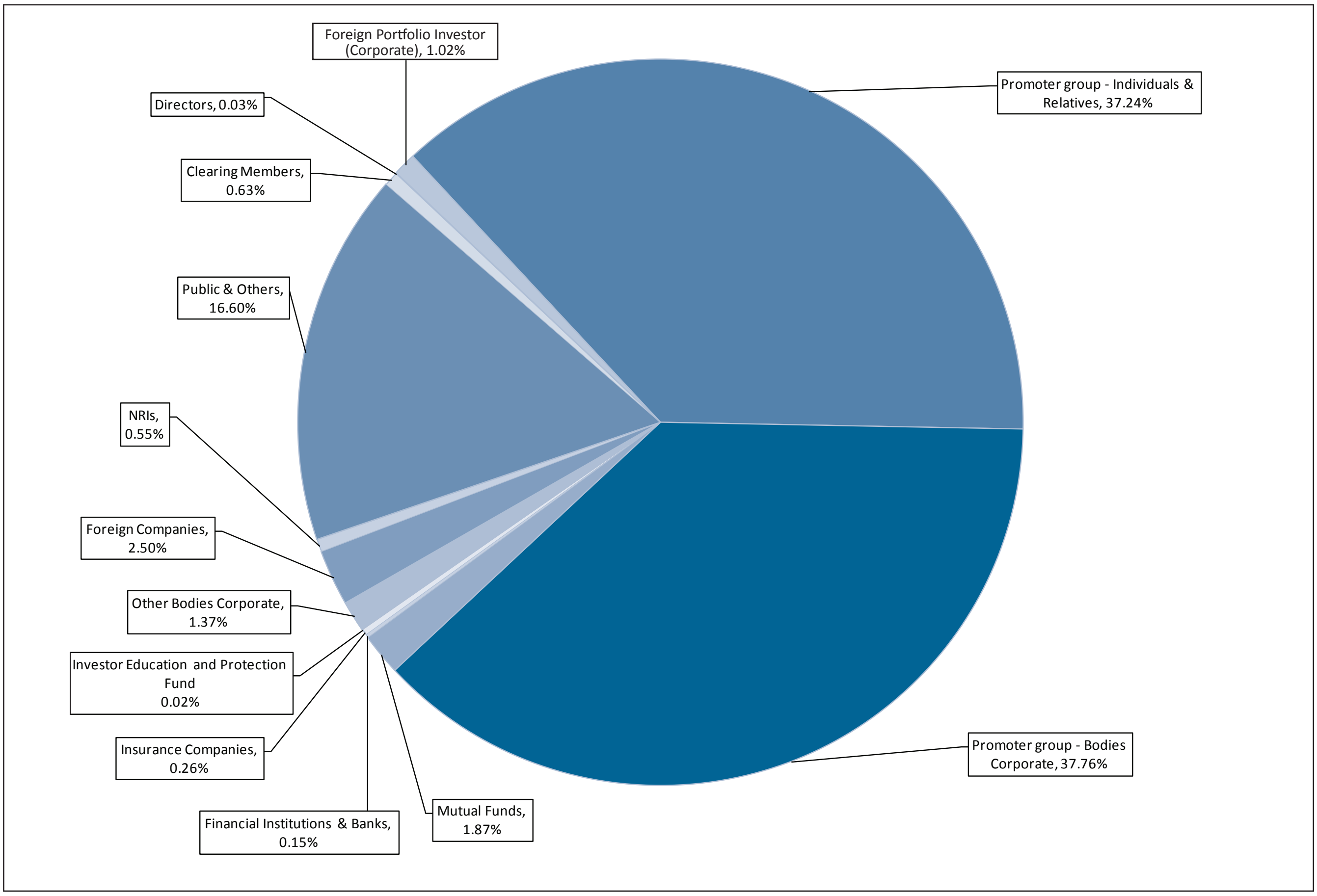
Share transfers in physical mode are processed and approved, subject to receipt of all requisite documents. The Company ensures that all transfers are approved for registration within the stipulated period. With a view to expediting the approval process, the Board of Directors has constituted Share Transfer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

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2019

Shareholding	No. of Shareholders	% of total	No. of Shares	% of total
1 – 500	80103	94.92	5220131	7.23
501 – 1000	2458	2.91	1931256	2.68
1001 – 2000	1090	1.29	1612638	2.23
2001 – 3000	288	0.34	725510	1.01
3001 – 4000	124	0.15	441049	0.61
4001 – 5000	99	0.12	464867	0.64
5001 – 10000	140	0.16	980610	1.36
10001 and above	92	0.11	60785499	84.24
TOTAL	**84394**	**100.00**	**72161560**	**100.00**

SHAREHOLDING PATTERN AS ON MARCH 31, 2019

Sl 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	1344492	1	1.87
4	Financial Institutions & Banks	107990	3	0.15
5	Insurance Companies	184971	1	0.26
6	Investor Education and Protection Fund Authority (IEPF)	12422	1	0.02
7	Other Bodies Corporate	992050	437	1.37
8	Foreign Companies	1804057	2	2.50
9	NRIs	397125	751	0.55
10	Trusts	184	2	0.00
11	Public & Others	11984172	82945	16.60
12	Clearing Members	454981	243	0.63
13	Directors	18951	3	0.03
14	Foreign Portfolio Investor (Corporate)	738995	2	1.02
	Total	**72161560**	**84394**	**100.00**



DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2019, except 531 equity shares, the entire paid up equity share capital were held in dematerialisation form of which NSDL constitutes 92.45% and CDSL constitutes 7.54%. 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 2018-19, 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. 31 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.
2. Thurai Nallur village, Puduvoyal Arni Road, Puduvoyal Post, Ponneri Taluk, Tiruvallur District.
3. 22, Kamaraj Salai, Thattanchavadi Industrial Estate, Oulgaret Municipality, Puducherry.

MAJOR PROJECT LOCATIONS

1. 2 x 660 MW Boiler and its auxillary project of NTPC at Solapur, Maharashtra.
2. 2 x 660 MW Boiler and its auxillary project of NTPC at Meja, Uttarpradesh.
3. 2 X 660 MW BoP project of OPGCL at Banaharpalli Village, Jhasarguda District, Odisha.
4. 1 x 800 MW – 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 Puzhudhivakkam 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 auxillary plant at NTPL at Lara, Chhattishgarh.

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 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.

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. 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 has 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 DMD & COO 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, 2019 is provided elsewhere in the annual report. The senior management personnel disclosed to the Board of Directors matters 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. 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 are 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. Progen Systems and Technologies Limited;
2. BGR Boilers Private Limited;
3. BGR Turbines Company Private Limited and
4. Sravanaa Properties Limited.

None of the subsidiaries is a material unlisted subsidiary, during the financial year 2018-19 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_subsidiary_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 ₹ 41 Lakhs has been paid by the Company for all services provided by the statutory auditors during the Financial Year 2018-19.

For and on behalf of the Board

Place : Chennai
Date : May 30, 2019

SASIKALA RAGHUPATHY
Chairperson

CEO / CFO CERTIFICATION

To the Board of Directors

BGR ENERGY SYSTEMS LIMITED

We, Arjun Govind Raghupathy Deputy Managing Director & COO 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 2018 – 19:

   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**
Deputy Managing Director & COO	President & CFO

Place : Chennai

Date : May 30, 2019

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 Deputy Managing Director & COO 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, 2019.

Place : Chennai	**Arjun Govind Raghupathy**
Date :May 30, 2019	Deputy Managing Director & COO

COMPLIANCE CERTIFICATE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015.

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, 2019 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.

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.

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.

A. MOHAN KUMAR
Practising Company Secretary
Membership Number F 4347
CP Number 19145

Place : Chennai
Date : May 30, 2019

ANNEXURE VI

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

[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	82.61%

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.	Progen Systems and Technologies Limited No. 443, Anna Salai, Teynampet, Chennai - 600018	U29141TN1994PLC026639	Subsidiary	69.67 %	2(87)(ii)
2.	BGR Boilers Private Limited No. 443, Anna Salai, Teynampet, Chennai – 600018	U74200TN2009PTC070539	Subsidiary	70 %	2(87)(ii)
3.	BGR Turbines Company Private Limited No. 443, Anna Salai, Teynampet, Chennai – 600018	U40300TN2009PTC070541	Subsidiary	74 %	2(87)(ii)
4.	Sravanaa Properties Limited No. 443, Anna Salai, Teynampet, Chennai – 600018	U70200TN2002PLC049497	Subsidiary	100 %	2(87)(ii)

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

i) 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	2306580	0	2306580	3.20	1344492	0	1344492	1.86	-1.34
(b) Banks / Financial Institutions	86766	0	86766	0.11	107990	0	107990	0.15	0.04
(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
(g) Foreign Institutional Investors / Foreign Portfolio Investors	1376134	0	1376134	1.90	738995	0	738995	1.02	-0.88
(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)	**3960371**	**0**	**3960371**	**5.48**	**2376448**	**0**	**2376448**	**3.29**	**-2.18**

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	1153644	0	1153644	1.60	992050	0	992050	1.37	-0.23
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 ₹ 1 lakh	9166923	981	9167904	12.70	9789495	531	9790026	13.57	0.87
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1310728	0	1310728	1.81	1374109	0	1374109	1.90	0.09
(c)Others (Specify)									
i. Directors	18951	0	18951	0.03	18951	0	18951	0.03	0.00
ii. Clearing Member	247977	0	247977	0.34	454981	0	454981	0.63	0.29
iii. Trust	29333	0	29333	0.04	184	0	184	0.00	-0.04
iv. Non-Resident Indians	295892	0	295892	0.41	329904	0	329904	0.46	0.05
v. Non-Resident Indians (Non-Repatriable)	51533	0	51533	0.07	67221	0	67221	0.09	0.02
vi. Investor Education and Protection Fund (IEPF)	5920	0	5920	0.01	12422	0	12422	0.02	0.01
Sub-Total (B)(2)	**14079038**	**981**	**14080019**	**19.50**	**15663411**	**531**	**15663942**	**21.71**	**2.21**
Total Shareholding of Public =(B) (1) + (B) (2)	**18039349**	**981**	**18040390**	**25.00**	**18039859**	**531**	**18040390**	**25.00**	**0.00**
C. Shares held by custodian for GDRs & ADRs									
Grand Total (A+B+C)	**72160579**	**981**	**72161560**	**100.00**	**72161029**	**531**	**72161560**	**100.00**	**0.00**

(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 / encum-bered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encum-bered 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, 2019.

(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.	RELIANCE CAPITAL TRUSTEE CO LTD.A/C RELIANCE POWER & INFRA FUND					
	At the beginning of the year		**2306580**	**3.20**		
	Date wise Increase / Decrease in Shareholding during the year					
	08-06-2018	Transfer	(255148)	-0.35	2051432	2.84
	15-06-2018	Transfer	(251432)	-0.35	1800000	2.49
	17-08-2018	Transfer	(37060)	-0.05	1762940	2.44
	24-08-2018	Transfer	(85607)	-0.12	1677333	2.32
	31-08-2018	Transfer	(2039)	0.00	1675294	2.32
	16-11-2018	Transfer	(59250)	-0.08	1616044	2.24
	23-11-2018	Transfer	(43504)	-0.06	1572540	2.18
	30-11-2018	Transfer	(19348)	-0.03	1553192	2.15
	21 -12- 2018	Transfer	(28395)	-0.04	1524797	2.11
	15 -03- 2019	Transfer	(180305)	-0.25	1344492	1.86
	At the end of the year				**1344492**	**1.86**
2.	CLIENT ROSEHILL LIMITED					
	At the beginning of the year		**1156401**	**1.60**		

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
	Date wise Increase / Decrease in Shareholding during the year		0	0.00	1156401	1.60
	At the end of the year				**1156401**	**1.60**
3.	POLUNIN EMERGING MARKETS SMALL CAP FUND, LLC					
	At the beginning of the year		**690104**	**0.96**		
	Date wise Increase / Decrease in Shareholding during the year		0	0.00	690104	0.96
	At the end of the year				**690104**	**0.96**
4.	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**
5.	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**
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.	ARCADIA SHARE &S TOCK BROKERS PVT LTD					
	At the beginning of the year		**3646**	**0.01**		
	Date wise Increase / Decrease in Shareholding during the year					
	06-04-2018	Transfer	(2100)	0.00	1546	0.00
	13-04-2018	Transfer	(573)	0.00	973	0.00
	20-04-2018	Transfer	200	0.00	1173	0.00
	27-04-2018	Transfer	(240)	0.00	933	0.00
	04-05-2018	Transfer	2188	0.00	3121	0.00
	11-05-2018	Transfer	14	0.00	3135	0.00
	18-05-2018	Transfer	146	0.00	3281	0.00
	25-05-2018	Transfer	(183)	0.00	3098	0.00
	01-06-2018	Transfer	817	0.00	3915	0.01
	08-06-2018	Transfer	202	0.00	4117	0.01
	15-06-2018	Transfer	28683	0.04	32800	0.05

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
	22-06-2018	Transfer	(10842)	-0.02	21958	0.03
	30-06-2018	Transfer	1969	0.00	23927	0.03
	06-07-2018	Transfer	(20947)	-0.03	2980	0.00
	13-07-2018	Transfer	781	0.00	3761	0.01
	20-07-2018	Transfer	(766)	0.00	2995	0.00
	27-07-2018	Transfer	1850	0.00	4845	0.01
	03-08-2018	Transfer	(263)	0.00	4582	0.01
	10-08-2018	Transfer	(4167)	-0.01	415	0.00
	24-08-2018	Transfer	194	0.00	609	0.00
	31-08-2018	Transfer	50	0.00	659	0.00
	07-09-2018	Transfer	230	0.00	889	0.00
	14-09-2018	Transfer	780	0.00	1669	0.00
	21-09-2018	Transfer	736	0.00	2405	0.00
	29-09-2018	Transfer	210	0.00	2615	0.00
	05-10-2018	Transfer	165	0.00	2780	0.00
	12-10-2018	Transfer	594	0.00	3374	0.00
	19-10-2018	Transfer	201	0.00	3575	0.01
	26-10-2018	Transfer	(100)	0.00	3475	0.00
	02-11-2018	Transfer	1310	0.00	4785	0.01
	09-11-2018	Transfer	390	0.00	5175	0.01
	16-11-2018	Transfer	(170)	0.00	5005	0.01
	30-11-2018	Transfer	600	0.00	5605	0.01
	14-12-2018	Transfer	44	0.00	5649	0.01
	21-12-2018	Transfer	(250)	0.00	5399	0.01
	28-12-2018	Transfer	25	0.00	5424	0.01
	04-01-2019	Transfer	(10)	0.00	5414	0.01
	11-01-2019	Transfer	(655)	0.00	4759	0.01
	18-01-2019	Transfer	5	0.00	4764	0.01
	25-01-2019	Transfer	(3090)	0.00	1674	0.00
	22-02-2019	Transfer	176614	0.24	178288	0.25
	01-03-2019	Transfer	(18946)	-0.03	159342	0.22
	08-03-2019	Transfer	1846	0.00	161188	0.22
	15-03-2019	Transfer	(7067)	-0.01	154121	0.21
	22-03-2019	Transfer	2271	0.00	156392	0.22
	29-03-2019	Transfer	(2910)	0.00	153482	0.21
	At the end of the year				**153482**	**0.21**

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.	EMKAY FINCAP LIMITED					
	At the beginning of the year		**57300**	**0.08**		
	Date wise Increase / Decrease in Shareholding during the year					
	22-06-2018	Transfer	3200	0.00	60500	0.08
	30-06-2018	Transfer	6000	0.01	66500	0.09
	13-07-2018	Transfer	22590	0.03	89090	0.12
	15-03-2019	Transfer	4900	0.01	93990	0.13
	22-03-2019	Transfer	12400	0.02	106390	0.15
	29-03-2019	Transfer	(500)	0.00	105890	0.15
	At the end of the year				**105890**	**0.15**
9.	SUSHMA SHIVKUMAR DAGA					
	At the beginning of the year		**104000**	**0.14**		
	Date wise Increase / Decrease in Shareholding during the year		**0**	**0.00**	**104000**	**0.14**
	At the end of the year				**104000**	**0.14**
10.	VENTURA SECURITIES LIMITED-COLLATERAL ACCOUNT					
	At the beginning of the year		**190769**	**0.26**		
	Date wise Increase / Decrease in Shareholding during the year					
	06-04-2018	Transfer	(102)	0.00	190667	0.26
	13-04-2018	Transfer	208	0.00	190875	0.26
	20-04-2018	Transfer	1819	0.00	192694	0.27
	27-04-2018	Transfer	1346	0.00	194040	0.27
	04-05-2018	Transfer	(30537)	-0.04	163503	0.23
	11-05-2018	Transfer	(84)	0.00	163419	0.23
	18-05-2018	Transfer	(859)	0.00	162560	0.23
	25-05-2018	Transfer	110	0.00	162670	0.23
	01-06-2018	Transfer	1000	0.00	163670	0.23
	08-06-2018	Transfer	(379)	0.00	163291	0.23
	15-06-2018	Transfer	2536	0.00	165827	0.23
	22-06-2018	Transfer	(878)	0.00	164949	0.23
	30-06-2018	Transfer	(1506)	0.00	163443	0.23
	06-07-2018	Transfer	(268)	0.00	163175	0.23
	13-07-2018	Transfer	10128	0.01	173303	0.24
	20-07-2018	Transfer	(250)	0.00	173053	0.24
	27-07-2018	Transfer	892	0.00	173945	0.24

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
	03-08-2018	Transfer	(1145)	0.00	172800	0.24
	10-08-2018	Transfer	10360	0.01	183160	0.25
	17-08-2018	Transfer	(115)	0.00	183045	0.25
	24-08-2018	Transfer	73	0.00	183118	0.25
	31-08-2018	Transfer	612	0.00	183730	0.25
	07-09-2018	Transfer	(489)	0.00	183241	0.25
	14-09-2018	Transfer	45	0.00	183286	0.25
	21-09-2018	Transfer	(42)	0.00	183244	0.25
	29-09-2018	Transfer	(63)	0.00	183181	0.25
	05-10-2018	Transfer	2230	0.00	185411	0.26
	12-10-2018	Transfer	(2393)	0.00	183018	0.25
	19-10-2018	Transfer	500	0.00	183518	0.25
	26-10-2018	Transfer	35	0.00	183553	0.25
	02-11-2018	Transfer	(400)	0.00	183153	0.25
	09-11-2018	Transfer	65	0.00	183218	0.25
	16-11-2018	Transfer	6614	0.01	189832	0.26
	23-11-2018	Transfer	29470	0.04	219302	0.30
	30-11-2018	Transfer	(6150)	-0.01	213152	0.30
	07-12-2018	Transfer	300	0.00	213452	0.30
	14-12-2018	Transfer	33	0.00	213485	0.30
	21-12-2018	Transfer	(470)	0.00	213015	0.30
	28-12-2018	Transfer	73	0.00	213088	0.30
	31-12-2018	Transfer	(172)	0.00	212916	0.30
	04-01-2019	Transfer	4939	0.01	217855	0.30
	11-01-2019	Transfer	2997	0.00	220852	0.31
	18-01-2019	Transfer	(173)	0.00	220679	0.31
	25-01-2019	Transfer	10080	0.01	230759	0.32
	01-02-2019	Transfer	8	0.00	230767	0.32
	08-02-2019	Transfer	165	0.00	230932	0.32
	15-02-2019	Transfer	1477	0.00	232409	0.32
	22-02-2019	Transfer	(178979)	-0.25	53430	0.07
	01-03-2019	Transfer	650	0.00	54080	0.07
	08-03-2019	Transfer	(905)	0.00	53175	0.07
	15-03-2019	Transfer	6062	0.01	59237	0.08
	22-03-2019	Transfer	(1357)	0.00	57880	0.08
	29-03-2019	Transfer	36410	0.05	94290	0.13
	At the end of the year				**94290**	**0.13**

(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**				
	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

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	222806	0	0	222806
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	450	0	0	450
Total (i+ii+iii)	**223256**	**0**	**0**	**223256**
Change in Indebtedness during the financial year				
Addition	72673	0	0	72673
Reduction	(69210)	0	0	(69210)
Net Change	**3463**	**0**	**0**	**3463**
Indebtedness at the end 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**

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	171.68	163.78	54.00	89.74	479.20
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	8.10	-	8.90
(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)		**172.08**	**164.18**	**62.10**	**89.74**	**488.10**
Ceiling as per the Act		10% of the net profits calculated as per Section 198 of the Companies Act, 2013.				

B. Remuneration to other Directors (₹ Lakhs)

Particulars of Remuneration	Name of Directors					Total Amount
Independent Directors	Mr.S.R.Tagat	Mr.S.A.Bohra	Mr. Heinrich Bohmer	Mr.M.Gopalakrishna	Mr. Gnana Rajasekaran	
• Fee for attending board / committee meetings	6.40	6.40	3.00	6.00	5.40	27.20
• Commission	-	-	-	-	-	-
• Others, please specify	-	-	-	-	-	-
Total (1)	6.40	6.40	3.00	6.00	5.40	27.20
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	5.40
Total (B) = (1)+(2)					-	32.60
Total Managerial Remuneration = (A) + (B)					-	520.70
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	110.10	109.17	219.27
(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	-	-	-
Total (A)		**110.50**	**109.57**	**220.07**

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 VIII

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONAL PERFORMANCE HIGHLIGHTS OF FY 2018-19

During the year the company has successfully completed the synchronisation of both the units of 2 X 660 MW, Unit # 3 & 4 IB TPS, Jharsuguda, Odisha Power Generation Corporation Ltd. (OPGCL). Of the NTPC Projects, trial operation of 72 hours in full load on UNIT 2 – NTPC SOLAPUR - 2 X 660 MW was successfully achieved during the year. The Company is currently executing three major projects viz., Vijayawada Dr. NTTPS Stage V, (1 x 800 MW) (Unit # 8) for APGENCO, 1 x 800 MW North Chennai - TANGEDCO and 3 x 660 MW NUPPL, Ghathampur, UP and they have also reached major milestones. The BOP, EPC and Construction segment has achieved turnover of ₹ 2935 crores and the Capital Goods Segment achieved turnover of ₹ 295 crores.

Air Fin Cooler Division (AFC) has delivered a time critical order for BPCL for supply of AirFin Coolers and thus earned good appreciation from the customer. This achievement was well recognized in the Indian oil refining sector. During the year AFC division intensified its efforts in international markets and achieved significant breakthrough.

Environmental Engineering Division (EED) has achieved an all time high order booking of ₹ 477 Crores and turnover of ₹ 258 Crores. During the year EED has completed CPU PG Test for BHEL Bokaro project and EED Factory has processed and sold 1600 tonnes of Water Treatment Vessels. EED has successfully executed DA Export order to BASF Cherry Malaysia.

Oil and Gas Equipment Division (OGED) received prestigious EPC orders from ONGC and IOCL. The order booking for the year was ₹ 123 Crores.

Electrical Project Division (EPD) successfully commissioned three 400/230KV sub-stations and 230/110KV AIS sub-station in the FY2018-19. EPD has secured orders aggregating to ₹ 362 Crores for transmission lines and GIS sub-stations.

INDUSTRY ANALYSIS

Power is a key component in the Infrastructural arana space crucial for the economic growth. India's power sector is one of the most diversified in the world. Sources of power generation range from conventional and renewable sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. In May 2018, India ranked 4th in the Asia Pacific region out of 25 nations on an index that measures their overall power.

With an upturn in the GDP after a long hiatus thanks to certain positive policy initiatives of the Central Government, it is expected that there will be a rising demand for goods and services that could see an upward movement in the demand for electricity. Already plans are in place by various Utilities mainly in the Central sector for implementation of long delayed power projects in the coming 2 years. How much and how fast these will translate as a market/ business opportunity for the company needs to be evaluated and orders secured in the following months.

Water conservation and re-use of water being a priority of central government, an order passed by CPCB has requested major industries and municipalities to treat the sewage water for reuse & make it suitable for industrial use with suitable technology. This treated water should be supplied to nearby industrial areas instead of fresh water presently supplied to them. This is expected to open up large business opportunities in waste water treatment business.

PROSPECTS IN DOMESTIC AND INTERNATIONAL MARKETS

AFC Division's focus will be on identifying and executing high margin orders with shorter lead time, focus on higher MOC where profitability is better and building a competitive edge through value engineering, cost reduction initiative as well as automation in manufacturing sector. AFC will specialy focus on replacement business and retrofit business in Indian market, which will provide substantial margin. AFC is also focusing on newer territory like Saudi Arabia and Russia.

The Governments' thrust on drinking water sector offers encouraging prospects and the Company is geared up to secure sizeable water projects and STP in the municipal sector in domestic market. 3-4 large desalination plants of high order value in South and Western parts of India are expected to be finalised in FY 2019-20. Smart City mission, recycling of STP and water initiatives by Government envisages a capital out lay of around ₹ 35000 Crores in the next 3 years. In the FY 2019-20 WTP market would be a focus segment for booking orders.

In Oil and Gas, 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 a huge market potential for OGED to supply process packages and also to spread its foot prints in high value EPC projects. In the Downstream (Refinery) sector, Oil PSUs have already initiated their projects under their expansion policy and BS VI up-gradation policy. Also PSUs are coming up with bio-refinery projects which are a new market potential in O&G sector. OGED is actively adding new oil and gas process products and packages into its portfolio. There is continuous effort to improve manufacturing process and techniques to suit these new products/ packages .OGED is enhancing the project management capabilities in executing high value EPC contracts. Also focusing in downstream sector to fabricate and supply core equipment and modules of SRU and CCR units. To achieve this OGED is in the process of having strategic tie-ups with process licensing companies in the gas processing and refinery sectors.

As India's annual GDP is estimated to grow at the rate of around 7% over the next 10 years, the demand for electricity will also increase. This, in turn, requires increase in the present electricity generation capacity from around 344 GW in 2018 to over 800 GW by 2032 to meet the increasing demand. The increase in capacity should equally match with upgradation and enhancement of Generation, Transmission as well as Distribution (T&D) segment of power system. Thus, there is a need of huge investment of about US $ 300 billion over the next 3-4 years. It is estimated that the elasticity of GDP vis-à-vis electricity generated in India is currently 0.8. That is for every 1% growth in GDP, there has to be 0.8% growth in electricity generated.

As per the CEA Report – 20 year (2016-2036) Perspective Transmission Plan Report, massive transmission corridor will be needed towards Northern and Southern regions in the next 20 years. This will warrant capacity addition in generation as well as transmission by about 4 to 5 times the present capacity. Government of India is giving focused thrust on development of Power Sector. Your company is making concerted efforts for increasing its market share in T&D segment by working closely with all State and Central Utilities in the country including Nuclear Power Corporation of India

As part of BGR ASCEND 2025 and strategy plan, the Company identified Civil construction, Road and Urban infrastuctire as key growth areas in the short to medium term. It is noteworthy that by 2025, Construction industry in India is expected to grow over 7% each year and emerge as the third largest globally.

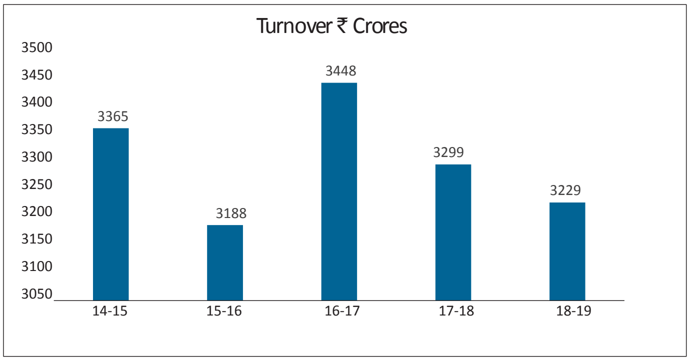
The Road Sector is anticipated to witness an investment of Rs 83,000 Cr in the current FY 2019-20. The length of National Highways is expected to increase from 97,000 KMs to 2,00,000 KMs and an outlay of ₹ 5.35 Lakh Crores is planned for Bharatmala Schemes. In Metro Rail sector the expansion of Chennai Metro Rail in phase 2 is likely to gather momentum soon. Considering these potential prospects, your Company believes that given its proven track record, it will be able to secure some large contracts in these sectors.

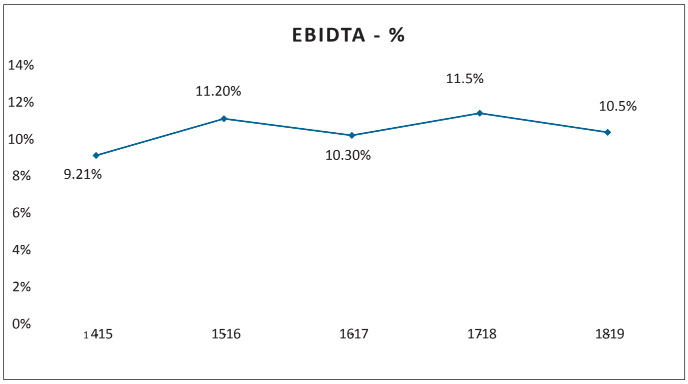
FINANCIAL PERFORMANCE (STANDALONE)

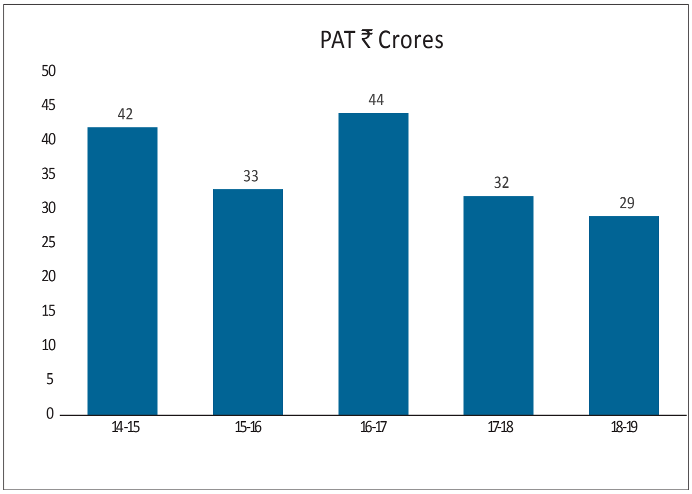
DESCRIPTION	Unit	FY 17-18	FY 18-19
Income from Operations	₹ Crores	3299	3229
EBIDTA	₹ Crores	374	338
EBIDTA	%	11.5%	10.5%
PBT	₹ Crores	83	41
PAT	₹ Crores	32	29
Net worth	₹ Crores	1405	1406
PBT Ratio	%	2.6	1.3
PAT Ratio	%	1.0	0.91
Return on Net worth	%	2.3	2.1
Employee Cost to Turnover	%	6.4	7.0
Overheads Cost to Turnover	%	6.2	1.95
Interest Cost to Turnover	%	8.8	8.4
Debtors Turnover	Days	448	455
Debtors Turnover (Excluding Retention)	Days	306	289
Inventory Turnover	Days	5	4
Interest Coverage Ratio	Times	1.25	1.15
Current Ratio	Times	1.05	1.02
Debt Equity Ratio	Times	1.71	1.63

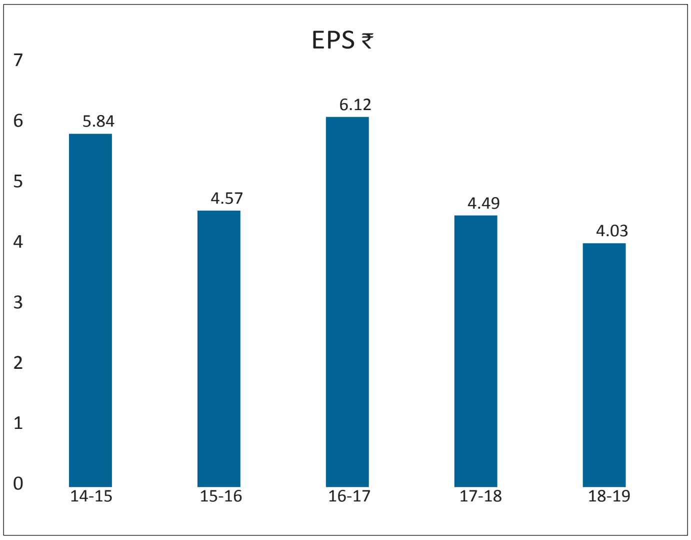
The Operating margin for the year 2018-19 was lower due to Product mix. There is no significant changes in other key financial ratios as compared with previous year.

Due to the implementation of Ind AS115 with effect from April 01, 2018, the method of revenue recognition was changed. As per Ind AS115, provisions are created for contract assets (₹ 14.61 Crores), revenue recognitions were recomputed and opening reserves were restated (₹ 13.95 Crores). Opening balance was restated in line with Ind AS 8, for fraud committed in earlier year and identified in current year(₹ 11.74 Crores). The reduction in Return on Net worth is due to lower Net profit margin.









STRENGTH AND OPPORTUNITIES

I. 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.

VIII. The company is well placed to undertake large EPC/BoP/LSTK contracts based on customer requirements, both within India and Overseas.

INTERNAL CONTROL SYSTEMS AND AUDIT

As part of the audit system, the company has in-house experienced system auditor and works auditor. For each division an external firm of auditors carries out internal audit. For the Power Projects division, for each project, a separate external audit firm carries out internal audit on a monthly basis. 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. 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

The company provides an environment where people can grow and are enabled and empowered to deliver sustainable organizational performance. We have made good progress towards achieving a number of key HRD priorities. One of these is process based approach, which has a profound impact on how we deliver our HR services to the stakeholders. During the year, the company carried out the re-engineering of HR processes and successfully implemented the changes in SAP. While manpower optimization is key for any EPC player, it gains more importance in the current scenario in power industry. The company carried out the manpower optimization exercise which this has resulted in better utilization of manpower and talent across the company.

The Company's focused efforts on learning and development over the last few years has yielded good results. Accordingly, 90 programmes were organised and 18,000 man-hours of training imparted. Committed and capable leaders, along with a skilled and motivated workforce, are critical for our company, even more so during times of significant downturn in the economy and need for transfomational change. The Company is building leadership skills and investing in future leaders through the HiPo scheme, along with Individual development plans is being worked out.

During the year the company recruited key talents for present and future business diversifications. As a morale building exercise the company conducted sports and games at Head office and project sites. The Company is committed to identify and reward the exceptional performance by the employees. Employees, who made outstanding contributions were honoured with Star Performer Award.

The manpower strength of the Company as on March 31, 2019 was 2003.

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.

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, 2019, and 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, 2019, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

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 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.

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	***Fraud by an employee of the company:*** During the year, the management has identified an occurrence of fraud by an employee of the company over a period of time by transfer of funds to many bank accounts created by him in fictitious names. In doing such fraudulent fund transfers, he has committed forgery, falsification of documents, impersonation and other criminal acts. The amount of fraud detected is ₹ 14.33 Crores which pertains to periods from FY 2013-14 to FY 2017-18. Refer note 43 to the standalone Ind AS financial statements.	***Principal Audit procedures:*** We have perused the various investigation reports that were made available to us. We have confirmed the amount of fraud and the year of occurrence based on the findings of these reports. We have also verified the accounting treatment for the same and confirm that it is in line with Indian Accounting Standards (Ind AS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors".
2	***Bank Guarantee Encashment:*** During the year, a client arbitrarily encashed three performance bank guarantees totaling to ₹ 86.98 Crores. This amount has been grouped under "Other Current Assets" In addition to the above, the said client invoked advance bank guarantee amounting to Rs 20.55 Crores for which the company has obtained an interim injunction order from Hon'ble High Court of Delhi. The interim injunction was subsequently extended by Arbitral tribunal. Refer note 6 to the standalone Ind AS financial statements.	***Principal Audit Procedures:*** On enquiry, it was found that the company has initiated arbitration proceedings. We analyzed and reviewed the nature of amounts recoverable, the sustainability and likelihood of recoverability on final resolution.

S. No	Key Audit Matters	Response to Key Audit Matters
3	***Provision for Receivables:*** The company follows the practice of creating life time expected credit loss (ECL) allowance on the overall trade receivables and contract assets. In addition to ECL, an additional provision of ₹ 21.85 Crores has been made during the year, under the head “Provision for contractual obligation”	***Principal Audit procedures:*** We have analyzed the past trend of trade receivables written off by the company and concluded that adequate provision for credit loss has been made.
4	***Appropriateness of estimation of budgeted cost and revision in contract value:*** 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. Determination of revenue requires estimation of total contract costs which involves exercise of significant judgment by the management, making forecasts and assumptions. Post implementation of Goods and Service Tax (GST), the contract values have been revised and are submitted to the customers for approval.	***Principal Audit procedures:*** We have performed the following procedures among others: a) We have reviewed the cost estimates as approved by the management for all the contracts in progress. b) Verified the required documents, provisions made etc., for the actual costs incurred up to the year end date. c) Discussed the status of the projects with the company’s project management team and evaluated the reasonableness of estimates made by the management of cost to be incurred for completion of the respective projects. d) We have reviewed the management provided workings with reference to revision in the contract value of all the contracts which are in progress due to introduction of GST. e) We further verified the billings made to customers which are in line with the revised contract values.

INFORMATION OTHER THAN THE STANDALONE IND AS FINANCIAL STATEMENTS AND AUDITOR’S REPORT THEREON

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board’s Report including Annexures thereto but does not include the standalone Ind AS financial statements and our auditor’s report thereon.

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

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

MANAGEMENT’S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these Standalone Ind AS Financial statements that give a true and fair view of the financial position, financial performance, Changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company’s financial reporting process.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in **Annexure A,** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), The Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Company during the year is in excess of the limits prescribed under section 197 of the Companies act, 2013. 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note nos. 3.c.(i), 3.c.(ii) and 34 to the standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. - Refer Note 44 to the standalone Ind AS financial statements; The Company did not enter into any derivative contracts; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Suguna Ravichandran
Partner
Membership No: 207893

Place : Chennai
Date : May 30, 2019

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, 2019, 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, 2019, 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	43.56(1)	2013-14	The Joint Commissioner of Sales Tax, Appeal VII, Mumbai
Chapter V of Finance Act, 1994	Service Tax	24482(1)	2007-08 to 2014-15	CESTAT, Chennai, Tamilnadu.

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	11798.95[1]	2014-15 to 2017-18	CESTAT, Chennai, Tamilnadu.
Chapter V of Finance Act, 1994	Service Tax	306.45[1]	2007-08 to 2014-15	High Court of Judicature at Madras
Chapter V of Finance Act, 1994	Service Tax	77.72[1]	2015-16 to 2017-18	High Court of Judicature at Madras
Gujarat Value Added Tax Act, 2003	Value Added Tax	4.33	2014-15	The Deputy Commissioner, Appeal, Ahmedabad.
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	116.72[1]	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	Refer Footnote 4.
The Employee Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	521.15	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	22.17[2]	2007-08	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income Tax	27.25[2]	2008-09	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income Tax	119.38[2]	2007-08	The Honourable High Court, Andhra Pradesh
Income-tax Act, 1961	Income Tax	164.90[2]	2008-09	The Honourable High Court, Andhra Pradesh
Income-tax Act, 1961	Income Tax	61.48[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	1,184.19[2]	2014-15	Commissioner of Income Tax (Appeals - 19), Chennai
Income-tax Act, 1961	Income Tax	1,468.05[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

(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 ₹ 1598.39 lakhs was paid as deposit.

(4) The company is in the process of filing the appeal before The First Appellate Authority and the appeal is not lapsed as on the date of report.

(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) Based on the audit procedures performed and on the basis of information given to us, we report that no fraud by the company has been noticed or reported during the year. An instance of fraud on the company by an employee has been reported and the company has taken necessary action in this regard – reference is drawn to note number 43 of Notes to standalone Ind AS Financial Statements.

(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, except for transactions in the nature of sales amounting to INR 1708 Lakhs (having order value of INR 4821 Lakhs) with Enexio Power Cooling Solutions India Private Limited, related to the Company through common directorship for which prior approval of the audit committee as required by Section 177 of the Act was not taken.

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
Membership No: 207893

Place : Chennai
Date : May 30, 2019

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, 2019, 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, 2019, 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
Membership No: 207893

Place : Chennai
Date : May 30, 2019

Balance Sheet

₹ Lakhs

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018 (Restated)
ASSETS			
I Non Current Assets			
(a) Property, plant and equipment	1	17417	17511
(b) Capital work in progress		-	-
(c) Other Intangible assets	2	298	268
(d) Financial assets			
(i) Investments	3 (a)	36406	36408
(ii) Trade receivables	3 (b)	114863	105049
(iii) Loans	3 (c)	3506	10027
(iv) Other financial assets	3 (d)	12745	14782
		185235	**184045**
II Current Assets			
(a) Inventories	4	3717	4435
(b) Financial assets			
(i) Trade receivables	5 (a)	289144	299864
(ii) Cash and cash equivalent	5 (b)	37653	34683
(iii) Loans	5 (c)	38825	31205
(iv) Other financial assets	5 (d)	1934	685
(c) Other current assets	6	94029	91380
		465303	**462252**
TOTAL ASSETS		**650538**	**646297**
EQUITY AND LIABILITIES			
I Equity			
(a) Equity Share Capital	7	7216	7216
(b) Other Equity		133391	133308
Total Equity		**140607**	**140524**
II Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8 (a)	3568	17047
(ii) Trade payables			
Total Outstanding dues of micro enterprises and small enterprises		-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	8 (b)	9127	10450
(b) Provisions	9	4936	4065
(c) Deferred tax liabilities (net)	27	34437	34422
		52068	**65984**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8 (a)	208872	195451
(ii) Trade payables			
Total Outstanding dues of micro enterprises and small enterprises		9180	1644
Total Outstanding dues of creditors other than micro enterprises and small enterprises	8 (b)	107401	105267
(iii) Other financial liabilities	10	14317	10798
(b) Other Current Liabilities	11	117410	125783
(c) Provisions	12	683	846
(d) Current tax liabilities (net)		-	-
		457863	**439789**
Total Liabilities		**509931**	**505773**
TOTAL EQUITY AND LIABILITIES		**650538**	**646297**

SASIKALA RAGHUPATHY
Chairperson

V.R.MAHADEVAN
Joint Managing Director

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

M.GOPALAKRISHNA
Director

GNANA RAJASEKARAN
Director

ARJUN GOVIND RAGHUPATHY
Deputy Managing Director and COO

A.SWAMINATHAN
Director - Engineering & Construction Business

S.R.TAGAT
Director

S.A.BOHRA
Director

R.RAMESH KUMAR
President - Corporate & Secretary

P.R.EASWAR KUMAR
President & Chief Financial Officer

As per our report of even date
for M / s N.R.DORAISWAMI & CO
Chartered Accountants
Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Chennai
May 30, 2019

₹ Lakhs

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
I	Revenue from operations	13	322931	329872
II	Other income	14	71	2144
III	**Total Income (I + II)**		**323002**	**332016**
IV	Expenses			
	(a) Cost of raw materials and components consumed	15	190630	181502
	(b) Cost of manufacturing and construction	16	60608	60808
	(c) Other direct cost	17	8852	6954
	(d) Changes in inventories of work in progress		562	2152
	(e) Excise Duty on sale of goods		-	37
	(f) Employee benefits expense	18	22268	20979
	(g) Finance costs	19	26965	28700
	(h) Depreciation and amortization expense	20	2783	2508
	(i) Other expenses	21	6222	20069
	Total expenses (IV)		**318890**	**323709**
V	Profit before exceptional items and tax (III-IV)		4112	8307
VI	Exceptional items	28	-	(1907)
VII	**Profit before tax (V)+(VI)**		**4112**	**6400**
VIII	Tax expenses			
	(i) Current tax		745	1328
	(ii) Deferred tax		406	1708
	(iii) Tax - Earlier years		56	126
IX	**Profit for the period(VII)-(VIII)**		**2905**	**3238**
X	Other Comprehensive Income			
	(i) items that will not be reclassified to profit or loss	23	(45)	(27)
	(ii) items that will be reclassified to profit or loss	23	(17)	-
XI	**Total Comprehensive Income for the period (IX+X) (Comprising Profit and other Comprehensive Income for the Period)**		**2843**	**3211**
XII	Earnings per Equity Share :			
	1.Basic (₹)		4.03	4.49
	2.Diluted (₹)		4.03	4.49

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SUGUNA RAVICHANDRAN
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Chennai
May 30, 2019

₹ Lakhs

S.No	Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018 (Restated)	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net profit before tax and extraordinary items		4112		6400
	Adjustments for :				
	Depreciation, impairment and amortization	2783		2508	
	Dividend from investments - quoted	(2)		(1)	
	(Profit) / Loss on sale of fixed assets (net)	-		41	
	Unrealized foreign exchange (gain) / loss	(1917)		(1906)	
	Provision for warranty and Contractual Obligation	2093		3797	
	Interest expense	26965	29923	28700	33139
	Operating profit before working capital changes		34035		39539
	Changes in working capital				
	(Increase) / decrease in trade receivables	906		(108159)	
	(Increase) / decrease in inventories	718		1678	
	(Increase) / decrease in current assets	(6364)		53953	
	(Increase) / decrease in loans and advances	(2551)		15828	
	Increase / (decrease) in trade payables and provisions	156		1178	
			(7135)		(35522)
	Cash generated from operations		26900		4017
	Direct taxes (paid) / refund (net)		(1192)		(1454)
	Net cash flow from operating activities		25708		2563
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of fixed assets	(2641)		(3120)	
	Sale of fixed assets	17		34	
	Decrease / (increase) in capital work-in-progress	-		-	
	Dividend from investments - quoted	2		1	
	Increase in Market value of Investments	(2)		6	
	Net cash flow from investing activities		(2624)		(3079)
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Long term borrowings (repaid) / availed	(13480)		(10308)	
	Payment of dividend	-		-	
	Tax on dividend paid	-		-	
	Short term borrowings (repaid) / availed	16941		31471	
	Interest paid	(26616)		(30228)	
	Net cash flow from financing activities		(23155)		(9065)
	Net increase in cash and cash equivalents (A+B+C)		**(71)**		**(9581)**
	Cash and cash equivalents as at April 1, 2018		**2808**		**12389**
	Cash and cash equivalents as at March 31, 2019		**2737**		**2808**
	Cash on hand		20		22
	On current accounts		1396		1076
	On deposit accounts		1321		1710

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SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Chennai
May 30, 2019

Statement of Changes in Equity (2018-19)

₹ Lakhs

S.No	Particulars	Equity Share Capital	Other Equity						Total (18-19)
			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 (01.04.2018)**	**7216**	**31895**	**14427**	**86875**	**31**	**(69)**	**149**	**140524**
2a	Changes in Prior period errors (Refer Note 39)				95				95
2b	Changes in Prior period errors (Refer Note 38)				(1461)				(1461)
2c	Changes in accounting Policy (Refer Note 37)				(1395)				(1395)
3	**Restated Balance at the beginning of reporting Period (01.04.2018)**	**7216**	**31895**	**14427**	**84114**	**31**	**(69)**	**149**	**137763**
4	Profit for the year				2905				**2905**
5	Equity Instruments through Other Comprehensive Income					(2)			**(2)**
6	Effective Portion of Cash Flow Hedges						(17)		**(17)**
7	Remeasurement of net defined benefit Liability/Asset (net)						(43)	-	**(43)**
8	Transfer to General Reserve			-	-				**-**
9	Dividend								**-**
10	Any other Change								**-**
11	**Balance at the end of reporting Period (31.03.2019)**	**7216**	**31895**	**14427**	**87020**	**29**	**(129)**	**149**	**140607**

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SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Chennai
May 30, 2019

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

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

III) FUNCTIONAL AND PRESENTATION CURRENCY

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

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

IV) MEASUREMENT OF FAIR VALUES

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

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

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

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

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

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

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

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

V) FOREIGN CURRENCY TRANSACTIONS

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

VI) EMPLOYEE BENEFITS

a) Short-term employee benefits :

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

b) Post employment benefits:

i) Defined contribution plan:

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

ii) Defined benefit plan:

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

c) Other Long-term employee benefits:

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

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

VII) FINANCIAL INSTRUMENTS

a. Recognition and initial measurement

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

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

b. Financial assets - Classification

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

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

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

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

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

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

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

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

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

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

c. Financial assets - Measurement

Financial assets at amortised cost:

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

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

Financial assets measured at FVTOCI - Debt investments:

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

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

Financal 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 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:

Tangible Assets	
Assets	**Estimate of Useful Life in Year**
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

Finance leases, which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit interest rate or incremental borrowing rate as applicable. Finance charges are charged directly against income. The costs identified as directly attributable to activities performed for a finance lease are included as part of the amount recognized as leased assets. If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are fully depreciated over the lease term or their useful life, whichever is shorter.

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased assets, are classified as operating leases. Lease payments under operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless such payments are structured to increase in line with general expected inflation to compensate for the lessor's expected inflationary cost increase. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

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 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 monies) 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's 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	Furniture and fixtures	Office fixtures	Office equipments	Electrical installations	Vehicles	Total
Cost or valuation									
At 31 March 2018	**1527**	**2661**	**23967**	**824**	**237**	**1961**	**343**	**1392**	**32912**
Additions	-	-	2215	20	-	249	9	48	**2541**
Disposals	-	-	35	-	-	-	-	37	**72**
At 31 March 2019	**1527**	**2661**	**26147**	**844**	**237**	**2210**	**352**	**1403**	**35381**
Depreciation and impairment									
At 31 March 2018	**-**	**551**	**11751**	**399**	**225**	**1317**	**208**	**950**	**15401**
Depreciation charge for the year	-	84	2137	74	3	281	29	105	**2713**
Disposals	-	-	25	-	-	-	-	30	**55**
Opening Depreciation reversal			(95)						**(95)**
At 31 March 2019	**-**	**635**	**13768**	**473**	**228**	**1598**	**237**	**1025**	**17964**
Net book value									
At 31 March 2019	1527	2026	12379	371	9	612	115	378	**17417**
At 31 March 2018	1527	2110	12216	425	12	644	135	442	**17511**

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

2 INTANGIBLE ASSETS

₹ Lakhs

Particulars	Technical Knowhow	Software	Total
Cost or valuation			
At 31 March 2018	**1348**	**2113**	**3461**
Additions	-	100	**100**
At 31 March 2019	**1348**	**2213**	**3561**
Amortisation and impairment			
At 31 March 2018	**1341**	**1852**	**3193**
Amortisation	7	63	**70**
At 31 March 2019	**1348**	**1915**	**3263**
Net book value			
At 31 March 2019	-	298	**298**
At 31 March 2018	7	261	**268**

3. FINANCIAL ASSETS

3(a) Investments

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Investments at Cost		
Investments in Equity instruments of Subsidiaries		
Unquoted equity shares		
42,50,000 Progen Systems and Technologies Limited	425	425
(42,50,000) of ₹ 10 each (India)		
9,49,00,000 BGR Boilers Private Limited	9490	9490
(9,49,00,000) of ₹ 10 each (India)		
13,61,62,900 BGR Turbines Company Private Limited	13616	13616
(13,61,62,900) of ₹ 10 each (India)		
1,65,000 Sravanaa Properties Limited	12787	12787
(1,65,000) of ₹ 10 each (India)		
Total Investments carried at cost (A)	36318	36318
Investments at fair value through OCI (fully paid)		
Quoted equity shares		
13,970 Indian Bank	39	42
(13,970) of ₹ 91 per share		
Market Value ₹ 280.10 (₹ 299.80) per share		
Quoted Investments in Mutual Funds		
50,000 SBI Mutual Fund-Magnum Multi Cap Fund - Dividend	11	10
(50,000) units		
Market Value ₹ 21.7878 (₹ 20.5736) per unit		
2,50,000 SBI Mutual Fund-Infrastructure Fund - I - Growth	38	38
(2,50,000) units		
Market Value ₹ 15.0514 (₹ 15.2828) per unit		
Investments carried at fair value through Other Comprehensive Income (B)	88	90
Total Investments	36406	36408

Current	-	-
Non-Current	36406	36408

Aggregate cost of quoted investments	43	43
Aggregate market value of quoted investments	88	90
Aggregate value of unquoted investments	36318	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, 2019	As at March 31, 2018
i. Progen Systems and Technologies Limited	Chennai, India	Carried at Cost	69.67%	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, 2019	As at March 31, 2018
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	117808	107743
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	117808	**107743**
Less: Allowance for Credit Loss	(2945)	(2694)
Total Trade receivables	**114863**	**105049**

3 (c) Loans - Non current

₹ Lakhs

Particulars	As at March 31,2019	As at March 31, 2018
Loans considered good - secured	**-**	**-**
Loans considered good - unsecured		
- Deposits	**1401**	**1402**
- Other loans and advances	**2105**	**8625**
Loans which have significant increase in credit risk	**-**	**-**
Loans - credit impaired	**-**	**-**
Total loans	**3506**	**10027**

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 ₹ 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 ₹ 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 ₹ 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 ₹ 83 lakhs (₹ 83 lakhs) as at March 31, 2019 as recoverable advances from the end client through the JV and is grouped under other loans and advances.

3 (d) Other financial Assets

₹ Lakhs

Particulars	As at March 31,2019	As at March 31, 2018
Margin money deposit held under lien to banks - maturity more than 12 months	12572	14381
Interest accrued on margin money deposits	173	401
Total Other financial Assets	**12745**	**14782**

4. INVENTORIES

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials and components	**3695**	**3851**
Work-in-progress	**22**	**584**
Total of inventories at lower of cost or net realisable value	**3717**	**4435**

5. FINANCIAL ASSETS

5 (a) Trade receivables

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured		
- From related parties	1218	1815
- From Others	295134	305063
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	296352	**306878**
Less: Allowance for Credit Loss	(7208)	(7014)
Total Trade receivables	**289144**	**299864**

Trade receivables includes retention amount of ₹ 147601 lakhs (₹ 128063 lakhs) which, in accordance with the terms of the contracts were not due for payments as at March 31, 2019.

5 (b) Cash and cash equivalent

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
– On current accounts	1396	1076
– On deposits accounts	1321	1710
Cash on hand	20	22
Margin money deposits held under lien to banks	34877	31835
On unpaid dividend accounts	39	40
Total Cash and cash equivalent	**37653**	**34683**

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

5 (c) Loans

₹ Lakhs

Particulars	As at March 31,2019	As at March 31, 2018
Loans considered good - secured	-	-
Loans considered good - unsecured		
- Advance to related party	458	458
- Other loans and advances *	33902	27925
- Deposits	4465	2822
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total loans	**38825**	**31205**

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

5 (d) Other Financial Assets

₹ Lakhs

Particulars	As at March 31,2019	As at March 31, 2018
Interest accrued on fixed deposits	1059	685
Cash Flow Hedges		
Foreign Exchange Forward contracts	875	-
Total Other Financial Assets	**1934**	**685**

6. OTHER CURRENT ASSETS

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Advances other than capital advances		
Advance to suppliers	21586	17552
Others	8698	-
Prepayments	1027	765
Contract asset	63998	73063
Sub Total	**95309**	**91380**
Less : Allowance for Credit Loss on Contract Asset (Refer Note No 38)	(1280)	-
Total Other Current Assets	**94029**	**91380**

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

7. SHARE CAPITAL

Authorised Share Capital

₹ Lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.of Shares	Amount	No.of Shares	Amount
Share Capita la tthe beginnin gof the year (Face value ₹ 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, 2019		As at March 31, 2018	
	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, 2019		As at March 31, 2018	
	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, 2019		As at March 31, 2018	
	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 ₹ 10. Each holder of equity shares is entitled to one vote per share.

8. FINANCIAL LIABILITIES

8 (a) Borrowings

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Term Loans from Banks	3568	17047
Borrowings (Non Current)	**3568**	**17047**
Working capital loans from banks	208872	195451
Borrowings (Current)	**208872**	**195451**
Total Borrowings	**212440**	**212498**

a) Term loan includes Corporate loan of ₹ 17047 lakhs (₹ 27355 lakhs) from Syndicate Bank and is secured by the specified receivables of the Company and collateral security of the subsidiary companies and other companies\persons. The loan is repayable in 16 quarterly instalments starting from 01.07.2016.

b) The balance in project specific escrow,current and EEFC accounts have been netted off against respective project's working capital loan accounts.

c) 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 the capital goods segment of the Company. 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 Company.

d) The Company has availed contract specific working capital loans from State Bank of India, IDBI Bank, Punjab National Bank, Syndicate Bank, Vijaya Bank, Indian Bank, Indian Overseas 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) Trade Payables

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Micro enterprises and small enterprises	9180	1644
Others		
Trade Payables	116528	115717
Total Trade Payables	**125708**	**117361**
Trade Payables Current	116581	106911
Trade Payables Non Current	9127	10450

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, 2019	As at March 31, 2018
Principal amount remaining unpaid	9877	1443
Interest due thereon remaining unpaid	1146	201
Payments made to the supplier beyond the appointed day during the year	6244	1740
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	1146	201
Amount of further interest remaining due and payable in succeeding years	201	19

9. PROVISIONS

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Employee benefit obligations		
Provision for leave encashment	320	292
Provision for gratuity	540	421
Provision for contractual obligation	2185	1550
Provision for warranty	1891	1802
Total Non Current Provisions	**4936**	**4065**

10. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term borrowings	13479	10308
Unpaid dividends	39	40
Interest accrued but not due	799	450
Total Financial liabilities	**14317**	**10798**

11. OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Advance from customers	57572	81498
Other payables *	11206	10211
Contract liability	48632	34074
Total Other Current Liabilities	**117410**	**125783**

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

12. PROVISIONS

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Employee benefit obligations		
Provision for bonus	28	222
Provision for leave encashment	181	175
Provision for gratuity	332	331
Others		
Provision for warranty	142	118
Total Provisions	**683**	**846**

PROFIT AND LOSS

13. REVENUE FROM OPERATIONS

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Capital goods	29200	30953
Construction and EPC contracts	290163	294672
Other operating revenues	3568	4247
Total Revenue from operations	**322931**	**329872**

14. OTHER INCOME

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend from investments - quoted	2	1
Interest Income	69	2143
Total Income	**71**	**2144**

15. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
Opening inventory	3851	3377
(Raw materials, consumables, bought outs and components)		
Add : Purchases	190474	181976
	194325	**185353**
Less: Closing inventory	3695	3851
(Raw materials, consumables, bought outs and components)		
Cost of raw material and components consumed	**190630**	**181502**

Cost of materials is net of ₹ 1765 lakhs (₹ 2015 lakhs), being cost provision no longer required.

16. COST OF MANUFACTURING AND CONSTRUCTION

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
Subcontracting and processing charges	60450	60616
Power and fuel	158	192
Cost of manufacturing and construction	**60608**	**60808**

17. OTHER DIRECT COST

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Insurance	860	666
Bank charges	7290	5885
Packing and forwarding	702	403
Other direct cost	**8852**	**6954**

18. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
Salaries, allowances and bonus	20333	18093
Contribution to P.F., E.S.I.	637	589
Workmen and staff welfare expenses	1001	1855
Compensated Absences	118	120
Gratuity	179	322
Employee benefits expense	**22268**	**20979**

19. FINANCE COSTS

₹ Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on working capital loans	22323	22627
Interest on term loans	2274	3336
Interest - others	2368	2737
Finance costs	**26965**	**28700**

20. DEPRECIATION AND AMORTIZATION EXPENSE

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of tangible assets	2713	2403
Amortization of intangible assets	70	105
Depreciation and amortization expense	**2783**	**2508**

21. OTHER EXPENSES

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
Rent	1422	1633
Payment to auditors (refer details below)	41	60
Bank charges	84	77
Conveyance and vehicle running expenses	713	718
Trade receivables written off	-	6978
Electricity charges	215	209
Foreign exchange (gain)/loss (net)	(3143)	415
Insurance	197	29
Loss on sale of fixed assets (net)	-	41
Miscellaneous expenses	435	1325
Printing and Stationery	145	159
CSR expenses	15	84
Provision for contractual obligation	2185	4827
Professional charges	1168	725
Rates and taxes	90	86
Repairs and maintenance	1277	1362
Security charges	181	194
Selling expenses	78	70
Sitting fees	33	28
Telephone expenses	165	164
Travelling expenses	921	885
Total Other expenses	**6222**	**20069**

PAYMENT TO AUDITORS

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
- For audit fees	36	34
- For tax matters	-	22
- For certification and others	5	4
Total Payment to Auditors	**41**	**60**

22. DETAILS OF CSR EXPENDITURE

₹ Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a.Gross amount required to be spent during the Year	133	138

₹ Lakhs

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	In Cash	Yet to be Paid in Cash	In Cash	Yet to be Paid in Cash
b.Amount spent during the year				
i.Construction/acquisition of any asset	-	-	-	-
ii. On purposes other than (i) above	15	-	84	-

As required under Section 135 of Companies Act 2013, the company is required to spend ₹ 133 Lakhs (₹ 138 lakhs) towards Corporate Social Responsibility (CSR) activities. Expenses incurred during the year is ₹ 15 Lakhs (₹ 84 Lakhs) and no provision is made for balance amount during the financial year 2018-19.

23. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Items that will not be reclassified to Profit/Loss		
Remeasurement of net defined benefit Liability/Asset (net)	(43)	(31)
Equity Instruments through Other Comprehensive Income (net)	(2)	4
Items that will be reclassified to Profit/Loss		
Fair value changes on cash flow hedges (net)	(17)	-
Total Other Comprehensive Income for the Year	(62)	**(27)**

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, 2019	For the year ended March 31, 2018 (Restated)
Basic EPS		
Profit after tax as per accounts	2905	3238
Weighted average number of equity shares (face value ₹ 10 per share) (lakh Nos.)	722	722
Basic EPS (₹)	4.03	4.49
Diluted EPS		
Profit for the year for basic EPS	2905	3238
Less : Adjustment	-	-
Adjusted profit for diluted EPS	2905	3238
Weighted average number of equity shares for Basic EPS (lakh Nos.)	722	722
Add : Adjustment	-	-
Weighted average number of equity shares (face value ₹ 10 per share) for diluted EPS (lakh Nos.)	722	722
Diluted EPS (₹)	4.03	4.49

25. CONSTRUCTION CONTRACTS

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

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
The aggregate amount of costs incurred and recognized profits (less recognized losses) (including amounts carried forward from previous years)	1313196	1231982
The amount of advances received	57572	75907
The amount of retentions	147601	128063
The gross amount due from customers for contract work as an asset (unbilled revenue)	63998	73063
The gross amount due to customers for contract work as a liability (unearned revenue)	48632	34074

26. EMPLOYEE BENEFITS

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

DEFINED CONTRIBUTION PLAN:

₹ Lakhs

Particulars	2018-19	2017-18
Employer's contribution to Provident fund	432	382
Employer's contribution to pension scheme	266	240
Employer's contribution to employee's state insurance	12	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, 2019	As of March 31, 2018	As of March 31, 2019	As of March 31, 2018
Projected benefit obligation at the beginning of the year	467	444	1441	1152
Service cost	72	70	181	185
Interest cost	35	34	101	85
Remeasurement (gain)/loss	(73)	(81)	(63)	89
Benefits paid	-	-	(134)	(70)
Projected benefit obligation at the end of the year	501	467	1526	1441

Change in the fair value of the plan assets

₹ Lakhs

Particulars	Gratuity (funded)	
	As of March 31, 2019	As of March 31, 2018
Fair value of the plan assets at the beginning of the year	689	608
Expected return on plan assets	48	45
Actuarial gain/(loss)	3	56
Employer contribution	49	50
Benefits paid	(135)	(70)
Fair value of plan assets at the end of the year	654	689
Actual return on plan asset	50	102

Amount recognised in the Balance sheet

₹ Lakhs

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As of March 31, 2019	As of March 31, 2018	As of March 31, 2019	As of March 31, 2018
Present value of projected benefit obligation at the end of the year	501	467	1526	1441
Fair value of plan assets at the end of the year	-	-	654	689
Funded status amount of liability recognised in the Balance Sheet	501	467	872	752
Current Liability	181	175	332	331
Non Current Liability	320	292	540	421

Expense recognised in the Statement of Profit and Loss

₹ Lakhs

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Service cost	72	70	181	185
Interest cost	35	34	101	85
Expected return on plan assets	-	-	(48)	(45)
Actuarial Gain / Loss due to Demographic Assumption changes in Defined Benefit Obligation	1	-	15	-
Actuarial Gain / Loss due to Financial Assumption changes in Defined Benefit Obligation	(48)	(13)	(183)	(36)
Actuarial Gain / Loss due to Experience on Defined Benefit Obligation	(26)	(68)	106	125
Return on Plan Assets (Greater) / Less than Discount Rate	-	-	(3)	(56)
Total cost recognised in P & L and OCI (Defined Benefit Cost)	-			
Cost recognised in P & L	107	104	234	225
Remeasurement Effect Recognised in OCI	(73)	(81)	(65)	33
Total defined Benefit Cost	**34**	**23**	**169**	**258**

Summary of actuarial assumptions

₹ Lakhs

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As of March 31, 2019	As of March 31, 2018	As of March 31, 2019	As of March 31, 2018
Mortality table (LIC)	(Indian assured Lives Mortality) 2006-08	(Indian assured Lives Mortality) 2006-08	(Ultimate) 2006-08	(Ultimate) 2006-08
Discount rate (per annum)	7.40%	7.60%	7.40%	7.60%
Expected rate of return on plan assets (per annum)	-	-	7.39%	7.60%
Rate of escalation in salary (per annum)	4% F5Y & 7% TA	7% F5Y & 7% TA	4.00%	7.00%
Attrition	13.00%	10.00%	13.00%	10.00%
Leave accounting & consumption technique	LIFO	LIFO	-	-
Proportion of Leave availment	5.00%	5.00%	-	-
Proportion of encashment in Service / Lapse	-	-	-	-
Proportion of encashment on separation	95.00%	95.00%	-	-

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

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

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

₹ Lakhs

Year	Leave encashment (unfunded)	Gratuity (funded)
	Amount	Amount
1 year	71	193
2 to 5 years	169	457
6 to 10 years	86	307
More than 10 years	175	569

Plan asset : The Gratuity plan's weighted-average asset allocation at March 31, 2019 and March 31, 2018.

Particulars	As of March 31, 2019	As of March 31, 2018
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, 2019	As of March 31, 2018
	% increase in Defined Benefit Obligation	
Discount rate + 100 basis points	-3.12%	-4.10%
Discount rate - 100 basis points	3.42%	4.60%
Salary growth rate + 100 basis points	1.94%	2.22%
Salary growth rate - 100 basis points	-1.88%	-2.15%
Attrition Rate + 100 basis points	0.52%	0.04%
Attrition Rate - 100 basis points	-0.56%	-0.04%
Mortality Rate 10% UP	0.03%	0.02%

Particulars	Gratuity	
	As of March 31, 2019	As of March 31, 2018
	% increase in Defined Benefit Obligation	
Discount rate + 100 basis points	-4.38%	-4.11%
Discount rate - 100 basis points	3.93%	4.60%
Salary growth rate + 100 basis points	3.87%	4.34%
Salary growth rate - 100 basis points	-4.37%	-3.96%
Attrition Rate + 100 basis points	-0.01%	-0.22%
Attrition Rate - 100 basis points	-0.91%	0.23%
Mortality Rate 10% UP	-0.40%	0.02%

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

27. DEFERRED TAXES

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

₹ Lakhs

Particulars	Deferred tax asset as at March 31, 2019	Deferred tax liability as at March 31, 2019	Deferred tax asset as at March 31, 2018	Deferred tax liability as at March 31, 2018
Property,plant and equipment	-	1049	-	1159
Other Intangibles	-	29	-	2
ECL on Trade Receivables	3547	-	3392	-
Provisions	513	-	272	-
Customer Retention	-	52017	-	44745
ECL on Contract Asset	447	-	-	-
Carry forward tax loss	8654	-	4272	-
Others	59	-	-	754
Sub Total	**13220**	**53095**	**7936**	**46660**
Net		**39875**		**38724**
Add / (Less) : MAT Credit entitlement		(5438)		(4302)
Grand Total		**34437**		**34422**

INCOME TAX RECONCILIATION

₹ Lakhs

Particulars	**As at March 31, 2019**	**As at March 31, 2018 (Restated)**
Profit before Income Tax	4112	6400
Enacted Tax Rates in India	34.94%	34.94%
Computed expected Tax expense	1437	2236
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	692	908
Tax Effects of amounts which are deductible in calculating taxable income	-	-
Tax Reversals	-	-
Income Tax Expense	**745**	**1328**

The applicable Indian statutory tax rate for fiscal 2019 and fiscal 2018 is 34.94%.

28. EXCEPTIONAL ITEMS

Exceptional item represents net write off of ₹ Nil (₹ 1907 Lakhs)

29 FINANCIAL INSTRUMENTS

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			39	13	39
Liquid mutual fund units			49	30	49
Trade Receivables	404007			404007	404007
Loans and advances	41237	1094		43568	42331
Other Financial Assets	14679			14679	14679
Total	**497577**	**1094**	**88**	**499950**	**498759**
LIABILITIES					
Borrowings	212440			212440	212440
Other Financial Liabilities	14317			14317	14317
Trade Payables	116528			116528	116528
Total	**343285**	**-**	**-**	**343285**	**343285**

The Carrying Value and Fair Value of Financial Instruments as of March 31, 2018 (Restated) 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	34683			34683	34683
Investments:					
Equity Securities and others			42	13	42
Liquid mutual fund units			48	30	48
Trade Receivables	404913			404913	404913
Loans and advances	40138	1094		62996	41232
Other Financial Assets	15467			15467	15467
Total	**495201**	**1094**	**90**	**518102**	**496385**
LIABILITIES					
Borrowings	212498			212498	212498
Other Financial Liabilities	10798			10798	10798
Trade Payables	115717			115717	115717
Total	**339013**	**-**	**-**	**339013**	**339013**

30. 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, 2019	As at March 31, 2018
ASSETS		
Investments		
Mutual Fund Investments	Level 1	Level 1
Equity Instruments	Level 1	Level 1
Loans and Advances	Level 3	Level 3

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

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

31 RISK MANAGEMENT STRATEGIES

Financial risk management:

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

Market risk

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

Foreign currency risk

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

Foreign currency sensitivity

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

₹ Lakhs / Foreign currency in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Assets (Trade receivables / advance to suppliers / bank balances)		
In foreign currency		
In USD	552.86	542.98
In EURO	373.39	407.90
In GBP	0.04	0.45
In JPY	1.85	1.15
In SEK	0.84	0.74
In AED	0.02	0.00
In CHF	0.04	0.04
In CNY	0.01	-
In OMR	0.00	-
In SAR	0.14	-
In THB	0.26	-
In Indian currency		
In USD	38573.19	35371.67
In EURO	29437.95	32748.90
In GBP	3.72	41.42
In JPY	1.18	0.70
In SEK	6.36	5.81
In AED	0.46	0.07
In CHF	2.86	2.76
In CNY	0.14	-
In OMR	0.16	-
In SAR	2.62	-
In THB	0.54	-
Liabilities (Advance from customers/trade payables/buyers credit)		
In foreign currency		
In USD	54.48	82.53
In EURO	171.11	178.94
In GBP	0.17	1.34
In SEK	-	0.29
In CAD	0.75	0.75
In OMR	-	0.005
In Indian currency		
In USD	3801.02	5376.05
In EURO	13490.69	14366.31
In GBP	15.31	122.34
In SEK	-	2.24
In CAD	39.44	38.13
In OMR	-	0.77

For the year ended March 31, 2019 and March 31, 2018, every 0.50% percentage point depreciation/ appreciation in the exchange between the INR and USD, has affected the Company's incremental operating margins by ₹ 193 lakhs (₹ 177 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, 2019		As at March 31, 2018	
	Trade payables	Trade receivables	Trade payables	Trade receivables
Number of contracts	1	-	-	-
Value in foreign currency	-	-	-	-
GBP	-	-	-	-
USD	1255	-	-	-
EURO	-	-	-	-
Value in INR	875.43	-	-	-

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, 2019	March 31, 2018
Fixed rate instruments		
Financial assets		
Fixed deposits with banks	48770	47926
Variable rate instruments		
Financial liabilities		
Borrowings from banks	17047	27355
Working Capital Loans	208872	195451

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 (31.03.2019) would have increased / (decreased) equity and profit by ₹ 1122 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 ₹ 88 lakhs. An increase / decrease of 10% on the BSE Market index could have an impact of approximately ₹ 8.80 lakhs on the OCI or equity attributable to the Group.

Credit risk

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

Trade receivables

Outstanding customer receivables are regularly monitored and any major export shipments to customers are generally covered by letters of credit. The maximum exposure to the credit risk at reporting date is primarily from trade receivables amounting to ₹ 404007 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, including estimated interest payments and excluding the impact of netting agreements:

₹ Lakhs

Particulars	Upto 12 months	More than 12 months
Trade payables	116581	9127
Borrowings	222351	3568
Other financial liabilities	838	-

Collateral risk

The Company has pledged part of its short-term deposits of ₹ 47449 lakhs to fulfil the security requirements for the contractual obligations. As at 31 March, 2019, 31 March, 2018 the fair values of the short-term deposits pledged were ₹ 47449 lakhs and ₹ 46216 lakhs respectively.

32 LEASES

Operating Leases

The Company has taken various residential / commercial premises, land and plant & equipment under cancellable and non-cancellable operating leases. These lease agreements are normally renewed on expiry.

The future minimum lease payments in respect of non-cancellable leases are as follows:

₹ Lakhs

Particulars	Minimum lease payments outstanding as at	
	March 31,2019	March 31,2018
Due within one year	180	202
Due later than one year and not later than five years	60	240
Due later than five years	-	-
Total	**240**	**442**

Lease rental expense in respect of operating leases recognized in the statement of profit and loss for the year: ₹ 1422 lakhs (₹ 1633 lakhs)

33. SEGMENT INFORMATION

Primary segment information (business segments)

₹ Lakhs

S.No	Particulars	2018-19 (Mar-19)				2017-18 (Mar-18)			
		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)	29464	293467	-	**322931**	31231	298641	-	**329872**
b)	Inter Segment sales	5104	-	(5104)	**-**	5367	-	(5367)	**-**
	Total Revenue	34568	293467	(5104)	**322931**	36598	298641	(5367)	**329872**
c)	Result	3813	27193		**31006**	368	32588		**32956**
	Add: Unallocated income (net of expenditure)				**71**				**2144**
	Profit before interest and tax				**31077**				**35100**
	Interest	763	26202	-	**26965**	547	28153	-	**28700**
	Profit before tax				**4112**				**6400**
	Tax expenses								
	- Current tax				**745**				**1328**
	- Deferred tax				**406**				**1708**
	- Tax - Earlier years				**56**				**126**
	- Total				**1207**				**3162**
	Profit for the year				**2905**				**3238**
d)	Assets	46358	558024	-	**604382**	57234	541434	-	**598668**
	Add: Unallocated corporate assets				**46156**				**47629**
	Total assets				**650538**				**646297**
e)	Liabilities	10471	465023	-	**475494**	28537	442814	-	**471351**
	Add: Unallocated corporate liabiltiies				**34437**				**34422**
	Total liabilities				**509931**				**505773**

Revenue of approximately INR Rs. 228910 lakhs (31.03.2018 - INR Rs.183902 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-March-19	31-March-18
Segment profit	**31,006**	**32,956**
Dividend Income	2	1
Net gain on disposal of property, plant and equipment	-	-
Net foreign exchange gains	-	-
Interest Income	69	2,143
Profit before interest and tax	**31,077**	**35,100**

Reconciliation of assets	31-March-19	31-March-18
Segment operating assets	**6,04,382**	**5,98,668**
Investments	36,406	36,408
TDS receivable	9,750	11,221
Total assets	6,50,538	6,46,297

Reconciliation of liabilities	31-March-19	31-March-18
Segment operating liabilities	**4,75,494**	**4,71,351**
Deferred tax liabilities (net)	34,437	34,422
Total liabilities	5,09,931	5,05,773

Secondary segment information (geographic segments)

₹ Lakhs

Particulars	Domestic		Overseas		Total	
	31-March-19	31-March-18	31-March-19	31-March-18	31-March-19	31-March-18
External revenue by location of Customers	3,18,571	3,22,821	4,360	7,051	3,22,931	3,29,872
Carrying amount of segment non current assets by location of assets	1,85,235	1,84,045	-	-	1,85,235	1,84,045

34. CONTINGENT LIABILITIES AND COMMITMENTS

₹ Lakhs

Particulars	As at March 31,2019	As at March 31,2018
Contingent liabilities		
Claims against the company not acknowledged as debt		
a) On account of Sales tax *	24553	24198
b) On account of Income-tax *	3622	2089
c) On account of Service tax **	36665	36613
d) On account of Provident fund	521	521
e) Others	20845	38652
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	803	600

* Excludes interest, penalty and self assessment tax paid.

** (1) Out of Service tax demand, for a sum of ₹ 36281 lakhs (₹ 24,482 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 ₹ 384 lakhs (excludes interest, penalty and self assessment tax paid), the Company has filed writ in High Court, Chennai.

35 RELATED PARTY TRANSACTIONS

Subsidiary companies
i. Progen Systems and Technologies Limited
ii. BGR Boilers Private Limited
iii. BGR Turbines Company Private Limited
iv. Sravanaa Properties Limited

(information provided in respect of revenue items for the year ended March 31, 2019 and in respect of assets / liabilities as at March 31, 2019)

₹ 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	2018-19	2017-18
Sales	-	2,433	-	-	2,433	2,862
Purchases	9,034	1,207	-	-	10,241	35,705
Remuneration						
a) Short Term Employee Benefits	-	-	515	41	556	830
b) Post Employement Benefits	-	-	-	-	-	-
c) Other Long Term Employee Benefits	-	-	-	-	-	-
d) Termination Benefits	-	-	-	-	-	-
e) Share Based Payment	-	-	-	-	-	-
Rent expenses	217	75	-	44	336	327
Purchase of fixed assets	-	-	-	-	-	9
Sale of fixed assets	-	-	-	-	-	1
Others	-	-	-	25	25	25
Advances given	-	604	-	-	604	179
Repayment of advance given	(237)	-	-	-	(237)	(85)
Other Obligations	30,696	-	-	3,735	34,431	34,431
Balances outstanding	(11,617)	611	-	(78)	(11,084)	(21,669)

36 Contracting Income includes an Income of ₹ Nil (₹ 71452 lakhs) as per terms of the agreement entered into by the Company with Hitachi, Ltd., Japan (HTC), Hitachi Power Europe GmbH, Germany (HPE) and the company's Joint Venture companies viz., BGR Boilers Private Limited and BGR Turbines Company Private Limited.

37 The Company has aligned its policy of revenue recognition with Ind AS 115 " Revenue from Contracts with Customers ", which is effective from April 1, 2018. The cumulative effect of initial application of Ind AS 115 up to March 31, 2018 being ₹ 1395 Lakhs has been adjusted in the opening retained earnings, as permitted by Ind AS. The application of Ind AS 115 did not have material impact on the financial statements.

38 On adoption of IndAS 115, the Company has recognised loss allowances using the ECL model for the contract assets, which are not fair value through profit or loss.The cumulative effect of expected credit loss on contract asset on initial application of Ind AS 115 up to March 31, 2018 being ` 1461 Lakhs has been adjusted in the opening retained earnings, as permitted by Ind AS.

39 Depreciation excess provided in earlier years now reversed and adjusted (₹ 95 lakhs) against opening retained earnings.

40 As a result of above changes mentioned in Note no 37,38 and 39 Retained earnings as on 01.04.2018 have decreased by ₹ 2761 lakhs.

41 Revenue for the quarter up to June 30,2017 includes excise duty, while revenue from July 1, 2017 onwards is exclusive of Goods and Service Tax.

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

43 i. The Company noticed a fraud committed by an employee. A criminal complaint was filed against the delinquent employee.

ii. An amount of ₹ 788 lakhs pertaining to FY 2017-18 has been charged off under exceptional items, for the previous financial year ended 31.03.2018. On further investigation an amount of ₹ 645 lakhs of earlier years has also been found.The total fraud amounted to ₹ 1433 Lakhs.

iii. The above amount includes, ₹ 259 lakhs (₹ 66 lakhs for 2017-18,₹ 193 lakhs for earlier years) already charged to respective heads of expenses of profit and loss account of earlier years. The balance amount of ₹ 1174 lakhs has been restated in other equity (₹ 722 lakhs in retained earnings of 2017-18 and ₹ 452 lakhs in retained earnings as on 31.03.2017) in line with Indian Accounting Standards (IndAS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

44. PROVISIONS

a) The company has made a provision / transfer of ₹ 2587 lakhs, (₹ 5144 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
	18-19	18-19	17-18	17-18
Opening balance	1920	1550	2849	3614
Add :Addition / transfers	402	2185	317	4827
Less : (a) Provision utilised	(5)	(1550)	(19)	(6891)
(b) Provision reversed	(284)	-	(1227)	-
Closing balance	**2033**	**2185**	**1920**	**1550**

45 PREVIOUS YEAR FIGURES

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

SASIKALA RAGHUPATHY
Chairperson

V.R.MAHADEVAN
Joint Managing Director

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

M.GOPALAKRISHNA
Director

GNANA RAJASEKARAN
Director

ARJUN GOVIND RAGHUPATHY
Deputy Managing Director and COO

A.SWAMINATHAN
Director - Engineering & Construction Business

S.R.TAGAT
Director

S.A.BOHRA
Director

R.RAMESH KUMAR
President - Corporate & Secretary

P.R.EASWAR KUMAR
President & Chief Financial Officer

As per our report of even date
for M / s N.R.DORAISWAMI & CO
Chartered Accountants
Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Chennai
May 30, 2019

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, 2019, and 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, 2019, of consolidated profit, 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.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to Note.42 to the accompanying consolidated financial results, which describe,

a. the restatement of the unaudited financial statement (subsequently audited) of the subsidiary company, namely, BGR Turbines Company Private Limited, for the financial year 2017-18 resulted in a reduction in net loss to the extent of ₹ 1,476 lakhs the impact of such restatement resulted in increase in net profit amounting to ₹ 1,476 lakhs, in the consolidated Ind AS financial statements for the financial year 2017-18.

b. the restatement of the unaudited financial statement of the subsidiary company, namely, BGR Boilers Private Limited, for the financial year 2017-18 resulted in an increase in net loss to the extent of ₹ 268 lakhs. The impact of such restatement resulted in decrease in net profit to the extent of ₹ 268 lakhs, in the consolidated Ind AS financial statements for the financial year 2017-18.

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	<u>Fraud by an employee of the company:</u> During the year, the management has identified an occurrence of fraud by an employee of the company over a period of time by transfer of funds to many bank accounts created by him in fictitious names. In doing such fraudulent fund transfers, he has committed forgery, falsification of documents, impersonation and other criminal acts. The amount of fraud detected is ₹ 14.33 Crores which pertains to periods from FY 2013-14 to FY 2017-18. Refer note 42 to the consolidated Ind AS financial statements.	<u>Principal Audit procedures:</u> We have perpused the various investigation reports that were made availbale to us. We have confirmed the amount of fraud and the year occurrence based on the findings of these reports. We have also verified the accounting treatment for the same and confirm that it is in line with Indian Accounting Standards (Ind AS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

S. No	Key Audit Matters	Response to Key Audit Matters
2	Bank Guarantee Encashment: During the year, a client arbitrarily encashed three performance bank guarantees totaling to ₹ 86.98 Crores. This amount has been grouped under "Other Current Assets" In addition to the above, the said client invoked advance bank guarantee amounting to Rs 20.55 Crores for which the company has obtained an interim injunction order from Hon'ble High Court of Delhi. The interim injunction was subsequently extended by Arbitral tribunal. Refer note 6 to the consolidated Ind AS financial statements.	Principal Audit Procedures: On enquiry, it was found that the company has initiated arbitration proceedings. We analyzed and reviewed the nature of amounts recoverable, the sustainability and likelihood of recoverability on final resolution.
3	Provision for Receivables: The company follows the practice of creating life time expected credit loss (ECL) allowance on the overall trade receivables and contract assets. In addition to ECL, an additional provision of ₹ 21.85 Crores has been made during the year, under the head "Provision for contractual obligation"	Principal Audit procedures: We have analyzed the past trend of trade receivables written off by the company and concluded that adequate provision for credit loss has been made.
4	Appropriateness of estimation of budgeted cost and revision in contract value: 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. Determination of revenue requires estimation of total contract costs which involves exercise of significant judgment by the management, making forecasts and assumptions. Post implementation of Goods and Service Tax (GST), the contract values have been revised and are submitted to the customers for approval.	Principal Audit procedures: We have performed the following procedures among others: a) We have reviewed the cost estimates as approved by the management for all the contracts in progress. b) Verified the required documents, provisions made etc. for the actual costs incurred up to the year end date. c) Discussed the status of the projects with the company's project management team and evaluated the reasonableness of estimates made by the management of cost to be incurred for completion of the respective projects. d) We have reviewed the management provided workings with reference to revision in the contract value of all the contracts which are in progress due to introduction of GST. e) We further verified the billings made to customers which are in line with the revised contract values.

OTHER MATTERS

a. We did not audit the financial statements of two subsidiaries, namely, Progen Systems and Technologies Limited and Sravanaa Properties Limited, whose financial statements reflect total assets of ₹ 20,916 lakhs as at 31st March, 2019, total revenues of ₹ 311 lakhs and net cash flows amounting to ₹ 33 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 ₹ 1677 lakhs as at 31st March, 2019, total loss of ₹ 0.21 lakhs for the year ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, 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 of the reflect total assets of ₹ 68727 lakhs as on March 2019, total revenue of ₹ 13496 lakhs and net cash flows amounting to ₹ 11735 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 insofar as it relates to the amounts included in respect of the these subsidiaries are based solely on such unaudited financial statements.

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

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

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

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

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

MANAGEMENT RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company and its subsidiary companies which are companies incorporated in India, has adequate

internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement and Consolidated Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

e. On the basis of the written representations received from the directors of the Company as on March 31, 2019 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, 2019 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. 3c(i) and 3c(ii) and Note No.33 to the consolidated Ind AS financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. - Refer Note. 43 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
Membership No: 207893

Place : Chennai
Date : May 30, 2019

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

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, 2019, we have audited the internal financial controls over financial reporting of BGR Energy Systems Limited ("the Company") and its subsidiary companies which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 insofar as it relates to two subsidiary companies incorporated in India, namely, Progen Systems and Technologies Limited and Sravanaa Properties Limited, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

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

Suguna Ravichandran
Partner
Membership No: 207893

Place : Chennai
Date : May 30, 2019

Consolidated Balance Sheet

₹ Lakhs

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018 (Restated)
ASSETS			
I Non Current Assets			
(a) Property, plant and equipment	1	48905	49017
(b) Other Intangible assets	2	300	268
(c) Goodwill	2	59	59
(d) Financial assets			
(i) Investments	3 (a)	88	91
(ii) Trade receivables	3 (b)	114864	105014
(iii) Loans	3 (c)	3880	10376
(iv) Other financial assets	3 (d)	12746	14781
		180842	**179606**
II Current Assets			
(a) Inventories	4	3717	4435
(b) Financial assets			
(i) Trade receivables	5 (a)	289144	299648
(ii) Cash and cash equivalent	5 (b)	39608	37241
(iii) Loans	5 (c)	38919	45019
(iv) Other financial assets	5 (d)	1937	688
(c) Other current assets	6	116251	111084
		489576	**498115**
TOTAL ASSETS		**670418**	**677721**
EQUITY AND LIABILITIES			
I Equity			
(a) Equity Share Capital	7	7216	7216
(b) Other Equity		115540	125092
Equity attributable to owners of BGR Energy Systems Limited		**122756**	**132308**
II Non-Controlling Interest		1586	5718
Total Equity		**124342**	**138026**
III Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8 (a)	3568	17047
(ii) Trade payables		-	-
Total Outstanding dues of micro enterprises and small enterprises		-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	8 (b)	9127	7152
(b) Provisions	9	5063	3858
(c) Deferred tax liabilities (net)	26	34247	34204
		52005	**62261**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8 (a)	208872	195451
(ii) Trade payables	8 (b)		
Total Outstanding dues of micro enterprises and small enterprises		9180	1644
Total Outstanding dues of creditors other than micro enterprises and small enterprises		128628	137295
(iii) Other financial liabilities	10	14317	10798
(b) Other Current Liabilities	11	132391	131086
(c) Provisions	12	683	1160
(d) Current tax liabilities (net)		-	-
		494071	**477434**
Total Liabilities		**546076**	**539695**
TOTAL EQUITY AND LIABILITIES		**670418**	**677721**

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P.R.EASWAR KUMAR
President & Chief Financial Officer

As per our report of even date
for M / s N.R.DORAISWAMI & CO
Chartered Accountants
Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Chennai
May 30, 2019

₹ Lakhs

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
I	Revenue from operations	13	327283	329872
II	Other income	14	276	2262
III	Total Income (I + II)		**327559**	**332134**
IV	Expenses			
	(a) Cost of raw materials and components consumed	15	194925	180299
	(b) Cost of manufacturing and construction	16	60608	63788
	(c) Other direct cost	17	8852	6954
	(d) Changes in inventories of work in progress		562	2152
	(e) Excise Duty on sale of goods		-	37
	(f) Employee benefits expense	18	23371	21988
	(g) Finance costs	19	26965	28700
	(h) Depreciation and amortization expense	20	2809	2540
	(i) Other expenses	21	6687	20031
	Total expenses (IV)		**324779**	**326489**
V	Profit before exceptional items and tax (III-IV)		2780	5645
VI	Exceptional items		-	(1907)
VII	Profit before tax (V)+(VI)		2780	3738
VIII	Tax expenses			
	(i) Current tax		780	1328
	(ii) Deferred tax		434	1737
	(iii) Tax - Earlier years		56	126
IX	Profit for the period (VII)-(VIII)		**1510**	**547**
X	Other Comprehensive Income			
	(i) items that will not be reclassified to profit or loss	23	(45)	(23)
	(ii) items that will be reclassified to profit or loss	23	(17)	-
XI	Total Comprehensive Income for the Period(IX+X)(Comprising Profit and other Comprehensive Income for the Period)		**1448**	**524**
	Profit or Loss attributable to:			
	Owners of BGR Energy Systems Ltd		1930	1638
	Non Controlling Interests		(420)	(1091)
			1510	**547**
	Total Comprehensive Income attributable to:			
	Owners of BGR Energy Systems Ltd		1868	1615
	Non Controlling Interests		(420)	(1091)
			1448	**524**
XII	Earnings per Equity Share (for Continuing Operation):			
	1.Basic		2.67	2.27
	2.Diluted		2.67	2.27

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SUGUNA RAVICHANDRAN
Partner
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Chennai
May 30, 2019

Consolidated Cash Flow Statement

₹ Lakhs

	Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018 (Restated)	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net profit before tax and extraordinary items		2780		3738
	Adjustments for :				
	Depreciation, impairment and amortization	2809		2540	
	Dividend from investments - quoted	(2)		(1)	
	(Profit) / Loss on sale of fixed assets (net)	(89)		34	
	Unrealized foreign exchange (gain) / loss	(873)		3094	
	Premium on forward contracts amortized	-		-	
	Provision for warranty and Contractual Obligation	2093		4827	
	Interest expense	26966	30904	28700	39193
	Operating profit before working capital changes		33684		42931
	Changes in working capital				
	(Increase) / decrease in trade receivables	655		(107908)	
	(Increase) / decrease in inventories	718		1678	
	(Increase) / decrease in current assets	(7423)		61227	
	(Increase) / decrease in loans and advances	12597		3613	
	Increase / (decrease) in trade payables and provisions	(13982)		5299	
			(7435)		(36091)
	Cash generated from operations		26250		6840
	Direct taxes (paid) / refund (net)		(1228)		(4459)
	Net cash flow from operating activities		25021		2381
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of fixed assets	(2648)		(3137)	
	Sale of fixed assets	107		43	
	Decrease / (increase) in capital work-in-progress	-		-	
	Dividend from investments - quoted	2		1	
	Net cash flow from investing activities		(2539)		(3093)
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Long term borrowings (repaid) / availed	(13480)		(10308)	
	Payment of dividend	-		-	
	Tax on dividend paid	-		-	
	Short term borrowings (repaid) / availed	16940		31471	
	Interest paid	(26617)		(30228)	
	Net cash flow from financing activities		(23156)		(9065)
	Net increase in cash and cash equivalents (A+B+C)		**(674)**		**(9777)**
	Cash and cash equivalents as at April 1, 2018		**5366**		**15143**
	Cash and cash equivalents as at March 31, 2019		**4692**		**5366**
	Cash on hand		20		22
	On current accounts		1538		1915
	On deposit accounts		3134		3429

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Partner
Membership No.207893

Chennai
May 30, 2019

Statement of Changes in Equity (2018-19)

₹ Lakhs

Particulars	Equity Share Capital	Other Equity								Total Equity share capital and Other Equity	Non-Controlling interests	Total (18-19)
		Securities Premium Reserve	General Reserves	Revaluation Reserves	Retained Earnings	Capital reserve on consolidation	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Other Items of Other Comprehensive Income			
Balance at the beginning of reporting Period (01.04.2018)	7216	31895	14427	5090	73321	242	31	(69)	155	132308	5718	138026
Changes in Prior period errors (Refer Note 38)					(1,461)					(1,461)		(1,461)
Changes in Prior period errors (Refer Note 39)					95					95		95
Changes in accounting Policy (Refer Note 37)					(10,054)					(10,054)	(3,712)	(13,766)
Restated Balance at the beginning of reporting Period (01.04.2018)	7216	31895	14427	5090	61901	242	31	(69)	155	120888	2006	122894
Profit for the year					1,930					1,930	(420)	1,510
Amount transferred from Statement of Profit and Loss												
Equity Instruments through Other Comprehensive Income							(2)			(2)		(2)
Effective Portion of Cash Flow Hedges								(17)		(17)		(17)
Remeasurement of net defined benefit Liability / Asset (net)									(43)	(43)		(43)
Transfer to General Reserve			-		-					-		-
Balance at the end of reporting Period (31.03.2019)	**7216**	**31895**	**14427**	**5090**	**63831**	**242**	**29**	**(86)**	**112**	**122756**	**1586**	**124342**

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May 30, 2019

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 join 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

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:

Tangible Assets	
Assets	**Estimate of Useful Life in Years**
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 realisaton 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

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit interest rate or incremental borrowing rate as applicable. Finance charges are charged directly against income. The costs identified as directly attributable to activities performed for a finance lease are included as part of the amount recognized as leased assets. If there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, capitalized leased assets are fully depreciated over the lease term or their useful life, whichever is shorter.

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased assets, are classified as operating leases. Lease payments under operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless such payments are structured to increase in line with general expected inflation to compensate for the lessor's expected inflationary cost increase. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

XX) INCOME TAX

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

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting date. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended realise the asset and settle the liability on a net basis or simultaneously.

b) Deferred tax

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

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

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

XXI)CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

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

XXII) SEGMENT REPORTING

a) Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

b) Identification of segments:

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

c) Segment Revenue and Segment Result:

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

d) Segment Assets and Liabilities:

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

XXIII) CASH FLOWS

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

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

XXIV) CASH AND CASH EQUIVALENTS

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

XXV) DIVIDENDS

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

XXVI) EARNINGS PER SHARE

a. Basic earning per share

Basic earnings per share is calculated by dividing

i. the profit attributable to owners of the Group

ii. by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

b. Diluted earnings per share

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

i. the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

ii. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

XXVII) CONTINGENT LIABILITIES

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

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or

b) a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

- the amount of the obligation cannot be measured with sufficient reliability.

XXVIII) ROUNDING OF AMOUNTS

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

1. PROPERTY, PLANT AND EQUIPMENT

₹ Lakhs

Particulars	Land	Building*	Plant and Equipment	Furniture and fixtures	Office fixtures	Office equipments	Electrical installations	Vehicles	Total
Cost or valuation									
At 31 March 2018	**32,800**	**3,052**	**24,546**	**876**	**237**	**2,009**	**430**	**1,431**	**65,382**
Additions	-	-	2,215	20	-	256	9	48	**2,548**
Disposals	-	-	35	-	-	-	-	37	**72**
At 31 March 2019	**32,800**	**3,052**	**26,726**	**896**	**237**	**2,265**	**439**	**1,442**	**67,858**
Depreciation and impairment									
At 31 March 2018	**-**	**781**	**12,281**	**438**	**225**	**1,364**	**290**	**987**	**16,365**
Depreciation charge for the year	-	96	2,047	78	3	283	29	106	**2,642**
Disposals	-	-	25	-	-	-	-	30	**55**
At 31 March 2019	**-**	**877**	**14,303**	**516**	**228**	**1,647**	**319**	**1,063**	**18,953**
Net book value									
At 31 March 2019	32,800	2,176	12,423	380	9	617	120	379	**48,905**
At 31 March 2018	32,800	2,272	12,265	438	12	645	140	444	**49,017**

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

2. INTANGIBLE ASSETS

₹ Lakhs

Particulars	Goodwill	Technical Knowhow	Software	Total
At 31 March 2018	59	1,348	**2,162**	**3,569**
Additions	-	-	100	**100**
Disposal	-	-	-	**-**
At 31 March 2019	**59**	**1,348**	**2,262**	**3,669**
Amortisation and impairment				
At 31 March 2018	**-**	**1,341**	**1,897**	**3,238**
Amortisation	-	7	65	72
Disposal	-	-	-	**-**
At 31 March 2019	**-**	**1,348**	**1,962**	**3,310**
Net book value				
At 31 March 2019	**59**	**-**	**300**	**359**
At 31 March 2018	**59**	**6**	**262**	**327**

3. FINANCIAL ASSETS

3 (a) INVESTMENTS

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
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	39	42
(13,970) of ₹ 91 per share		
Market Value ₹ 280.10 (₹ 299.80) per share		
Quoted Investments in Mutual Funds		
50,000 SBI Mutual Fund-Magnum Multi Cap Fund - Dividend	11	11
(50,000) units		
Market Value ₹ 21.7878 (₹ 20.5736) per unit		
2,50,000 SBI Mutual Fund-Infrastructure Fund - I - Growth	38	38
(2,50,000) units		
Market Value ₹ 15.0514 (₹ 15.2828) per unit		
Investments carried at fair value through Other Comprehensive Income (B)	**88**	**91**
Total Investments	**88**	**91**
Current	-	-
Non-Current	**88**	**91**
Aggregate cost of quoted investments	43	43
Aggregate market value of quoted investments	88	91
Aggregate value of unquoted investments	-	-

3 (b) Trade Receivables - Non Current

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	117809	107708
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
	117809	**107708**
Less: Allowance for Credit Loss	(2945)	(2694)
Total Trade receivables	**114864**	**105014**

3 (c) Loans - Non current

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Loans - Non current		
Loans considered good - secured	-	-
Loans considered good - unsecured		
- Deposits	856	441
- Other loans and advances	3024	9935
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total loans	**3880**	**10376**

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 ₹ 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 ₹ 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 ₹ 83 lakhs (₹ 83 lakhs) as at Mar 31, 2019 as recoverable advances from the end client through the JV and is grouped under other loans and advances.

3 (d) Other financial Assets

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Margin money deposit held under lien to banks - maturity more than 12 months	12573	14380
Interest accrued on margin money deposits	173	401
Total Other financial Assets	**12746**	**14781**

4. INVENTORIES

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials and components	3695	3851
Work-in-progress	22	584
Total of inventories at lower of cost or net realisable value	**3717**	**4435**

CURRENT ASSETS

5. FINANCIAL ASSETS

5 (a) Trade receivables

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured		
- from related parties	1218	1815
- from Others	295133	304847
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
	296351	306662
Less: Allowance for Credit Loss	(7208)	(7014)
Total Trade receivables	**289144**	**299648**

Trade receivables includes retention amount of ₹ 147601 lakhs (₹ 128063 lakhs) which, in accordance with the terms of the contracts were not due for payments as at Mar 31, 2019.

5 (b) Cash and cash equivalent

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
– On current accounts	1538	1915
– On deposits accounts	3134	3429
Cash on hand	20	22
Margin money deposits held under lien to banks	34877	31835
On unpaid dividend accounts	39	40
Total Cash and cash equivalent	**39608**	**37241**

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

5 (c) Loans

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Loans Considered good - Secured	-	-
Loans Considered good - Unsecured	-	-
- Advance to related party	458	5535
- Other loans and advances *	33973	36655
- Deposits	4488	2829
Loans which have signifgicant increase in credit risk	-	-
Loans - Credit impaired	-	-
Total loans	**38919**	**45019**

* 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, 2019	As at March 31, 2018
Interest accrued on fixed deposits	1062	688
Cash Flow Hedges		
Foreign Exchange Forward contracts	875	-
Total Other Financial Assets	**1937**	**688**

6. OTHER CURRENT ASSETS

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Unsecured, considered good		
Advance to suppliers	40565	37191
Others	8698	-
Contracts Asset	63998	73063
Advance Income tax (net of provision)	3228	-
Prepayments	1042	829
Sub Total	117531	111084
Less : Allowance for Credit Loss on Contract Asset (Refer Note No 38)	(1280)	-
		-
Total Other Current Assets	**116251**	**111084**

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

7. SHARE CAPITAL

Authorised Share Capital

₹ Lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.of Shares	Amount	No.of Shares	Amount
Share Capital at the beginning of the year (Face value ₹ 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, 2019		As at March 31, 2018	
	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, 2019		As at March 31, 2018	
	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, 2019		As at March 31, 2018	
	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, 2019	As at March 31, 2018
Secured		
Term Loans from Banks	3568	17047
Borrowings (Non Current)	**3568**	**17047**
Working capital loans from banks	208872	195451
Borrowings (Current)	**208872**	**195451**
Total Borrowings	**212440**	**212498**

a) Term loan includes Corporate loan of ₹ 17047 lakhs (₹ 27355 lakhs) from Syndicate Bank and is secured by the specified receivables of the Company and collateral security of the subsidiary companies and other companies\persons. The loan is repayable in 16 quarterly instalments starting from 01.07.2016.

b) The balance in project specific escrow,current and EEFC accounts have been netted off against respective project's working capital loan accounts.

c) 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 the capital goods segment of the Company. 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 Company.

d) The Company has availed contract specific working capital loans from State Bank of India, IDBI Bank, Punjab National Bank, Syndicate Bank, Vijaya Bank, Indian Bank, Indian Overseas 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) Trade Payables

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Micro and small enterprises	9180	1644
Others		
Trade Payables	137755	144447
Trade Payables to Related Parties		
Total Trade Payables	**146935**	**146090**
Trade Payables Current	137808	138938
Trade Payables Non Current	9127	7152

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, 2019	As at March 31, 2018
Principal amount remaining unpaid	9877	1443
Interest due thereon remaining unpaid	1146	201
Payments made to the supplier beyond the appointed day during the year	6244	1740
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	1146	201
Amount of further interest remaining due and payable in succeeding years	201	19

9. NON CURRENT PROVISIONS

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Employee benefit obligations		
Provision for leave encashment	375	175
Provision for gratuity	612	331
Provision for contractual obligation	2185	1550
Provision for warranty	1891	1802
Total Non Current Provisions	**5063**	**3858**

10. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term borrowings	13479	10308
Unpaid dividends	39	40
Interest accrued but not due	799	450
Total	**14317**	**10798**

11. OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Advance from customers	57572	81504
Other payables *	21968	15508
Contract Liability	52851	34074
Total Other Current Liabilities	**132391**	**131086**

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

12. PROVISIONS

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Employee benefit obligations		
Provision for bonus	28	222
Provision for leave encashment	181	341
Provision for gratuity	332	480
Others		
Provision for warranty	142	117
Total Provisions	**683**	**1160**

PROFIT AND LOSS

13. REVENUE FROM OPERATIONS:

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
Capital Goods	29200	29616
Construction and EPC contracts	294515	296009
Other operating revenues	3568	4247
Total	**327283**	**329872**

14. OTHER INCOME

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend from investments - quoted	2	1
Others		
Net gain on disposal of property, plant and equipment	89	7
Interest on advances / deposit / IT-refunds	186	2254
Total Income	**276**	**2262**

15. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
Opening inventory	3851	3377
(Raw materials, consumables, bought outs and components)		
Add : Purchases	194769	180719
	198620	184150
Less: Closing inventory	3695	3851
(Raw materials, consumables, bought outs and components)		
Cost of raw material and components consumed	**194925**	**180299**

Cost of materials is net of ₹ 1765 lakhs (₹ 2015 lakhs), being cost provision no longer required.

16. COST OF MANUFACTURING AND CONSTRUCTION

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
Subcontracting and processing charges	60450	63596
Power and fuel	158	192
Cost of manufacturing and construction	**60608**	**63788**

17. OTHER DIRECT COST

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Insurance	860	666
Bank charges	7290	5885
Packing and forwarding	702	403
Other direct cost	**8852**	**6954**

18. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
Salaries, allowances and bonus	21384	19055
Contribution to P.F., E.S.I.	671	620
Workmen and staff welfare expenses	1001	1855
Compensated Absences	118	120
Gratuity	197	338
Employee benefits expense	**23371**	**21988**

19. FINANCE COSTS

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on working capital loans	22323	22627
Interest on term loans	2274	3336
Interest - others	2368	2737
Finance costs	**26965**	**28700**

20. DEPRECIATION AND AMORTIZATION EXPENSE

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of tangible assets	2737	2435
Amortization of intangible assets	72	105
Depreciation and amortization expense	**2809**	**2540**

21. OTHER EXPENSES

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Restated)
Rent	1330	1541
Payment to auditors (refer details below)	59	81
Bank charges	90	138
Conveyance and vehicle running expenses	713	718
Trade receivables written off	-	6978
Provision for Bad Debts	-	33
Electricity charges	222	216
Foreign exchange (gain)/loss (net)	(2877)	312
Insurance	202	33
Loss on sale of fixed assets (net)	-	41
Miscellaneous expenses	599	1458
CSR expenses	15	84
Provision for Contractual Obligation & ECL	2185	4827
Professional charges	1217	343
Rates and taxes	131	314
Repairs and maintenance	1308	1451
Security charges	193	204
Selling expenses	78	70
Sitting fees	33	28
Telephone expenses	166	166
Travelling expenses	1022	995
Total Other expenses	**6687**	**20031**

PAYMENT TO AUDITORS

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
- For audit fees	53	50
- For tax matters	1	27
- For certification and others	5	4
Total Payment to Auditors	**59**	**81**

22. DETAILS OF CSR EXPENDITURE

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a. Gross amount spent during the Year	133	138

b. Amount spent during the year	For the year ended March 31, 2019		For the year ended March 31, 2018	
	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	15	-	84	-

As required under Section 135 of Companies Act 2013, the company is required to spend ₹ 133 Lakhs (₹ 138 lakhs) towards Corporate Social Responsibility (CSR) activities. Expenses incurred during the year is ₹ 15 Lakhs (₹ 84 Lakhs) and no provision is made for balance amount during the financial year 2018-19.

23. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

₹ Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Items that will not be reclassified to Profit/Loss		
Remeasurement of net defined benefit Liability/Asset (net)	(43)	(27)
Equity Instruments through Other Comprehensive Income (net)	(2)	4
Items that will be reclassified to Profit/Loss		
Fair value changes on cash flow hedges (net)	(17)	-
Total Other Comprehensive Income for the Year	**(62)**	**(23)**

24. EARNINGS PER SHARE (EPS)

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

₹ Lakhs

Particulars	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018 (Restated)
Basic EPS		
Profit after tax as per accounts	1931	1638
Weighted average number of equity shares (face value ₹ 10 per share) (lakh Nos.)	722	722
Basic EPS (₹)	2.68	2.27
Diluted EPS		
Profit for the year for basic EPS	1931	1638
Less : Adjustment	-	-
Adjusted profit for diluted EPS	1931	1638
Weighted average number of equity shares for Basic EPS (lakh Nos.)	722	722
Add : Adjustment	-	-
Employee Stock Option Plan	-	-
Weighted average number of equity shares (face value ₹ 10 per share) for diluted EPS (lakh Nos.)	722	722
Diluted EPS (₹)	2.68	2.27

25. CONSTRUCTION CONTRACTS

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

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
The aggregate amount of costs incurred and recognized profits (less recognized losses) (including amounts carried forward from previous years)	1313196	1231982
The amount of advances received	57572	75907
The amount of retentions	147601	128063
The gross amount due from customers for contract work as an asset (unbilled revenue)	63998	73063
The gross amount due to customers for contract work as a liability (unearned revenue)	48632	34074

26. DEFERRED TAXES

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

₹ Lakhs

Particulars	Deferred tax asset as at March 31, 2019	Deferred tax liability as at March 31, 2019	Deferred tax asset as at March 31, 2018	Deferred tax liability as at March 31, 2018
Property,plant and equipment	-	1049	-	1159
Other Intangibles	-	29	-	2
Trade Receivables	3547	-	3392	-
Provisions	513	-	272	-
Customer Retention	-	52017	-	44745
ECL on Contract Asset	447	-	-	-
Carry forward tax loss	8654	-	4272	-
Others	249	-	1201	-
Sub Total	**13410**	**53095**	**9137**	**45906**
Net		**39685**		**36769**
Add / (Less) : MAT Credit entitlement		(5438)		(4302)
Grand Total		**34247**		**32467**

INCOME TAX RECONCILIATION

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Profit before Income Tax	2780	3738
Enacted Tax Rates in India	34.94%	34.94%
Computed expected Tax expense	971	1306
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	(191)	22
Tax Effects of amounts which are deductible in calculating taxable income	-	-
Tax Reversals	-	-
Income Tax Expense	**780**	**1,328**

The applicable Indian statutory tax rate for fiscal 2019 and fiscal 2018 is 34.94%.

The subsidiary companies BGR Boilers Private Limited and BGR Turbines Company 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, 2019 are set out below. Unless otherwise stated, 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-19	31-March-18	31-March-19	31-March-18	
i. Progen Systems and Technologies Limited	Chennai, India	69.67%	69.67%	30.33%	30.33%	Manufacture
ii. BGR Boilers Private Limited	Chennai, India	70%	70%	30%	30%	Sales of goods
iii. BGR Turbines Company Private Limited	Chennai, India	74%	74%	26%	26%	Sales of goods
iv. 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		Progen Systems and Technologies Limited	
	31-March-19	31-March-18	31-March-19	31-March-18	31-March-19	31-March-18
Current assets	8084	8776	4520	4298	30	43
Current liabilities	14684	17750	2598	2367	47	135
Net current assets	(6600)	(8974)	1923	1932	(17)	(92)
Non-current assets	4043	9318	2840	2739	2352	2364
Non-current liabilities	1303	32	1393	1307	260	232
Net non-current assets	2739	9286	1447	1432	2091	2132
Net assets	(3861)	312	3369	3364	2074	2040

Accumulated Non-Controlling interests

₹ Lakhs

Summarized statement of profit and loss	BGR Boilers Private Limited		BGR Turbines Company Private Limited		Progen Systems and Technologies Limited	
	31-March-19	31-March-18	31-March-19	31-March-18	31-March-19	31-March-18
Revenue	12424	31408	1072	3561	290	283
Profit for the Year	(1540)	(2715)	26	(69)	115	148
Other Comprehensive Income	-	-	-	-	-	-
Profit allocated to NCI	(462)	(814)	7	(18)	35	45
Dividends paid to NCI	-	-	-	-	-	-

28 EXCEPTIONAL ITEMS

Exceptional item represents net write off of ₹ Nil (₹ 1907 Lakhs)

29 FINANCIAL INSTRUMENTS

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	41705	1094		42268	42799
Other Financial Assets	14683			14683	14683
Total	**500004**	**1094**	**88**	**500610**	**501186**
LIABILITIES					
Other Financial Liabilities	14317			14317	14317
Trade Payables	9127			9127	9127
Borrowings	212440			212440	212440
Total	**235884**	**-**	**-**	**235884**	**235884**

The Carrying Value and Fair Value of Financial Instruments as of March 31, 2018 (Restated) 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	37241			37241	37241
Investments:					
Equity Securities and others			42	13	42
Liquid mutual fund units			48	30	48
Trade Receivables	404662			404662	404662
Loans	53133	1094		53696	54227
Other Financial Assets	15470			15470	15470
Total	**510506**	**1094**	**90**	**511112**	**511690**
LIABILITIES					
Other Financial Liabilities	10798			10798	10798
Trade Payables	144907			144907	144907
Borrowings	212498			212498	212498
Total	**368203**	**-**	**-**	**368203**	**368203**

30 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, 2019	As at March 31, 2018
ASSETS		
Investments		
Mutual Fund Investments	Level 1	Level 1
Equity Instruments	Level 1	Level 1
Loans and Advances	Level 3	Level 3

Fair value of mutual fund and equity investments is based on quoted price.
For loans and advances fair value is determined using discounted cash flow.

31 RISK MANAGEMENT STRATEGIES

Financial risk management:

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

Market risk

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

Foreign currency risk

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

Foreign currency sensitivity

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

₹ Lakhs / Foreign currency in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Assets (Trade receivables / advance to suppliers / bank balances)		
In foreign currency		
In USD	552.86	542.98
In EURO	373.39	407.90
In GBP	0.04	0.45
In JPY	1.85	1.15
In SEK	0.84	0.74
In AED	0.02	0.00
In CHF	0.04	0.04
In CNY	0.01	-
In OMR	0.00	-
In SAR	0.14	-
In THB	0.26	-
In Indian currency		
In USD	38573.19	35371.67
In EURO	29437.95	32748.90
In GBP	3.72	41.42
In JPY	1.18	0.70
In SEK	6.36	5.81
In AED	0.46	0.07
In CHF	2.86	2.76
In CNY	0.14	-
In OMR	0.16	-
In SAR	2.62	-
In THB	0.54	-
Liabilities (Advance from customers/trade payables/buyers credit)		
In foreign currency		
In USD	54.48	82.53
In EURO	171.11	178.94
In GBP	0.17	1.34
In SEK	-	0.29
In CAD	0.75	0.75
In OMR	-	0.005
In Indian currency		
In USD	3801.02	5376.05
In EURO	13490.69	14366.31
In GBP	15.31	122.34
In SEK	-	2.24
In CAD	39.44	38.13
In OMR	-	0.77

For the year ended March 31, 2019 and March 31, 2018, every 0.50% percentage point depreciation/ appreciation in the exchange between the INR and USD, has affected the Company's incremental operating margins by ₹ 193 lakhs (₹ 177 lakhs) approximately.

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, 2019		As at March 31, 2018	
	Trade payables	Trade receivables	Trade payables	Trade receivables
Number of contracts	1	-	-	-
Value in foreign currency			-	-
USD	12.55	-	-	-
EURO	-	-	-	-
Value in INR	875.43	-	-	-

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, 2019	As at March 31, 2018
Fixed rate instruments		
Financial assets		
Fixed deposits with banks	50584	49644
Variable rate instruments		
Financial liabilities		
Borrowings from banks	17047	27355
Working Capital Loans	208872	195451

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 (31.03.2019) would have increased / (decreased) equity and profit by ₹ 1122 Lakhs

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of Steel, Cement and other materials. Due to the significantly increased volatility of the price of the raw material, the Group also entered into various purchase contracts for supply of Steel, Cement & other material. However we have escalation clause with some of our clients for variation in the price of commodities.

Equity price risk

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

At the reporting date, the exposure to listed securities at fair value was ₹ 88 lakhs. An increase / decrease of 10% on the BSE Market index could have an impact of approximately ₹ 8.80 lakhs on the OCI or equity attributable to the Group.

Credit risk

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

Trade receivables

Outstanding customer receivables are regularly monitored and any major export shipments to customers are generally covered by letters of credit. The maximum exposure to the credit risk at reporting date is primarily from trade receivables amounting to ₹ 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, including estimated interest payments and excluding the impact of netting agreements:

₹ Lakhs

Particulars	Up to 12 months	More than 12 months
Trade payables	137808	152535
Borrowings	222351	172755
Other financial liabilities	799	9555

Collateral risk

The Group has pledged part of its short-term deposits of ₹ 47449 lakhs to fulfil the security requirements for the contractual obligations. As at 31 March, 2019, 31 March, 2018 the fair values of the short-term deposits pledged were ₹ 47449 lakhs and ₹ 46216 lakhs respectively.

32 LEASES

Operating Leases

The Company has taken various residential / commercial premises, land and plant & equipment under cancellable and non-cancellable operating leases. These lease agreements are normally renewed on expiry. The future minimum lease payments in respect of non-cancellable leases are as follows:

₹ Lakhs

Particulars	Minimum lease payments outstanding as at	
	As at March 31,2019	As at March 31,2018
Due within one year	180	202
Due later than one year and not later than five years	60	240
Due later than five years	-	-
Total	**240**	**442**

Lease rental expense in respect of operating leases recognized in the statement of profit and loss for the year: ₹ 1422 lakhs (₹ 1633 lakhs)

33. CONTINGENT LIABILITIES AND COMMITMENTS

₹ Lakhs

Particulars	As at March 31,2019	As at March 31,2018
Contingent liabilities		
Claims against the Group not acknowledged as debt		
a) On account of sales tax *	24553	24198
b) On account of income-tax *	3622	2089
c) On account of service tax **	36665	36613
d) On account of provident fund	521	521
e) Others	20845	38652
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	803	600

* Excludes interest, penalty and self assessment tax paid.

** (1) Out of Service tax demand, for a sum of ₹ 36281 lakhs (₹ 24,482 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 ₹ 384 lakhs (excludes interest, penalty and self assessment tax paid), the Group has filed writ in High Court, Chennai.

34. SEGMENT INFORMATION

Primary segment information (business segments)

₹ Lakhs

Particulars	2018-19				2017-18			
	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)	29464	297819	-	**327283**	31231	298641	-	**329872**
b) Inter Segment sales	5104	-	(5,104)	**-**	5367	-	(5,367)	**-**
Total Revenue	34568	297819	(5,104)	**327283**	36598	298641	(5,367)	**329872**
b) Result	3824	25645		**29469**	368	29808		**30176**
Add: Unallocated income (net of expenditure)				**276**				**2262**
Profit before interest and tax	763	28982		**29745**	547	31891		**32438**
Interest				**26965**				**28700**
Profit before tax				**2780**				**3738**
Tax expenses								
- Current tax				**780**				**1328**
- Deferred tax				**434**				**1737**
- Tax - earlier years				**56**				**126**
- Total				**1270**				**3191**
Profit for the year				**1510**				**547**
c) Assets	46359	614221		**660580**	65171	601238		**666409**
Add: Unallocated corporate assets				**9838**				**11312**
Total assets				**670418**				**677721**
d) Liabilities	32524	479305		**511829**	32525	472967		**505491**
Add: Unallocated corporate liabilities				**34247**				**34204**
Total liabilities				**546076**				**539695**
e) Capital assets acquired during the year	70	2578		**2648**	507	1364		**1871**
f) Depreciation, impairment and amortisation	268	2541		**2809**	256	2284		**2540**
g) Other non-cash charges except depreciation, impairment and amortisation	37	8615		**8652**	12	8640		**8652**

Revenue of approximately ₹ 228910 lakhs (31.03.2018 - ₹ 183902 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-March-19	31-March-18
Segment profit	**29,469**	**30,176**
Dividend Income	2	1
Net gain on disposal of property, plant and equipment	89	7
Net foreign exchange gains	-	-
Interest Income	186	2,254
Profit before interest and tax	**29,745**	**32,438**

Reconciliation of assets	31-March-19	31-March-18
Segment operating assets	**6,60,580**	**6,66,409**
Investments	88	91
TDS receivable	9,750	11,221
Total assets	**6,70,419**	**6,77,721**

Reconciliation of liabilities	31-March-19	31-March-18
Segment operating liabilities	**5,11,829**	**5,05,491**
Deferred tax liabilities (net)	34,247	34,204
Total liabilities	**5,46,076**	**5,39,695**

Secondary segment information (geographic segments)

₹ Lakhs

Particulars	Domestic		Overseas		Total	
	31-March-19	31-March-18	31-March-19	31-March-18	31-March-19	31-March-18
External revenue by location of Customers	322922	322821	4360	7051	327283	329872
Carrying amount of segment assets by location of assets	180842	179606	-	-	180842	179606

35. RELATED PARTY TRANSACTIONS

(information provided in respect of revenue items for the year ended Mar 31, 2019 and in respect of assets / liabilities as at Mar 31, 2018)

₹ Lakhs

Particulars	Related parties where significant influence exists and where key management personnel have significant influence	Key Management Personnel	Relatives of Key Management Personnel	2018-19	2017-18
Sales	2,433	-	-	2,433	2,862
Purchases	1,207	-	-	1,207	953
Remuneration	-				
a) Short Term Employee Benefits	-	515	41	556	830
b) Post Employement Benefits	-	-	-	-	-
c) Other Long Term Employee Benefits	-	-	-	-	-
d) Termination Benefits	-	-	-	-	-
e) Share Based Payment	-	-	-	-	-
Rent expenses	75	-	44	119	116
Sale of fixed assets	-	-	-	-	1
Others	-	-	25	25	25
Advances given	-	-	-	-	179
Repayment of advance given	604	-	-	604	-
Other Obligations	-	-	3,735	3,735	3,735
Guarantees	-	-	-	-	-
Balances outstanding	611	-	(78)	534	501

36 Contracting Income includes an Income of ₹ Nil (₹ 71452 lakhs) as per terms of the agreement entered into by the Company with Hitachi, Ltd., Japan (HTC), Hitachi Power Europe GmbH, Germany (HPE) and the company's Joint Venture companies viz., BGR Boilers Private Limited and BGR Turbines Company Private Limited.

37 The Company has aligned its policy of revenue recognition with Ind AS 115 " Revenue from Contracts with Customers ", which is effective from April 1, 2018. The cumulative effect of initial application of Ind AS 115 up to March 31, 2018 being (₹ 10054 Lakhs) has been adjusted in the opening retained earnings and opening balance of Minority interest by (₹ 3271 Lakhs) as permitted by Ind AS. The application of Ind AS 115 have impact of ₹ 4351 lakhs on Turnover in the financial statements.

38 On adoption of IndAS 115, the Company has recognised loss allowances using the ECL model for the contract assets, which are not fair value through profit or loss.The cumulative effect of expected credit loss on contract asset on initial application of Ind AS 115 up to March 31, 2018 being ₹ 1461 Lakhs has been adjusted in the opening retained earnings, as permitted by Ind AS.

39 Depreciation excess provided in earlier years now reversed and adjusted (₹ 95 lakhs) against opening retained earnings.

40 As a result of above changes mentioned in Note no 37, 38 and 39 Retained earnings as on 01.04.2018 have decreased by ₹ 11420 lakhs.

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

42 i. The Company noticed a fraud committed by an employee. A criminal complaint was filed against the delinquent employee.

ii. An amount of ₹ 788 lakhs pertaining to FY 2017-18 has been charged off under exceptional items, for the previous financial year ended 31.03.2018. On further investigation an amount of ₹ 645 lakhs of earlier years has also been found. The total fraud amounted to ₹ 1433 Lakhs.

iii. The above amount includes, ₹ 259 lakhs (₹ 66 lakhs for 2017-18,₹ 193 lakhs for earlier years) already charged to respective heads of expenses of profiit and loss account of earlier years. The balance amount of ₹ 1174 lakhs has been restated in other equity (₹ 722 lakhs in retained earnings of 2017-18 and ₹ 452 lakhs in retained earnings as on 31.03.2017) in line with Indian Accounting Standards (IndAS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

43 PROVISIONS

a) The company has made a provision / transfer of ₹ 1402 lakhs, (₹ 5144 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
	18-19	18-19	17-18	17-18
Opening balance	1920	1550	2849	3614
Add :Addition / transfers	402	2185	317	4827
Less : (a) Provision utilised	(5)	(1,550)	(18)	(6,891)
(b) Provision reversed	(284)	-	(1,228)	-
Closing balance	**2033**	**2185**	**1920**	**1550**

44 The Consolidated financial statements for the year ending 31.03.2019, have been prepared with the audited financial statements of Progen Systems & Technologies Limited, 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 2017-18, adopted the unaudited financial statements of two subsidiary companies viz., BGR Boilers Private Limited and BGR Turbines Company Private Limited. Further, review of unaudited financial statements of BGR Boilers Private Limited for the year ended March 31, 2018 has resulted in increase of Loss by ₹ 268 Lakhs and review of audited financial statements of BGR Turbines Company Private Limited for the year ended March 31, 2018 has resulted in reduction in loss by ₹ 1476 Lakhs. The cumulative effect for both the companies, for FY 2017-18 amounted to increase in Profit after Tax by ₹ 1208 Lakhs in consolidated financial statements.

45 (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	40422	12424	11,677
2) BGR Turbines Company Private Limited	28305	1072	58

(b) In the previous year 2017-18, 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	60314	31408	(192)
2) BGR Turbines Company Private Limited	27067	3561	(7)

46 Previous year figures

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

SASIKALA RAGHUPATHY
Chairperson

V.R.MAHADEVAN
Joint Managing Director

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

M.GOPALAKRISHNA
Director

GNANA RAJASEKARAN
Director

ARJUN GOVIND RAGHUPATHY
Deputy Managing Director and COO

A.SWAMINATHAN
Director - Engineering & Construction Business

S.R.TAGAT
Director

S.A.BOHRA
Director

R.RAMESH KUMAR
President - Corporate & Secretary

P.R.EASWAR KUMAR
President & Chief Financial Officer

As per our report of even date
for M / s N.R.DORAISWAMI & CO
Chartered Accountants
Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Chennai
May 30, 2019

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part “A”: Subsidiaries

₹ Lakhs

Sl. No.	Name of the subsidiary	Reporting period (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	Progen Systems and Technologies Limited	2018-19	INR	610	6229	7854	7854	-	-	174	59	115	-	69.67%
2	BGR Boilers Private Limited	2018-19	INR	13558	(26427)	40422	40422	-	12402	(1540)	-	(1540)	-	70.00%
3	BGR Turbines Company Private Limited	2018-19	INR	18400	(5437)	28305	28305	-	982	29	2.91	26	-	74.00%
4	Sravanaa Properties Limited	2018-19	INR	17	13036	13063	13063	-	18	2	0.10	2	-	100.00%

SASIKALA RAGHUPATHY
Chairperson

V.R.MAHADEVAN
Joint Managing Director

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

M.GOPALAKRISHNA
Director

GNANA RAJASEKARAN
Director

ARJUN GOVIND RAGHUPATHY
Deputy Managing Director and COO

A.SWAMINATHAN
Director - Engineering & Construction Business

S.R.TAGAT
Director

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Director

R.RAMESH KUMAR
President - Corporate & Secretary

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President & Chief Financial Officer

As per our report of even date
for M / s N.R.DORAISWAMI & CO
Chartered Accountants
Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Chennai
May 30, 2019

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, 2019
2	Shares of Associate / Joint Ventures held by the company on the year end	-
	No.	-
	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	₹ (0.21) Lakhs
	i. Considered in Consolidation	₹ (0.21) Lakhs
	ii.Not Considered in Consolidation	₹ Nil

SASIKALA RAGHUPATHY
Chairperson

V.R.MAHADEVAN
Joint Managing Director

SWARNAMUGI R KARTHIK
Director - Corporate Strategy

M.GOPALAKRISHNA
Director

GNANA RAJASEKARAN
Director

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As per our report of even date
for M / s N.R.DORAISWAMI & CO
Chartered Accountants
Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Chennai
May 30, 2019

Space for Notes

Space for Notes

55 MLD Sea Water
Desalination Plant at 800 MW
Krishnapatnam Thermal Power Plant

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.
Phone: +91 44 2430 1000 · Fax: +91 44 2436 4656.

Website: www.bgrcorp.com · Email: investors@bgrenergy.com

BGR ENERGY

BGR ENERGY

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 33rd Annual General Meeting of the Members of BGR Energy Systems Limited will be held at the Registered Office at A-5, Pannamgadu Industrial Estate, Ramapuram Post, Sullurpet Taluk, Nellore District, Andhra Pradesh – 524 401 at 3.00 p.m. on Wednesday, August 14, 2019 to transact the following businesses;

ORDINARY BUSINESS

1. To receive, consider and adopt:

   (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon.

   (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2019 and the report of Auditors thereon.

2. To appoint Mr.V.R.Mahadevan (DIN: 00174667), who holds office as an additional director up to the date of the annual general meeting, as a Director under section 152 of the Companies Act 2013 in the place of Mr.A.Swaminathan (DIN: 00673790), who retires by rotation and does not offer himself for reappointment.

SPECIAL BUSINESS

3. **Approval for appointment of Mr. V.R.Mahadevan as Joint Managing Director of the Company.**

   To consider and, if thought fit, to pass the following resolution as an Ordinary 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 shareholders hereby approve the appointment of Mr.V.R.Mahadevan (DIN: 00174667), as Joint Managing Director of the Company for a period of two years with effect from June 01, 2019 on the terms and conditions 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"

TERMS OF APPOINTMENT

a. Designation : Joint Managing Director

b. Period of Appointment : From 01.06.2019 to 31.05.2021

c. 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.

<u>Perquisites & Reimbursements</u>:

The 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.

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.

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.

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.

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

d. 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.

4. Re-Appointment of Mr. Gnana Rajasekaran as an independent 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 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr.Gnana Rajasekaran (DIN: 03194244), who was appointed as an independent director and who holds office of director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an independent director of the Company, and he shall not be liable to retire by rotation and to hold office for a second term of five years from the conclusion of this Annual General Meeting."

5. Waiver of recovery of excess remuneration paid to Mr.A.Swaminathan, Director – Engineering & Construction Business during the FY 2018-19.

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 hereby approve the waiver of the recovery of Rs.92.29 lakhs, being the excess remuneration over the limits permissible under section 197(1) and Schedule V of the Act paid to Mr.A.Swaminathan (DIN: 00673790) Director – Engineering & Construction Business of the Company during the Financial Year 2018-19 due to inadequacy of profits in the said Financial Year and the consequential retention of such amount thereof by him."

"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."

6. Waiver of recovery of excess remuneration paid to Mr.V.R.Mahadevan, Joint Managing Director during the FY 2018-19.

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) and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the Members of the Company hereby approves the waiver of the recovery of Rs.84.79 lakhs being the excess remuneration over the limits permissible under section 197(1) and Schedule V of the Act paid to Mr. V.R.Mahadevan (DIN: 00174667), Joint Managing Director of the Company during the Financial Year 2018-19 due to inadequacy of profits in the said Financial Year and the consequential retention of such amount thereof by him".

"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."

7. **Waiver of recovery of excess remuneration paid to Mrs.Swarnamugi R Karthik, Director – Corporate Strategy during the FY 2018-19.**

   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) and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the Members of the Company hereby approves the waiver of the recovery of Rs.34.35 lakhs being the excess remuneration over the limits permissible under section 197(1) and Schedule V of the Act paid to Mrs.Swarnamugi R Karthik (DIN: 03494012), Director – Corporate Strategy of the Company during the Financial Year 2018-19 due to inadequacy of profits in the said Financial Year and the consequential retention of such amount thereof by her".

   "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."

8. **Waiver of recovery of excess remuneration paid to Mr.Arjun Govind Raghupathy, Deputy Managing Director & COO during the FY 2018-19.**

   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) and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the Members of the Company hereby approves the waiver of the recovery of Rs.23.27 lakhs being the excess remuneration over the limits permissible under section 197(1) 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 2018-19 due to inadequacy of profits in the said Financial Year and the consequential retention of such amount thereof by him".

   "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."

9. **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.**

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

"RESOLVED THAT the approval of the Shareholders of the Company be and is hereby accorded to the Company to pay remuneration to Mrs.Swarnamugi R Karthik, Director – Corporate Strategy and Mr.Arjun Govind Raghupathy, Deputy Managing Director & COO, the Promoter Directors of the Company as per the terms of their respective appointment notwithstanding that such payments of remuneration are in excess of the limits provided in the sub-clause (6)(e) of regulation 17 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 during any financial year of the Company from April 01, 2019; provided that this approval shall be valid only till the expiry of the respective current term of each such director."

10. 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 2019-20 as approved by the Board is hereby ratified."

By order of the Board

Place : Chennai — **R. RAMESH KUMAR**

Date : July 04, 2019 — President – Corporate & Secretary

Notes :

i) N.R.Doraiswami & Co, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 31st Annual General Meeting held on 27th September, 2017 to hold office until the conclusion of the 36th Annual General Meeting to be held in the year 2022. Pursuant to dispensation of the requirement of ratification of appointment of auditors at every Annual General Meeting by the Companies (Amendment) Act, 2017 effective 7th May 2018 the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

ii) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member. Proxy in order to be valid shall be deposited at the Registered Office of the company at least 48 hours before the time fixed for the commencement of the meeting.**

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member.

iii) The relevant statement as required under Section 102 of the Companies Act, 2013 in respect of the special businesses in the notice is appended herewith.

iv) All documents referred to in the above notice and statement are available for inspection at the Registered office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 10.00 a.m. and 5.00 p.m. upto the date of the 33rd Annual General Meeting.

Members holding shares in physical form are requested to notify any change in their address to the Registrar and Share Transfer Agent - Link Intime India Private Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083.

v) Members holding shares in electronic form should update their details with their respective depository participants. The bank particulars registered in their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participant of the members.

vi) For any assistance or guidance for dematerialization, shareholders are requested to contact the Company's Registrar and Share Transfer Agent or Investors Relations Centre at the Corporate Office of the Company.

vii) Members who have not encashed the dividend warrants for the FY 2011-12, FY 2012-13 and FY 2013-14 are requested to write to the Company giving necessary and sufficient details.

viii) **Dividend which remains unclaimed out of the dividend declared by the Company for the year ended March 31, 2012 at the Annual General Meeting held on September 21, 2012 will be transferred to the investor education and protection fund of the Central Government in November 2019 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 2011-12 are advised to claim the same immediately without any further delay.**

ix) Members are requested to forward their queries on annual financial statements and other sections of the annual report to the Company Secretary at least 10 days in advance for enabling the Company to furnish replies / clarifications at the 33rd Annual General Meeting.

x) Members are requested to bring their copy of the annual report to the meeting along with duly signed attendance slip.

xi) **Voting through electronic means**

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended vide Companies (Management and Administration) Amendment Rules, 2015 with effect from March 19, 2015 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the members facility of voting by electronic means in respect of businesses to be transacted at the 33rd Annual General Meeting which includes remote e-voting (i.e. voting electronically from a place other than the venue of the general meeting) and voting at the AGM through an electronic voting or ballot or poll paper. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating voting by electronic means.

The instructions for e-voting are as under:

A. **In case a Member receives an email from NSDL [for members whose email IDs are registered with Depository Participant(s)]:**

(i) Open email and open PDF file viz.; "bgrenergy.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL:

https://www.evoting.nsdl.com/

(iii) Click on Shareholder – Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login. If you are already registered with NSDL for e-voting, you can use your existing user ID and password for casting your vote.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

(vii) Select "EVEN" of BGR Energy Systems Limited.

(viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rsaevoting@gmail.com with a copy marked to evoting@nsdl.co.in.

B. **In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Depository Participant(s) or requesting physical copy]:**

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (E Voting Event Number)	USER ID	PASSWORD/ PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above, to cast your vote.

Other Instructions:

I. Persons who acquired shares and became Members of the Company after the dispatch of the Notice of the AGM but before the cut-off date of August 07, 2019 may obtain their user ID and password for e-voting by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

II. The remote e-voting period commences on August 11, 2019 at 9.00 a.m. and ends on August 13, 2019 at 5.00 p.m. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of August 07, 2019 may cast their votes electronically. The remote e-voting module will be disabled by NSDL for voting thereafter at 5.00 p.m. on August 13, 2019. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 07, 2019.

V. Members attending the meeting who have not already cast their vote by remote e-voting shall alone be able to exercise their voting right at the meeting through ballot or polling paper. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

VI. CS R. Sridharan, Practising Company Secretary (Membership No.4775) of M/s. R.Sridharan & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize both the remote e-voting and the physical voting at the meeting in a fair and transparent manner.

VII. The results of e-voting will be declared not later than 48 hours of conclusion of the AGM i.e. August 16, 2019. The results declared along with the scrutinizer's Report shall be placed on the Company's website www.bgrcorp.com and on the website of NSDL and the results will be communicated to BSE Limited and National Stock Exchange of India Limited. Subject to receipt of requisite number of votes, the resolutions set out in the notice shall be deemed to be passed on the date of the AGM.

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

Item No.2 & 3

The tenure of last appointment of Mr.V.R.Mahadevan as Director / Joint Managing Director of the Company expired on May 31, 2019 and the Board of Directors, at its meeting held on May 30, 2019 pursuant to the recommendation of Nomination and Remuneration Committee (NRC) appointed Mr. Mahadevan, as an additional director of the Company with effect from June 01, 2019. The Board, at the same meeting, based on the recommendation of NRC has re-appointed him to the office of Joint Managing Director of the Company effective the same date, for a period of two years and upon terms and conditions set out in the resolution No.3, subject to the approval of the Members. As per the provisions of Section 161(1) of the Act, he holds office of additional director up to the date of this Annual General Meeting of the Company, and is eligible for appointment as Director. Mr. Mahadevan, being eligible and offers himself for appointment and the Board commends his appointment in the vacancy arising out of vacation of office by Mr.A.Swaminathan in terms of Section 152(6)(e) of the Act. The Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of Director of the Company.

Mr.V.R.Mahadevan, has served the Company for more than three decades in various capacities and demonstrated proven leadership in project management, engineering, sales and business management. He was elevated to the Board in the year 2005 and he is currently responsible for key portfolios of the Company as determined by the Board of Directors.

The appointment of Mr. Mahadevan as Joint Managing Director was made under the provisions of the Act. In terms of Schedule V of the Act the appointment of a Managing Director shall be approved by the shareholders in general meeting. The Board of Directors recommends resolutions set out at item No. 2 & 3 of the Notice for approval by the shareholders.

Except Mr.Mahadevan, 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 No. 4

Mr.Gnana Rajasekaran was appointed as an independent director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. His term of office was determined in accordance with Section 149, 150 and 152 of the Companies Act 2013 at the annual general meeting held on September 25, 2014 and accordingly he holds office up to the conclusion of the ensuing Annual General Meeting of the Company.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of performance evaluation recommended reappointment of Mr.Gnana Rajasekaran as independent director for a second term of five years on the Board of the Company.

The Board, based on the performance evaluation of Mr. Gnana Rajasekaran and as per the recommendation of the Nomination and Remuneration Committee considers that given his expertise and contribution made by him during his tenure, the continued association of Mr.Gnana Rajasekaran would be beneficial to the Company and it is desirable to continue to avail his services as independent director. Accordingly, it is proposed to re-appoint Mr. Gnana Rajasekaran as an independent director of the Company, not liable to retire by rotation and to hold office for a second term of five years. Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") *inter alia* prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that appointment of an independent director for a second term of up to five consecutive years shall require to be made by passing a special resolution by the company and disclosure of such appointment in its Board's report.

Mr.Gnana Rajasekaran is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Mr.Gnana Rajasekaran for the office of independent director of the Company. The Company has also received declaration from Mr.Gnana Rajasekaran that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr.Gnana Rajasekaran fulfils the conditions for appointment as independent director as specified in the Act and the Listing Regulations. The education, experience and a brief biography of Mr.Gnana Rajasekaran whose re-appointment as independent director is proposed at Item No.4, are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Mr.Gnana Rajasekaran setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Mr.Gnana Rajasekaran is interested in the resolution set out at Item No. 4 of the Notice with regard to his re-appointment. Save and except the above, none of the other directors / key managerial personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set out at Item No.4 of the Notice for approval by the members.

Item Nos.5,6,7 & 8

Mr.A.Swaminathan was appointed as Joint Managing Director & CEO of the Company for a period of 5 years with effect from October 01, 2013 and the shareholders approved the same at the annual general meeting held on September 25, 2014. He was subsequently 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 September 27, 2017 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, 2017.

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 whole-time directors were fixed for the 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 2018-19 and hence remuneration were paid to the whole-time directors as per the terms of appointment approved by the shareholders. However, the Company's profitability witnessed a drop during FY 2018-19 resulting thereby the profits of the Company for FY 2018-19 were found inadequate for the purpose of payment of managerial remuneration at the individual level and to all managing and whole time directors at aggregate level. The actual remuneration paid to the whole-time directors during the FY 2018-19 has resulted in excess payments over and above the limits prescribed under Section 197 of the Companies Act, 2013.

The details of actual remuneration paid and resultant excess payment during FY 2018-19 are given below:

No.	Name of Director & Designation	Actual Remuneration paid (Rs.in lakhs)	Excess payment (Rs.in lakhs)
1	Mr.A.Swaminathan, Director –Engineering & Construction Business	172.49	92.29
2	Mr.V.R.Mahadevan, Joint Managing Director	164.99	84.79
3	Mrs.Swarnamugi R Karthik, Director – Corporate Strategy	91.66	34.35
4	Mr.Arjun Govind Raghupathy, Deputy Manging Director & COO	62.10	23.27

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 and under Section 197(10) 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 May 30, 2019 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 May 30, 2019 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 excess remuneration of Rs.234.70 Lakhs from Mr.A.Swaminathan, Mr.V.R.Mahadevan, Mrs.Swarnamugi 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. A.Swaminathan and Mr.V.R.Mahadevan are interested in the resolution set out respectively at item No.5 & 6 with regard to their respective resolutions. 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 No.9

The sub-regulation (6)(e) of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which became effective from April 01, 2019 provide that the fees or compensation and remuneration payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

(i) the annual remuneration payable to such executive director exceeds Rupees 5.00 Crore or 2.5 per cent of the net profits of the Company, whichever is higher; or

(ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

Accordingly, the approval of shareholders is sought for payment of remuneration to Mr.Arjun Govind Raghupathy, Deputy Managing Director & COO and Mrs.Swarnamugi R Karthik, Director- Corporate Strategy, who are members of promoters group of the Company as per the terms of their respective appointment already approved by the shareholders notwithstanding that such remuneration are in excess of the limits prescribed in the sub-clause (6)(e) of regulation 17 of SEBI Listing Regulations, 2015 subject however to the limits set out in section 197 and Schedule V of the Companies Act 2013. The Board of Directors recommends the resolution set out in item No.9 of the Notice for approval by shareholders.

Except Mr.Arjun Govind Raghupathy, Mrs.Sasikala Raghupathy, and Swarnamugi R Karthik 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 No.10

The proposal for appointment of A N Raman & Associates as Cost Auditor for Financial Year 2019-20 was recommended by the Audit Committee to the Board and the Board appointed him to be the Cost Auditor for FY 2019-20 at the meeting held on May 30, 2019. Copy of certificate dated May 21, 2019 issued by AN Raman & Associates regarding eligibility for appointment as cost auditor will be available for inspection at the registered office of the Company during the office hours and shall be available at the meeting. 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 & 4

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.V.R.Mahadevan	Mr.Gnana Rajasekaran
Age	60 years	66 years
Experience	He has served the Company for more than three decades in various capacities and demonstrated proven leadership in project management, engineering, sales and business management.	He is a retired officer of the Indian Administrative Service ("IAS"). He has served on the Boards of various Public Sector undertaking in the capacity of Chairman/ Managing Director for more than two decades. He was Secretary to Government, Energy and Labour departments, Government of Kerala and Chairman, Kerala State Electricity Board.
Date of first appointment	June 01, 2005	February 10, 2011
Qualifications	BE	M Sc.,
Names of other entities in which the person also holds the directorships	GEA BGR Energy System India Limited BGR Boilers Private Limited Schmitz India Private Limited	Odyssey Technologies Limited.
Names of other entities in which the person also holds membership of Committees of Board	N.A.	Odyssey Technologies Limited.
Shareholding in the Company as on March 31, 2019	716	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	N.A.	N.A.
Number of Meetings of Board Attended during the year	5	5

By order of the Board

Place : Chennai
Date : July 04, 2019

R. RAMESH KUMAR
President – Corporate & Secretary

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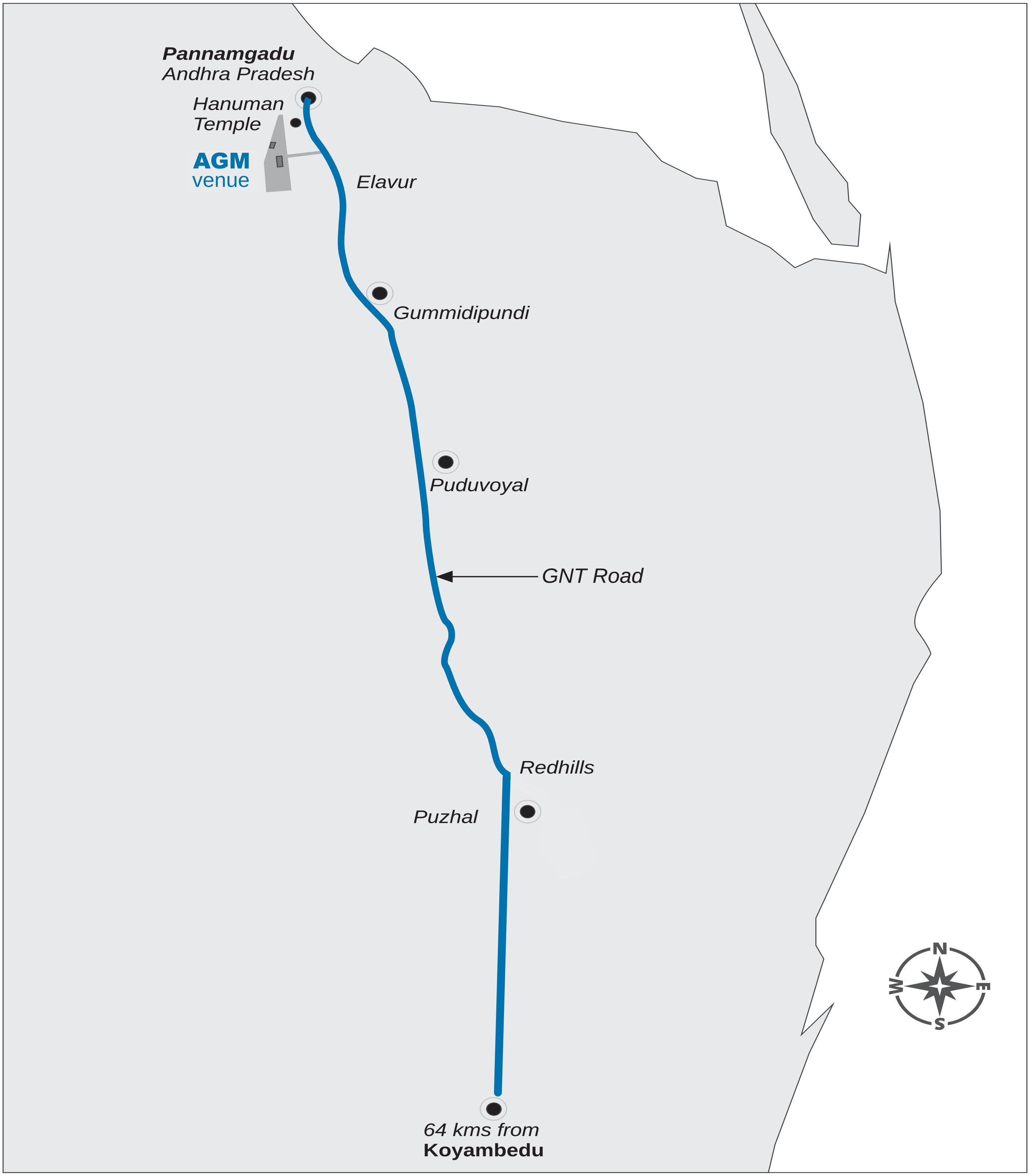
ROUTE MAP FOR AGM VENUE



AGM Venue: A-5, Pannamgadu Industrial Estate, Ramapuram Post,
Sulurpet Taluk, Nellore District, Andhra Pradesh-524401
Prominent Landmark: **Hanuman Temple on GNT Road**

BGR ENERGY

BGR ENERGY SYSTEMS LIMITED

Regd. Office : A-5, Pannamgadu Industrial Estate, Ramapuram Post, Sulurpet Taluk, Nellore Dist. Andhra Pradesh – 524 401

Ph : 044-27948249 Email : investors@bgrenergy.com, website : www.bgrcorp.com CIN : L40106AP1985PLC005318

Form No. MGT -11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :...

Registered Address : ....

Email ID : ....

Folio No. / Client ID : ....

DP ID : ....

I/We, being the member(s) holding .... Shares of the above named company, hereby appoint

1. Name : ....Address : ....

   Email ID : ....Signature : ....

   or failing him

2. Name : ....Address : ....

   Email ID : ....Signature : ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the company, to be held on Wednesday, the August 14, 2019 at 3.00 p.m. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business :

1. Adoption of Audited Financial Statements, Reports of Auditors and Board of Directors for the year ended March 31, 2019 and Audited Consolidated Financial Statements for the year ended March 31, 2019.
2. Appointment of Mr.V.R.Mahadevan who holds office as an additional director up to the date of the annual general meeting, as a Director in the place of Mr.A.Swaminathan, who retires by rotation and does not offer himself for re-appointment.

Special Business :

3. Appointment of Mr.V.R.Mahadevan as Joint Managing Director of the Company.
4. Re-appointment of Mr.Gnana Rajasekaran as an independent director of the Company.
5. Waiver of recovery of excess remuneration paid to Mr.A.Swaminathan, Director – Engineering & Construction Business during the FY 2018-19.
6. Waiver of recovery of excess remuneration paid to Mr.V.R.Mahadevan, Joint Managing Director during the FY 2018-19.
7. Waiver of recovery of excess remuneration paid to Mrs.Swarnamugi R Karthik, Director – Corporate Strategy during the FY 2018-19.
8. Waiver of recovery of excess remuneration paid to Mr.Arjun Govind Raghupathy, Deputy Managing Director& COO during the FY 2018-19.
9. 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.
10. Ratification of remuneration payable to the Cost Auditor of the Company for the FY 2019-20.

Signed this _____ day of _________, 2019

Affix Revenue Stamp

Signature of shareholder

Signature of proxy holder (s)

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

BGR ENERGY SYSTEMS LIMITED

Regd. Office : A-5, Pannamgadu Industrial Estate, Ramapuram Post, Sullurpet Taluk, Nellore Dist. Andhra Pradesh – 524 401.
Ph : 044-27948249 Email : investors@bgrenergy.com website : www.bgrcorp.com
Corporate Identity No. : L40106AP1985PLC005318

ATTENDANCE SLIP

Shareholder / Proxy holder wishing to attend the meeting must bring the duly signed Attendance Slip to the meeting and handover at the entrance of the meeting venue.

FOLIO NO. / DP CLIENT ID	
NAME AND ADDRESS OF THE SHAREHOLDER(S) JOINT HOLDER 1 JOINT HOLDER 2	

1. I hereby record my presence at the 33rd ANNUAL GENERAL MEETING held at A-5, Pannamgadu Industrial Estate, Ramapuram Post, Sullurpet Taluk, Nellore District, Andhra Pradesh - 524 401 on Wednesday, August 14, 2019 at 3.00 p.m.

2. Signature of the Shareholder/Proxy present ....

Note : PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

BGR ENERGY SYSTEMS LIMITED

Regd. Office : A-5, Pannamgadu Industrial Estate, Ramapuram Post, Sullurpet Taluk, Nellore Dist. Andhra Pradesh – 524 401.
Ph : 044-27948249 Email : investors@bgrenergy.com website : www.bgrcorp.com
Corporate Identity No. : L40106AP1985PLC005318

ELECTRONIC VOTING PARTICULARS

E-VOTING EVENT NUMBER (EVEN)	USER ID	PASSWORD

NOTE : Please read the instructions printed under the Note no. (xi) to the Notice dated July 4, 2019 of the 33rd Annual General Meeting. The voting period starts from 9.00 a.m. on Sunday, August 11, 2019 and ends at 5.00 p.m. on Tuesday, August 13, 2019. The voting module shall be disabled for voting thereafter.