

Independent Auditor's Report

To the members of BGR Boilers Private Limited

Report on the Audit of the Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of BGR Boilers Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis of Qualified Opinion section of our report, the aforesaid 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 ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its loss (including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in Note 14.1, to the accompanying financial statements, the Company has recognized a provision for onerous contracts amounting to ₹ 5,975 lakhs as at 31 March 2025. The provision relates to contracts for which negotiations with customers are ongoing and related vendor claims are under arbitration or similar processes. Pending the resolution of these matters, management has not reassessed the provision to determine the current best estimate of the obligation as at the reporting date, as required under Ind AS 37- Provisions, Contingent Liabilities, and Contingent Assets. In the absence of sufficient and appropriate audit evidence, we were unable to comment on the adjustments that may be required to the provision for onerous contracts as at 31 March 2025 and consequential impact thereof to the accompanying financial statements.
4. We conducted our audit in accordance with the Standards on Auditing as 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 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 Qualified Opinion.

Material Uncertainty Related to Going Concern

5. We draw attention to Note 1.2 to the accompanying financial statements, which indicates that the Company has incurred a net loss after tax of ₹ 2,975 lakhs during the year ended 31 March 2025 and as at 31 March 2025, the Company's accumulated losses amounting to ₹ 37,128 lakhs (31 March 2024: ₹ 34,158 lakhs), resulting in full erosion of its net-worth and the Company's current liabilities exceed its current assets by ₹ 22,788 lakhs (31 March 2024: ₹ 21,862 lakhs). These conditions and absence of any new contracts, as set forth in the aforesaid note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, pursuant to the execution of "Project Completion Framework Agreement" dated 30 June 2021, as amended vide addendum dated 22 March 2023, and Memorandum of Understanding ("MoU") regarding the Meja Project dated 13 May 2024, and subsequently amended vide addendum dated 7 February 2025 and 7 October 2025, as described in the aforesaid note, the management is of the view that the Company would be able to meet all its current and future obligations as and when they fall due until the completion of the existing contracts and is therefore of the view that the going concern basis of accounting is appropriate for preparation of the accompanying financial statements. Our opinion is not modified in respect to this matter.

Emphasis of Matter - Non- Compliance with Companies Act, 2013

6. We draw attention to Note 1.3 to the accompanying financial statements, which describes that the Company has not complied with the provisions of Section 92, 96, 129 and 137 of the Act with respect to filing of annual return with the Registrar of Companies (ROC), conducting its Annual General Meeting ('AGM'), laying its financial statements in such AGM, and submission of financial statements with the ROC within the prescribed timelines for the year ended 31 March 2025. The Company's management is in the process of initiating appropriate steps to ensure due compliances as required under the Act. Our opinion is not modified in respect of this matter.

Information other than Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon.

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

Responsibilities of Management for the Financial Statements

8. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act, and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

11. Our objectives are obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
12. As part of our audit in accordance with Standards on Auditing, specified under Section 143(10) of the Act we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the 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 has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting policies estimates and related disclosures made by the management;
 - Conclude on the appropriateness of Board of Directors' 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality represents the magnitude of misstatements in the Ind AS financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of a reasonably knowledgeable user of those financial statements. We consider both quantitative and qualitative factors in (i) planning the scope of our audit procedures and evaluating the results of our audit work, and (ii) assessing the effect of any identified misstatements on the Standalone Ind AS financial statements.

13. 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.

Report on Other Legal and Regulatory Requirements

14. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
15. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.
16. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - a) Except for the possible effects of the matters described in paragraph 3 under the Basis for Qualified Opinion section, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - b) Except for the possible effects of the matters described in paragraph 3 under the Basis for Qualified Opinion section and paragraph 16 (h) (vi), 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) Except for the possible effects of the matter described in paragraph 3 under the Basis for Qualified Opinion section, in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) The matters described in paragraph 3 under the Basis for Qualified Opinion section and paragraph 5 under the Material uncertainty related to Going concern section, in our opinion, may have an adverse effect on the functioning of the Company
 - f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act;

- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed a Qualified opinion; and
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company, as detailed in Note 27 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2025;
 - ii. Except for the possible effects of the matter described in the Basis for Qualified Opinion section, the Company, as detailed in Note 14.1 to the financial statements, has made provision as at 31 March 2025, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025;
 - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 35(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 35(e) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representation under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2025;

- vi. As described in Note 34 to the financial statements and based on the examination which included test checks, the Company, in respect of financial year commencing on 1 April 2024, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of audit, we did not come across any instance of audit trail feature being tampered with for the year ended 31 March 2025.

Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention. However, in respect of the financial year 2023-24, the audit trail functionality was activated only from 9 January 2024. The audit trail has been maintained and preserved in accordance with applicable statutory requirements from that date onwards

For **V. Narayanan & Co**
Chartered Accountants
Firm's Registration No.: 002398S



Dileep Thammana
Partner
Membership No.: 227512
UDIN: 26227512YDVXZZ6424



Place: Chennai
Date: 29 May 2026

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of BGR Boilers Private Limited on the financial statements for the year ended 31 March 2025.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and the best of our knowledge and belief, we report that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment have been physically verified by the management during the year, and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all immovable properties held by the Company as disclosed in Note 4 to the financial statements, are held in the name of the Company.

(d) The Company has adopted cost model for its Property, Plant and Equipment and its intangible Assets. Accordingly, reporting under clause 3(i)(d) of the order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The Company does not have any inventory. Accordingly, reporting under the provisions of clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties covered in the register maintained under Section 189 of the Act. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- iv. The Company has not entered into any transactions covered under Sec 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- v. In our opinion, and according to the information and explanation given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of BGR Boilers Private Limited on the financial statements for the year ended 31 March 2025.

- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the order is not applicable.
- vii. (a) In our opinion and according to the information and explanations given to us the Company is regular in depositing undisputed statutory dues including Goods and services tax, Provident fund, Employees State Insurance, Income tax, Duty of Customs, Cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, we report that there are no statutory dues referred to in sub-clause (a) above that have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the Statute	Nature of Dues	Gross Amount (₹ in lakhs)	Amount paid Under Protest (₹ in lakhs)	Period to which the amount relates	Forum where Dispute is pending*
Goods and Services Tax Act, 2017	Tax, interest and penalty	₹ 152	Nil	FY 2018-2020	Additional Commissioner (Appeals)
Goods and Services Tax Act, 2017	Tax, interest and penalty	₹ 493	Nil	FY 2017-2018 to FY 2021-2022	Commissioner (Appeals), Mumbai
Goods and Services Tax Act, 2017	Tax, interest and penalty	₹ 2,395	Nil	FY 2017-2018 to FY 2021-2022	Commissioner (Appeals), Noida
Goods and Services Tax Act, 2017	Tax, interest and penalty	₹ 997	Nil	FY 2017-2018 to FY 2020-2021	Commissioner (Appeals), Mumbai
Goods and Services Tax Act, 2017	Tax, interest and penalty	₹ 93	₹ 9	FY 2019-2020 **	Commissioner (Appeals), Noida

* Forum where dispute is pending is the forum as at the report date.

** Subsequent to the year end, appeal order has been received in favour of the Company and the demand has been dropped.

- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of BGR Boilers Private Limited on the financial statements for the year ended 31 March 2025.

- ix. According to the information and explanations given to us, we report that the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(xi) of the order is not applicable to the company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the company, no report under sub-section 12 of Section 143 of the Act has been filed by the auditors in form ADT 4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us, including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with Sections 177 and 188 of Act, except for the following:

Nature of the related party relationship and the underlying transaction	Amount Involved (₹) in lakhs	Details of non-compliance
Holding Company - Reimbursement of expenses for the services rendered	₹ 638	Relevant approvals under section 177 of the Companies Act, 2013.
Holding Company - Payment made to vendors on behalf of the Company	₹ 132	Relevant approvals under section 177 of the Companies Act, 2013.
Enterprise having significant influence - Technical Service fees	₹ 991	Relevant approvals under section 177 of the Companies Act, 2013
Fellow Subsidiary - Reimbursement of salary expenses	₹ 8	Relevant approvals under section 177 of the Companies Act, 2013

Head Office: 23/12, C V Raman Road, Sriram Colony, Abiramapuram, Chennai, Tamil Nadu- 600018

Branch address - 45/58, Vallalar Street, Periyakuppam, Tiruvallur, Tamil Nadu- 602001

Other Branches - Bengaluru | Trichy

Email – auditdt@vncvtl.com



Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of BGR Boilers Private Limited on the financial statements for the year ended 31 March 2025.

Further, the details of such related party transactions have been disclosed in Note 24 to the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

- xiv. In our opinion and according to the information and explanations given to us, the Company does not have an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act, as disclosed in the Note 30 to the financial statements.
- xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of Section 192 of the Act are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) (a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- xvii. The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to ₹ 92 lakhs and ₹ 446 lakhs respectively.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, in our opinion, a material uncertainty exists as on the date of the audit report due to conditions and absence of new contracts, as detailed in note 1.2 to the accompanying financial statements, including that the Company may not be capable of meeting its liabilities existing at the balance sheet as and when they fall due within a period of one year from the balance sheet date. Refer 'Material Uncertainty related to Going Concern' in our audit report.
- xx. According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of BGR Boilers Private Limited on the financial statements for the year ended 31 March 2025.

- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For V. Narayanan & Co
Chartered Accountants
Firm's Registration No.: 002398S



Dileep Thamma
Partner
Membership No.: 227512
UDIN: 26227512YDVXZZ6424



Place: Chennai
Date: 29 May 2026

Annexure B to the Independent Auditor's Report of even date to the members of BGR Boilers Private Limited, on the financial statements for the year ended 31 March 2025

Independent Auditor's report on the Internal Financial Controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of BGR Boilers Private Limited ("the Company") as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal financial controls stated in Guidance Note on the 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 the Company's 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('the ICAI') prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

Annexure B to the Independent Auditor's Report of even date to the members of BGR Boilers Private Limited, on the financial statements for the year ended 31 March 2025

Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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 with reference to Financial Statements

7. Because of the inherent limitations of internal financial control with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2025:

The Company's internal financial controls over re-measurement of onerous provision as explained in Note 14.1 to the accompanying financial statements were not operating effectively, which could potentially lead to material misstatement result in the carrying value of such provisions for onerous contracts and its consequential impact on the reserves and surplus and related disclosures in the accompanying financial statements.

9. A 'material weakness' is a deficiency or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or internal financial statements will not be prevented or detected on a timely basis.

Annexure B to the Independent Auditor's Report of even date to the members of BGR Boilers Private Limited, on the financial statements for the year ended 31 March 2025

10. In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of control criteria, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2025.
11. We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31 March 2025, and this material weaknesses affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

For **V. Narayanan & Co**
Chartered Accountants
Firm's Registration No.: 002398S



Dileep Thammana
Partner
Membership No.: 227512
UDIN: 26227512YDVXZZ6424



Place: Chennai
Date: 29 May 2026

BGR Boilers Private Limited**Balance sheet as at 31 March 2025**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,870	5,872
Other intangible assets	4	-	-
Financial assets			
- Other financial assets	5	23,876	23,958
- Trade receivables	6	303	303
Income tax assets, net	7	-	33
Other non-current assets	8	2,192	2,191
		32,241	32,357
Current assets			
Financial assets			
- Cash and cash equivalents	9	161	62
- Other financial assets	5	16	17
Income tax assets, net	7	299	-
Other current assets	8	14,591	14,821
		15,067	14,900
Total assets		47,308	47,257
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	13,558	13,558
Other equity	11	(37,128)	(34,158)
		(23,570)	(20,600)
Non-current liabilities			
Financial liabilities			
Trade payables			
- Total outstanding dues of micro and small enterprises	12	-	-
- Total outstanding dues of creditors other than micro and small enterprises		7,660	7,605
Other non-current liabilities	13	19,371	19,370
Provisions	14	5,992	4,120
		33,023	31,095
Current liabilities			
Financial liabilities			
Trade payables			
- Total outstanding dues of micro and small enterprises	12	3,166	2,793
- Total outstanding dues of creditors other than micro and small enterprises		14,763	14,655
Other financial liabilities	15	197	162
Other current liabilities	13	18,996	19,030
Provisions	14	733	122
		37,855	36,762
Total liabilities		47,308	47,257

Notes 1 to 35 form an integral part of these financial statements

This is the balance sheet referred to in our report of even date

For V Narayanan & Co
Chartered Accountants
Firm Registration No. 002398S

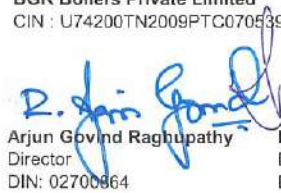


Dileep Thammana
Partner
Membership No: 227512



Place: Chennai
Date: 29 May 2026

For and on behalf of the board of directors of
BGR Boilers Private Limited
CIN : U74200TN2009PTC070539



Arjun Govind Raghupathy
Director
DIN: 02700864



Ram Naresh Singh Tomar
Director
DIN: 08784935

Place: Chennai
Date: 29 May 2026

Place: Chennai
Date: 29 May 2026



BGR Boilers Private Limited**Statement of profit and loss for the year ended 31 March 2025**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

	Note	Year ended 31 March 2025	Year ended 31 March 2024
Income			
Revenue from operations	16	1,121	117
Other income	17	7	4
Total income		1,128	121
Expenses			
Purchases of stock in trade	18	2,147	117
Employee benefits expenses	19	127	81
Finance costs	20	219	218
Depreciation and amortisation expense	21	1	1
Other expenses	22	1,144	210
Total expenses		3,638	627
Loss before tax		(2,510)	(506)
Tax expenses			
Current tax	23		
- Current year		-	-
- Prior years (Refer note 23 and 27(c))		465	-
Deferred tax		-	-
		465	-
Loss for the year		(2,975)	(506)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
- Re-measurement gains/ (loss) on defined benefit plans	14.2	5	(7)
- Income tax relating to the above item		-	-
Other comprehensive income for the year, net of tax		5	(7)
Total comprehensive loss for the year		(2,970)	(513)
Earnings per equity share			
- Basic and diluted	25	(2.19)	(0.37)

Notes 1 to 35 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

For V Narayanan & Co

Chartered Accountants

Firm Registration No. 002398S

Dileep Thammana

Partner

Membership No: 227512



Place: Chennai

Date: 29 May 2026

For and on behalf of the board of directors of

BGR Boilers Private Limited

CIN : U74200TN2009PTC070539

Arjun Govind Raghupathy

Director

DIN 02700864

Place: Chennai

Date: 29 May 2026

Ram Naresh Singh Tomar

Director

DIN 08784935

Place: Chennai

Date: 29 May 2026



BGR Boilers Private Limited

Statement of cash flow for the year ended 31 March 2025

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
A. Cash flows from operating activities		
Loss before tax	(2,510)	(506)
Adjustments for:		
Depreciation and amortisation expense	1	1
Provision for gratuity	1	2
Interest Income on deposits with banks	(3)	-
Utilisation of provision for onerous contract	(183)	(687)
Unrealised forex (gain)/loss, net	31	56
Profit on sale of asset	(4)	-
Interest on balance payable to micro and small enterprises	219	218
Operating (loss) before working capital changes	(2,448)	(915)
Changes in working capital:		
Decrease/ (Increase) in other financial assets	82	(103)
Decrease / (Increase) in other Current asset	230	(41)
Decrease in financial liabilities	36	(76)
Increase/ (Decrease) in trade payables	286	(86)
(Decrease) / Increase in other liabilities	(34)	1,269
Increase/ (Decrease) in provisions	1,940	(5)
Cash generated/ (used in) in operating activities	92	46
Tax (paid) / refund, net	-	-
Net cash generated/ (used in) operating activities (A)	92	46
B. Cash flows from investing activities		
Interest received	2	-
Sale of asset	4	-
Net cash generated from investing activities (B)	6	-
C. Net change in cash and cash equivalents(A+B)	98	46
Cash and cash equivalents at the beginning of the year	63	17
Cash and cash equivalents at the end of the year	161	63
D. Cash and cash equivalents comprises of (Refer note 9)		
Cash on hand	-	-
Balances with banks		
- in current accounts	1	61
- in deposit account (with maturity upto 3 months)	160	1
	161	62

Notes 1 to 35 form an integral part of these financial statements

This is the cash flow statement referred to in our report of even date

For V Narayanan & Co
Chartered Accountants
Firm Registration No. 002398S

Dileep

Dileep Thammana
Partner
Membership No: 227512



Place: Chennai
Date: 29 May 2026

For and on behalf of the board of directors of
BGR Boilers Private Limited
CIN : U74200TN2009PTC070539

Arjun Govind Raghupathy
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Director
DIN 08784935

Place: Chennai
Date: 29 May 2026

Place: Chennai
Date: 29 May 2026



BGR Boilers Private Limited

Statement of changes in equity for the year ended 31 March 2025

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

A. Equity Share Capital

	Number	Amount
Balance as at 1 April, 2023	13,55,84,000	13,558
Issued during the year	-	-
Balance as at 31 March, 2024	13,55,84,000	13,558
Issued during the year	-	-
Balance as at 31 March, 2025	13,55,84,000	13,558

B. Other Equity

Particulars	Reserves and Surplus	Accumulated other comprehensive income	Total Other Equity
	Retained Earnings	Remeasurement of post employment benefit obligation	
Balance as at 01 April 2023	(33,688)	43	(33,645)
(Loss) for the year	(506)	-	(506)
Other comprehensive income for the year, net of tax	-	(7)	(7)
Balance as at 31 March 2024	(34,194)	36	(34,158)
(Loss) for the year	(2,975)	-	(2,975)
Other comprehensive income for the year, net of tax	-	5	5
Balance as at 31 March 2025	(37,169)	41	(37,128)

Notes 1 to 35 form an integral part of these financial statements

This is the statement of changes in equity referred in our report of even date

For V Narayanan & Co
Chartered Accountants
Firm Registration No. 002398S

Dileep

Dileep Thammana
Partner
Membership No: 227512

Place: Chennai
Date: 29 May 2026



For and on behalf of the board of directors of
BGR Boilers Private Limited
CIN : U74200TN2009PTC070539

Arjun Govind Raghupathy
Arjun Govind Raghupathy
Director
DIN 02700864

Place: Chennai
Date: 29 May 2026

Ram Naresh Singh Tomar
Ram Naresh Singh Tomar
Director
DIN 08784935

Place: Chennai
Date: 29 May 2026



BGR Boilers Private Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

1 Corporate information

BGR Boilers Private Limited (the "Company") was incorporated on 23 January 2009 as a Joint Venture company between BGR Energy Systems Limited ("the Holding Company") and Hitachi Power Europe GmbH, Germany with a shareholding pattern of 70:30 for Designing, Manufacture, Inspection, Installation, Commissioning, Sale and/or Service of Boilers of 660MW/800MW/1000MW Super Critical Technology. The Company was awarded contracts for design, engineering, manufacture, supply, transportation to site, testing and conductance of guarantee tests for the Super Critical Boilers ("the projects").

- 1.1 Consequent to the global business integration of Hitachi Limited (HTC) with Mitsubishi Heavy Industries (MHI) w.e.f. 1 February 2014, concerns arose between HTC and BGR Energy Systems Limited (BGRE) regarding status of qualified steam generator manufacturer, timely execution of NTPC Projects and setting up of manufacturing facility in Tamil Nadu for manufacture of super critical steam generators. Subsequently, these concerns have been resolved by and through a Settlement and Separation Agreement (SSA) executed by and amongst Hitachi Limited ('HTC'), Hitachi Power Europe GmbH ('HPE'), BGR Energy Systems Limited ('BGRE'), BGR Turbines Company Private Limited ('BGR-T') and the Company dated 30 March 2016, which inter alia reinforces the understanding for execution of NTPC contracts for Solapur (2 X 660 MW) and Meja (2 X 660 MW) Supercritical Steam Generators (Boilers) Projects. The SSA has come into effect and become legally binding with effect from 29 April 2016. The SSA envisages successful completion of the existing NTPC Projects by HTC and BGRE, the Company anticipates that it shall carry on its existing business of executing the NTPC Contracts in accordance with the terms of the relevant sub contracts executed.

The shareholders of the company has executed Project Completion Framework Agreement dated 30 June 2021, as amended on 22 March 2023, by and amongst Hitachi Limited ('HTC'), Hitachi Power Europe GmbH ('HPE'), BGR Energy Systems Limited ('BGRE'), BGR Turbines Company Private Limited ('BGR-T') and the Company for successful completion of the existing NTPC contract for Solapur (2 X 660 MW) and Meja (2 X 660 MW) Supercritical Steam Generators (Boilers) Projects by September 2022.

A Memorandum of Understanding ("MoU") regarding the Meja project was executed by and amongst Hitachi Limited Japan, Hitachi Power Europe GmbH, BGR Energy Systems Limited, BGR Turbines Company Private Limited and BGR Boilers Private Limited on 13 May 2024, wherein the parties agreed upon revised timelines on a milestone basis ending on 31 December 2024. Subsequently, based on the updated project status, the parties executed addendums to the MoU dated 07 February 2025 and 07 October 2025, revising certain timelines and deliverables to reflect the current progress of the project. The parties are actively discussing the further alignment of timelines, and during this period, continue to remain committed to honouring the MoU and its subsequent addendums.

- 1.2 The Company has incurred a net loss after tax of ₹ 2,975 lakhs during the financial year ended 31 March 2025 and as at 31 March 2025, the Company's net current liabilities position was ₹ 22,788 lakhs (31 March 2024: ₹ 21,862 lakhs). Further, the net worth is fully eroded as at 31 March 2025. These factors indicate the existence of material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Pursuant to Project Completion Framework Agreement (PCFA) executed by and amongst Hitachi Limited Japan, Hitachi Power Europe GmbH (HPE), BGR Energy Systems Limited, BGR Turbine Company Private Limited and the Company on 30 June 2021, the management had envisaged completion of the existing NTPC contract for Solapur (2 X 660 MW) and Meja (2 X 660 MW) Supercritical Steam Generators (Boilers) Projects by September 2022 which was further extended vide board resolution dated 30 September 2022 to 31 March 2023. The Company has completed the Solapur project and Meja project and is in the advance stage of completion. The Company expected financial support from the Holding Company based on the PCFA.

Recent events at the Holding Company:

- a) Operational cash losses and working capital deficit on account of variable and fixed overheads (including finance and admin expenses);
- b) The Holding Company has incurred a net loss of ₹ 1,27,982 lakhs during the period ended 31 March, 2026 and has accumulated losses amounting to ₹2,67,204 lakhs, which resulted in erosion in net worth of the Holding Company;
- c) The Holding Company's loans classified as NPAs have been assigned to National Asset Reconstruction Company Limited (NARCL) under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002), which is expected to reduce debt and improve financial stability. The Holding Company anticipates a significant reduction in its existing debt obligations, which is expected to improve its net worth, liquidity position, and overall financial stability. However, the final terms of this assignment is still under negotiations and yet to be finalized.



BGR Boilers Private Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

Considering the above events at the Holding Company, there is uncertainty on immediate financial support from the Holding Company which warrants alternative funding for the completion of the pending activities in Meja project. Pursuant to the Memorandum of Understanding ("MoU") relating to the Meja project executed among Hitachi Limited, Japan (HTC); Hitachi Power Europe GmbH (HPE); BGR Energy Systems Limited (BGRE); BGR Turbines Company Private Limited (BGRT); and the Company on 13 May 2024, and subsequently amended on 7 February 2025 and 7 October 2025, the Company will receive USD 5 million upon achievement of the milestones as detailed in the MoU for completion of the pending activities in Meja Project.

As per the latest amendment to the MoU, the Company shall receive USD 2.75 million in two tranches, comprising Tranche 1 of USD 1.75 million and Tranche 2 of USD 1 million, upon achievement of the milestones specified in the MoU for completion of the pending activities relating to the Meja project. The balance amount of USD 2.25 million, out of the agreed USD 5 million, will be funded subject to further discussions among the parties. In the event of any deviation from the agreed timelines under the MoU, the parties shall mutually discuss and agree upon revised timelines and make suitable amendments to the MoU, if required.

During the year 2024-25, USD 1.166 million was received as part of Tranche 1. Subsequent to the year end, USD 0.25 million was received under Tranche 2, with the remaining amount receivable upon completion of the corresponding milestones under Tranche 1&2.

The management is confident and believes that the Company will meet its obligations under the MOU and obtain funding from HPE for satisfactory completion of the Meja project. Accordingly, the management has prepared these financial statements using the going concern assumption. Also, the Company does not have other contracts or projects other than existing NTPC Project.'

- 1.3 The Company could not hold the Annual General Meeting, lay before the shareholders the financial statements for the year ended 31 March 2025 within the stipulated time and accordingly, could not ensure prescribed compliance under the provisions of section 92, 96, 129 and 137 of the Companies Act, 2013. The management of the Company, now, proposes to immediately hold the Annual General Meeting and lay down the audited financial statements before the shareholders. The Company's management further intends to initiate appropriate steps to ensure due compliances as required under the Act.

Further, the Company had also not complied with the provisions of Sections 92, 96, 129 and 137 of the Companies Act, 2013 for the year ended 31 March 2024. The Company held its AGM on 19 December 2025 and has laid the audited financial statements for financial year 2023-24 before the shareholders and has regularized the defaults under section 92 and 137 of the Companies Act, 2013 by filing the annual return and financial statements on 19 December 2025, with the relevant authorities along with the late fees. The Company has also regularized similar defaults relating to such non-compliances pertaining to the earlier financial years.

The management is of the view that the impact of afore-mentioned non-compliances including fines and penalties that may be levied under the Act, would not be material to the accompanying financial statements and does not impact the functioning of the Company. Accordingly, no adjustments are considered necessary in these financial statements in respect of the above matter.

- 1.4 During the year ended 31 March 2017, Damodar Valley Corporation (the ultimate customer) had communicated the termination of the Raghunathpur project to BGR Energy Systems Limited, who had in turn communicated the same to the Company. Further, the Company had received certain claims from its vendors in relation to this project and has, in turn, submitted corresponding claims with BGR Energy Systems Limited, who have further lodged claims with the ultimate customer. The claims in relation to the Raghunathpur project are expected to be processed only upon receipt of approvals from the ultimate customer. As the negotiations relating to these claims are ongoing and in the absence of any significant conclusive communication from the ultimate customer, the Company believes that there is no present obligation as at the date of the financial statements, other than amounts recognised based on the current status and assessment of these claims. (Also, refer to note 14).

2 Basis of preparation of financial statements

2.1 General information and statement of compliance with Indian Accounting Standards (Ind AS)

These financial statements of the Company have been prepared in accordance with Ind AS per Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as notified under section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

The financial statements as at and for the year ended 31 March 2025 are approved and authorized for issue by the board of directors on 29 May 2026.

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. These financial statements are presented in lakhs of Indian rupees (₹) which is also the Company's functional currency. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the current year classification.



2.2 Use of Estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3 Summary of accounting policies

3.1 Overall considerations

These financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These accounting policies have been used throughout all periods presented in the financial statements.

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

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

3.2 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Indian Rupees (₹), which is also the functional currency of the Company.

Foreign currency transactions and balances

A foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on actual payments/realisations and year-end restatements are recognised in the Statement of profit and loss.

Non-monetary items are not re-translated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date).

3.3 Revenue recognition

To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step model:

- i) Identifying the contract with customer
- ii) Identifying the performance obligations
- iii) Determining the transaction price
- iv) Allocating the transaction price to the performance obligations
- v) Recognising revenue when/as performance obligation(s) are satisfied

Revenue from contracts with customers for products sold and service provided is recognised when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made as per the payment terms agreed as per the contract, which is consistent with market practice. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

These activity-specific revenue recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below -



BGR Boilers Private Limited**Summary of material accounting policies and other explanatory information for the year ended 31 March 2025**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

3.3 Revenue recognition (continued)**(a) Sale of product**

Revenue from sale of products is recognised when control of the product is transferred to the customer, i.e., when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the product. The company recognises revenue when the High Sea Sales (HSS) agreement is entered into with the customer as the control of the products are deemed to be transferred to the customer with effect from the date of High Sea Sales agreement and for domestic supply revenue is recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts and sales related taxes.

(b) Interest Income

Interest is recognised using the time-proportion basis taking into account the amount outstanding and the applicable interest rate.

3.4 Property, plant and equipment**Land**

Land held for use in the business is stated at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated. Cost of land also includes consideration for land development, resettlement payments, compensation for standing/plantation crops at the time of acquisition and other ancillary cost incidental thereto.

Other equipment

Furniture and fixtures, computers, vehicles and office equipment are initially recognised at acquisition cost. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the asset. Other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses.

Depreciation on tangible assets, excluding land has been provided on a pro-rata basis, on written down value method based on the useful life of the assets, as prescribed in Schedule II to the Companies Act, 2013.

Assets category	Estimated useful life (years)	Rate of depreciation
Furniture and fixtures	10	25.89%
Vehicles	8	31.23%
Office equipment	5	45.07%
Computer equipment	3	63.16%

3.5 Impairment testing of other intangible assets and property, plant and equipment

An assessment is undertaken at each balance sheet date as to whether there is any indicator that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of recoverable amount of such assets is made and impairment losses, if any is recognised, when the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and value of the assets. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in statement of profit and loss, except in case of revalued asset.

3.6 Impairment testing of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.



3.7 Income taxes

Tax expense recognised in the Statement of profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted for the reporting period. Deferred income taxes are calculated based on tax rates in accordance with tax laws that have been enacted or substantively enacted using the Balance Sheet approach on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognised in other comprehensive income are disclosed under the same. A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

In computing current taxes the Company takes into consideration the benefits admissible under the provisions of the Income Tax Act, 1961. In cases where the tax liability computed as per above is less than the Minimum Alternate Tax, the Company is liable to pay the Minimum Alternate Tax (MAT), in accordance with Section 115JB of the Income Tax Act, 1961. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9 Financial assets and financial liabilities

Classification of financial asset, subsequent measurement and derecognition:

Financial assets of the Company primarily comprise of loans and receivable measured at amortised cost. At initial recognition these financial assets are measured at its fair value and subsequently measured at amortised cost using the effective interest method. A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Classification of financial liabilities, subsequent measurement and derecognition:

Financial liabilities of the Company primarily comprise of trade payable, retention payable and other payables measured at amortised cost. At initial recognition these financial liabilities are measured at its fair value and subsequently measured at amortised cost using the effective interest method. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3.10 Retirement and other employee benefits

(i) Gratuity

(A) Defined contribution plan

Contribution to Provident Fund is in the nature of defined contribution plan and are made to a recognised fund.

The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

The Company's contribution to provident fund is considered as a defined contribution plan and is charged as an expense as it falls due based on the amount of contribution required to be made in accordance with relevant rules. The Company has no further obligation other than its monthly contributions, to the fund.

(B) Defined benefit Plan

The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date. The defined benefit obligation is determined at the Balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

(ii) Leave salary - Compensated absences

The Company also extends defined benefit plans in the form of Compensated absences to employees. Provision for Compensated absences is made on actuarial valuation basis.



3.11 Provisions, contingent assets and contingent liabilities:

Provisions for warranties, legal disputes, or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision, if any;

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities where the outflow of resources is remote.

The Company does not recognize any assets of contingent nature unless the realization of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the financial statements.

3.12 Earnings per share

Basic earnings per share is calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares if any). For the purpose of calculating diluted earnings per share, the net profit/(loss) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of 90 days or less, as applicable.

3.14 Segment reporting

An operating segment is a component of the business activities from which it may earn revenues and incur expenses, for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Company operates in a single operating segment, viz. "Supply of boilers and its related components and Providing Supervision Services" in only one geographic segment i.e. as per Ind AS 108 - "Operating Segments". Since the Company's entire business is "Supply of boilers and its related components and Providing Supervision services" connection with ongoing project and the Chief operating decision maker review the financial statement as one segment for making operating and financial decision. Accordingly, there are no other primary segment. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of depreciation and amortisation during the year are all as reflected in the financial statement as at and for the year ended 31 March 2025.

3.15 Leases

The Company's lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.



3.16 Transfer pricing

As per the Transfer Pricing Rules, the Company is required to use certain specified methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, as prescribed. The transfer pricing study for the fiscal year ended 31 March 2025 is yet to be completed. However, based on the self-assessment of the operations by the Management during the year and review carried out by an independent accountant in the previous years, the Management does not expect any material impact of the aforesaid study on the Company's financial statements for the year ended 31 March 2025.

3.17 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

For the year ended 31 March, 2025, MCA has notified amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, which is applicable to the Company w.e.f 1 April, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that is not likely to have any significant impact in its financial statements.

On 9 May, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after 1 April, 2025. The Company is currently assessing the probable impact of these amendments on its financial statements.

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BGR Boilers Private Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March, 2025

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

4 Property, Plant and Equipment

Particulars	Property, Plant and Equipment						Intangible Assets	
	Freehold Land	Furnitures and Fixtures	Vehicles	Office Equipment	Computers	Total	Computer Software	Total
Gross Block								
As at 31 March 2023	5,870	33	5	3	14	5,925	49	49
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2024	5,870	33	5	3	14	5,925	49	49
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	(3)	-	-	(3)	-	-
As at 31 March 2025	5,870	33	2	3	14	5,922	49	49
Accumulated depreciation/amortisation								
As at 31 March 2023	-	32	5	3	12	52	48	48
Charge for the year	-	1	0	0	-0	1	1	1
As at 31 March 2024	-	33	5	3	12	53	49	49
Charge for the year	-	0	0	0	2	2	-	-
Reversal on disposal	-	-	3	-	-	3	-	-
As at 31 March 2025	-	33	2	3	14	52	49	49
Net Block								
As at 31 March, 2024	5,870	-	-	-	2	5,872	-	-
As at 31 March, 2025	5,870	-	-	-	-	5,870	-	-

* Depreciation/amortisation charged for vehicles, office equipments and computer software are below rounding off norms

a) Free hold Land

The Company has acquired land in the year 2011-12, with the intention of developing a manufacturing facility thereon. The management continues to evaluate the feasibility and timing of the development of the manufacturing facility, though it is deferred due to the present situation of the projects. There is no change in the intended use of the land as at the reporting date. Accordingly, the land has been retained under "Property, Plant and Equipment".

b) Title Deeds of Immovable Properties

All immovable properties disclosed under Property, Plant and Equipment are held in the name of the Company.

c) Charges on Assets

There are no charges or liens created or pending for registration against any of the Company's Property, Plant and Equipment.

d) Capital Work-in-Progress (CWIP):

The Company does not have any Capital Work-in-Progress (CWIP) as at the reporting date.



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BGR Boilers Private Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
5 Other financial assets				
<i>(Unsecured, considered good unless otherwise stated)</i>				
Customer retention (Refer note 24(c))	23,876	-	23,958	-
Other receivable (Refer note 24(c))	-	15	-	15
Advance to employees	-	1	-	2
	23,876	16	23,958	17
<i>(Unsecured, considered doubtful)</i>				
Capital advances	41	-	41	-
Less: Provision for doubtful balances	(41)	-	(41)	-
	23,876	16	23,958	17

	As at 31 March 2025	As at 31 March 2024
6 Trade receivables		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Trade receivables (Also, refer note 24(c))	303	303
	303	303

a) Trade receivables ageing as on 31 March 2025

Particulars	Not due	Outstanding for the following period from the date of due date					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	-	-	-	16	-	287	303
(ii) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed trade receivables- considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivables- considered doubtful	-	-	-	-	-	-	-
Total	-	-	-	16	-	287	303

b) Trade receivables ageing as on 31 March 2024

Particulars	Not due	Outstanding for the following period from the date of due date					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	-	16	-	-	-	287	303
(ii) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed trade receivables- considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivables- considered doubtful	-	-	-	-	-	-	-
Total	-	16	-	-	-	287	303

c) The Company does not have any disputed trade receivables and undisputed trade receivables - which have significant increase in credit risk or are credit impaired as on 31 March 2025 and 31 March 2024.



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BGR Boilers Private Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

7 Income tax assets, net

	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Income tax assets, net (Refer note 27 (c))	-	299	33	-
	-	299	33	-

8 Other assets

	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
<i>(Unsecured, considered good unless otherwise stated)</i>				
Balances with government authorities(Also refer note (a) below)	2,192	12	2,191	205
Advance to supplier				
- to related parties (Refer note 24(c) and note 1.4))	-	7,068	-	7,070
- to others (Also, refer note 1.4)	-	7,511	-	7,546
	2,192	14,591	2,191	14,821
<i>(Unsecured, considered doubtful)</i>				
Balances with government authorities	146	1,686	146	1,334
Less: Impairment of doubtful debts	(146)	(1,686)	(146)	(1,334)
	2,192	14,591	2,191	14,821

Note

- a) The balances with government authorities represents the input tax credit on supervision services received from HPE. The Company has applied refund from the indirect tax authorities, but the authorities have not acted on the said application for more than five years now and hence, the possibility of recovering the same seems remote. However, based on the memorandum with respect to HPE onshore services entered between BGR and HTC dated 31 March 2017, the payment of dues pertaining to the supervision services has been deferred for payment until the said receipt of refund of input tax credit from service tax authorities. Accordingly, the said input tax credit balance is shown as receivable with the corresponding payable to HPE shown as trade payable. Upon finalisation of ongoing discussions with HPE, the Company expects the input tax credit on supervision services to be set-off against trade payables to HPE.

9 Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024
Cash on hand	-	-
Balances with banks		
- In current accounts	1	61
- In deposits with original maturity of three months or less	160	1
	161	62

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BGR Boilers Private Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

	As at 31 March 2025		As at 31 March 2024	
	Number of shares*	Amount	Number of shares*	Amount
10 Equity share capital				
Share Capital				
Authorised				
Equity shares of ₹ 10 each	50,00,00,000	50,000	50,00,00,000	50,000
Issued, subscribed and paid up				
Equity shares of ₹ 10 each fully paid up	13,55,84,000	13,558	13,55,84,000	13,558
		13,558		13,558

a) **Reconciliation of total number of shares outstanding**
There has been no fresh issue of equity shares during the current year and previous year.

b) **Shareholders holding more than 5% of the aggregate shares in the Company**

	Number of shares*	% holding	Number of shares*	% holding
BGR Energy Systems Limited	9,49,00,000	70%	9,49,00,000	70%
Hitachi Power Europe GmbH	4,06,84,000	30%	4,06,84,000	30%
	13,55,84,000	100%	13,55,84,000	100%

*Number of shares are in absolute number

c) **Shares held by the holding company**

	Number of shares*	Amount	Number of shares*	Amount
BGR Energy Systems Limited (BGRE)	9,49,00,000	9,490	9,49,00,000	9,490

d) **Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of an equity share is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting except for interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shares shall be transferable subject to the provisions contained in the Articles of Association and in the agreements entered / to be entered into with the investors / shareholders from time to time.

e) **Shares issues pursuant to contract without payment being received, bonus issue and buy back of shares**

There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last five years immediately preceding 31 March 2025.

f) **Capital Management**

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company. There are no borrowings in the Company as at 31 March 2025 and 31 March 2024.

*Number of shares are in absolute number

11 Other equity

a) **Deficit in the statement of profit and loss**

	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	(34,194)	(33,688)
Add: Loss for the year	(2,975)	(506)
Balance at the end of the year	(37,169)	(34,194)

b) **Accumulated other comprehensive income**

Balance at the beginning of the year	36	43
Add : Transfer from other comprehensive income	5	(7)
Balance at the end of the year	41	36

Total other equity

(37,128) (34,158)

a) **Retained earnings**

Retained earnings represents the amounts of accumulated losses of the Company.

b) **Other comprehensive income**

Represents remeasurement of defined benefit liability which comprises of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability.



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BGR Boilers Private Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

12 Trade Payables

	As at 31 March 2025		As at 31 March 2024	
	Non Current	Current	Non Current	Current
Total outstanding dues of Micro, Small and Medium Enterprises (refer note (a) below)	-	3,166	-	2,793
Total outstanding dues of creditors other than micro and small enterprises (Also, refer note (b) below)				
- Dues to related parties (Also, refer note 24(c) and note (b) below)	4,825	11,368	4,770	11,275
- Dues to others	2,835	3,395	2,835	3,380
	7,660	17,929	7,605	17,448

i) Trade payables ageing as on 31 March, 2025

Particulars	Outstanding for the following period from the due date					Total
	Not due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	-	153	205	290	2,517	3,165
(ii) Others	7,660	36	34	15	14,677	22,422
Total	7,660	189	239	305	17,194	25,587

ii) Trade payables ageing as on 31 March, 2024

Particulars	Outstanding for the following period from the due date					Total
	Not due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	-	205	290	138	2,160	2,793
(ii) Others	7,605	34	16	74	14,531	22,260
Total	7,605	239	306	212	16,691	25,053

As at 31 March 2025 As at 31 March 2024

(a) Disclosure of Micro, Small and Medium Enterprises

Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:

i) Principal amount remaining unpaid	1,108	954
ii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
iii) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) The amount of interest due accrued and remaining unpaid at the end of each accounting year.	219	218
v) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	2,057	1,839

The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company at the time of audit. This has been relied upon by the auditors.

- (b) As per Foreign Exchange Management (Export of Goods & Services) Regulations, 2015, all the payment towards import of goods shall be made with the approval of Authorized Dealer Banker if the Company does not make payment within prescribed time limit. The Company has significant foreign currency payable outstanding more than three years as at 31 March 2025 to its creditors including related party, due to the matters specified in para 1.2 and 1.4 of financial statement there is delay in settlement of dues to trade creditors. The Company further intends to initiate appropriate steps to ensure due compliances as required under the regulation upon receipt of any communication/ intimation from the authorities in this regard. Management is of the view that the impact of such non-compliances, would not be material to the accompanying financial statements and also does not impact the functioning of the Company.

13 Other liabilities

Customer advances from related parties (Also, refer note 24(c))
Statutory dues payable

	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Customer advances from related parties (Also, refer note 24(c))	19,371	18,991	19,370	19,025
Statutory dues payable	-	5	-	5
	19,371	18,996	19,370	19,030



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BGR Boilers Private Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March, 2025

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

14 Provisions	As at 31 March 2025		As at 31 March 2024	
	Non - Current	Current	Non - Current	Current
Provision for employee benefits				
- Gratuity (Also, refer note 14.2)	15	2	19	1
- Compensated absences (Also, refer note 14.3)	2	-	4	-
Provision for onerous contract (Also, refer note 14.1)	5,975	-	4,097	121
Provision for tax	-	731	-	-
	5,992	733	4,120	122

14.1 Provision for onerous contract	As at 31 March 2025	As at 31 March 2024
Opening balance as at the beginning of the year	4,218	4,905
Less: Provisions utilised during the year (Refer note 18 and 19)	(184)	(687)
Add: Provision created during the year	1,941	-
Balances as at the end of the year	5,975	4,218

The Company had entered into three contracts with BGR Energy Systems Limited (BGRE) for the supply of boiler parts, components and related services. Owing to delays in achieving the originally agreed contractual timelines and consequential changes in market conditions, the estimated cost required to fulfil the remaining contractual obligations was expected to exceed the related revenue yet to be billed to the customers.

In respect of one of these contracts, the ultimate customer cancelled the main contract, following which BGRE cancelled its corresponding contract with the Company. Consequently, the Company also cancelled the related contracts with its vendors. The Company has received certain claims from its vendors, which are currently at various stages of negotiation, settlement, arbitration, or other dispute-resolution processes.

Applying the principle of prudence, the Company recognised a provision for onerous contracts during the financial year 2018–19 for the estimated net obligations, representing the unavoidable costs of meeting the remaining contract commitments and the vendor claims, net of expected revenues. During the current financial year 2024–25, based on management's reassessment of the status of vendor claims and ongoing developments in negotiations and dispute-resolution processes, an additional provision has been recognised towards such uncompleted project's vendor claims to reflect the best estimate of the expected outflow. After considering such additional provision and utilisation during the year, the provision carried as at 31 March 2025 amounts to ₹5,975 lakhs.

As at the reporting date, negotiations with customers are ongoing, and the vendor claims continue to be subject to arbitration or similar processes. The Company will reassess the adequacy of the provision upon conclusion of these discussions and upon obtaining greater clarity regarding the expected outcomes. Any revisions to the provision will be recognised in the financial statements in the period in which such uncertainties are resolved and reliable estimates become available.

Based on the current status and progress of customer negotiations and the petitions filed in respect of vendor claims, management believes that any further adjustments required to the provision for onerous contracts are not expected to be material in the context of the amounts reported as at 31 March 2025.

14.2 Gratuity

In accordance with the Payments of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, termination of employment (subject to completion of five years of continuous employment), death or incapacitation, equivalent to fifteen days of salary last drawn for each completed year of service. The plan is unfunded.

a) Change in present value of defined benefit obligation	As at 31 March 2025	As at 31 March 2024
Obligation at the beginning of the year	20	15
Interest cost	1	1
Current service cost	1	1
Benefits paid	-	(4)
Actuarial (gain)/ loss	(5)	7
Obligation at the end of the year	17	20
Classified as		
Non-current	15	19
Current	2	1
	17	20



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BGR Boilers Private Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March, 2025

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

14.2 Gratuity (Continued)

	As at 31 March 2025	As at 31 March 2024
b) Components of net gratuity costs are		
Current service cost	1	1
Interest cost	1	1
Expense recognised in the Statement of profit and loss (Refer note 19)	2	2
Actuarial gain	(5)	7
Total gratuity expenses	(3)	9

c) Principal actuarial assumption used		
Discount rate	6.62%	7.22%
Long-term rate of compensation increase	6.00%	6.00%
Attrition rate	12.00%	12.00%

d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

e) **Gratuity Plan:**

Assumptions

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

	Future Salary		Discount rate		Attrition rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31-Mar-25						
> Sensitivity Level	1%	-1%	1%	-1%	1%	-1%
> Impact on defined benefit obligation	1	-1	-1	1	-	-
31-Mar-24						
> Sensitivity Level	1%	-1%	1%	-1%	1%	-1%
> Impact on defined benefit obligation	2	-2	-2	2	-	-

14.3 Compensated absences

The Company allows encashment of compensated absences of maximum of 54 days of accumulated leave balance at the time of separation. The Company doesn't maintain any plan assets to fund its obligation with respect to compensated absences.

	As at 31 March 2025	As at 31 March 2024
Principal actuarial assumptions used :		
Discount rate	6.62%	7.22%
Long-term rate of compensation increase	6.00%	6.00%
Attrition rate	12.00%	12.00%

	As at 31 March 2025	As at 31 March 2024
15 Other current financial liabilities		
Employee related payables	52	72
Other payable	145	90
	197	162



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BGR Boilers Private Limited**Summary of material accounting policies and other explanatory information for the year ended 31 March, 2025**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

	Year ended 31 March 2025	Year ended 31 March 2024
16 Revenue from operations		
Sale of products (Also, refer note 24(b))*		
- Boilers parts and related components:		
- To related parties	-	117
- To other than related parties	129	-
Sale of Services - Exports (over a period of time)	992	-
	1,121	117
*Satisfied at a point of time		
a) Contract balances		
The following table provides information about receivables, contract assets and contract liabilities from contract with customers:		
Particulars		
Trade receivables (refer note 6)	303	303
Contract assets	-	-
Contract liabilities - revenue received in advance	-	-
	303	303
17 Other Income		
Interest income on deposits with banks	3	-
Others	-	4
Profit on sale of asset	4	-
	7	4
18 Purchase of stock in trade		
Purchases of Boilers parts and related components and related direct expenses	313	711
Provision or adjustment for uncompleted projects (net)	1,834	(594)
	2,147	117
19 Employee benefits expense		
Salaries and wages (Also, refer note 24(b))	122	166
Gratuity and Compensated absences (Also, refer note 14.3)	1	2
Contribution to provident and other funds	4	5
Less: provision for onerous adjustments	-	(92)
	127	81
20 Finance costs		
Interest on balance payable to micro and small enterprises (Also, refer note 12(a))	219	218
	219	218
21 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (Also, refer note 4)	1	0
Amortisation of intangible assets (Also, refer note 4)	-	1
	1	1

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BGR Boilers Private Limited**Summary of material accounting policies and other explanatory information for the year ended 31 March, 2025**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

	Year ended 31 March 2025	Year ended 31 March 2024
22 Other expenses		
Sub-contracting charges	610	-
Rates and taxes	360	43
Loss in foreign currency transaction and translation, net	42	56
Legal and professional charges	45	38
Rent (Also, refer note 24(b) and note(a) below)	22	19
Payments to auditors		
- Statutory audit	13	12
- Tax audit	-	1
Traveling and conveyance expenses	21	12
Repairs and maintenance (Also, refer note 24(b) and note(a) below)	15	12
Bank charges	3	-
Power and fuel (Also, refer note 24(b) and note(a) below)	2	8
Insurance	-	1
Printing and stationery	1	-
Communication expenses	1	-
Miscellaneous expenses	9	8
	1,144	210

Note

- (a) The Company uses the common office premises and shares rent, office maintenance, power and fuel and repairs and maintenance charges with other related parties in BGR group. These costs have been allocated by the Holding Company as mutually agreed amongst the companies.

23 Tax Reconciliation**A. Amount recognised in statement of profit or loss****Current tax**

- In respect of current period -
- In respect of prior period (Also, refer note 27(c)) 465

Deferred tax

- In respect of current period -

Income tax expense reported in the statement of profit and loss**465****I. Reconciliation of effective tax rate**

The Company has incurred losses during the financial years ended 31 March 2025 and 31 March 2024. Accordingly, there is no taxable income under the provisions of the Income-tax Act, 1961 and therefore no current tax expense has been recognised for the respective years. Consequently, reconciliation of the expected tax expense with the reported tax expense is not disclosed.

- B. The Company has not recognised deferred tax asset as it is not probable that the taxable profit will be available for utilizing the unused tax losses and temporary differences. The Company has neither recognised deferred tax expense nor income in the statement of profit and loss and other comprehensive income for the year ended 31 March 2025 and 31 March 2024 and consequently reconciliation for the same is not disclosed.



BGR Boilers Private Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March, 2025
(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

24 Related party transactions

(a) List of related party and nature of relationship

Nature of Relationship	Name of related party
Controlling Party Holding company	BGR Energy Systems Limited
Other Related parties with whom transactions have taken place during the year Enterprise having significant influence	Hitachi Power Europe GmbH, Germany
Fellow subsidiaries	BGR Turbines Company Private Limited Sravanaa properties Limited
Key Management Personnel	Ram Naresh Singh Tomar, Director Arjun Govind Raghupathy, Director Takehiko Ikematsu, Director

(b) Transactions during the year

Name of related party	Year ended 31 March 2025	Year ended 31 March 2024
BGR Energy Systems Limited		
Sales of products	-	15
Sub-contracting and other reimbursements	638	64
Reimbursement of foreign exchange loss	147	259
Payment made to vendors on behalf of the Company	(132)	-
Hitachi Power Europe GmbH, Germany		
Technical services fee	991	-
BGR Turbines Company Private Limited		
Reimbursement of salary expenses paid on behalf of BGRT	8	-

Note:

i) All the transactions are at arms length in line with the related party transactions policy of the Company.

(c) Balances with related parties

Name of related party	As at 31 March 2025	As at 31 March 2024
BGR Energy Systems Limited		
Trade receivables	303	303
Customer retention	23,876	23,958
Advances from customer	38,361	38,395
Hitachi Power Europe GmbH, Germany		
Trade payable	16,193	16,046
Advance to suppliers	7,068	7,070
Other receivables	15	15
Technical fee receivable	-	-

Earnings per equity share

25 Basic and diluted

	Year ended 31 March, 2025	Year ended 31 March, 2024
Nominal value of equity shares (in ₹)	10	10
Net (loss)/profit attributable to equity shareholders (A)	(2,975)	(506)
Weighted average number of equity shares (B)	13,55,84,000	13,55,84,000
Basic and diluted earnings per share in (in ₹) (A/B)	(2.19)	(0.37)

26 Unhedged foreign currency exposures

a) The Company has not taken any derivatives contracts to hedge its risk associated with foreign currency fluctuations.

b) Particulars of unhedged foreign currency exposure as on the balance sheet date are as under:

	As at 31 March 2025		As at 31 March 2024	
	Foreign Currency	Amount (in ₹)	Foreign Currency	Amount (in ₹)
Accounts payable				
- In USD	4	319	4	313
- In EURO	24	2,205	24	2,181

As per the agreement with BGR Energy Systems Limited (BGRE), any foreign exchange loss incurred by the Company in respect of the transactions relating to the contract between Hitachi Power Europe GmbH (HPE) and the Company shall be borne by BGRE. It is agreed that BGRE shall settle the outstanding amount in INR, together with the foreign exchange loss, if any, arising on conversion of the corresponding payable to HPE.

Accordingly, the Company does not bear any foreign currency exchange risk in respect of the related foreign currency receivables and payables and is exposed to foreign exchange risk only on third party payables.



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BGR Boilers Private Limited**Summary of material accounting policies and other explanatory information for the year ended 31 March, 2025**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

27 Contingent liabilities and commitment

Particulars	As at 31 March 2025	As at 31 March 2024
a) Contingent liabilities		
Claims against the company not acknowledged as debt in respect of:		
- Claims from vendors towards cost of services and purchases- Related Party (Also refer note (a) below)	1,02,536	1,02,597
- Claims from vendors towards cost of services and purchases- other than Related Party (Also refer note (b) below)	655	2,712
- Income tax for Assessment year 2017-18 (Also refer note (c) and (d) below)	-	194
- Income tax for Assessment year 2018-19 (Also refer note (e) below)	-	-
- Indirect tax dues pertaining to Financial year 2017-18 to 2021-22 (Also refer note (f) below)	4,067	-
b) Capital commitment		
Estimated amount of contracts remaining to be settled and not provided for (net of advances paid) (Also refer note (g) below).	-	-

Note

- a) Pursuant to Project Completion Framework Agreement dated 30 June 2021, the parties to the contract agrees to discuss all such dues, claims and counter claims under sub-contract 2 and shall make sincere efforts and endeavours to reach an amicable resolutions prior to Defect Liability period of the second unit of the project (Solapur project by January 2022 and for Meja project by September 2022. Subsequently, based on the board resolution dated 30 September 2022, the management has extended the expected date of completion to 31 March 2023. However, considering the events at the Holding Company and Memorandum of Understanding ("MOU") regarding the Meja project executed by and amongst Hitachi Limited Japan, Hitachi Power Europe GmbH, BGR Energy Systems Limited, BGR Turbine Company Private Limited and the Company dated 13 May 2024, and subsequently amended vide addendum dated 7 February 2025 and 7 October 2025, the management expects to complete the pending activities as per the Annex I of the MOU. However, based on the self assessment, the management does not expect any material impact on the Company's financial statements. (Also refer note 1.2).
- b) In relation to the Meja, Solapur and DVC projects, certain vendors had initiated arbitration proceedings for claims relating to supplies, storage and related compensation. Based on management's assessment of these claims and considering the likelihood of an outflow of resources, the Company has recognised a provision in the financial statements in respect of certain vendor claims. Consequently, such claims have been removed from contingent liabilities and are now reflected as provisions in the financial statements. (Also refer note 14.2)
- c) The Company had, in the previous year, received a tax demand of ₹289 lakhs for AY 2017-18 pursuant to a rectification order under Section 154 of the Income-tax Act, 1961. Based on its assessment at that time, the Company had determined its tax liability to be ₹194 lakhs and had filed a rectification application with the Income-tax Department, including a request for adjustment of the refund pertaining to AY 2018-19 against the said demand. Accordingly, the matter was disclosed as a contingent liability in the previous year.

Subsequent to the finalisation of the financial statements for the year ended 31 March 2024 in December 2025, the Company received a revised demand notice from the Income-tax Department in January 2026, indicating that there had been an error in the earlier computation and recomputing the total demand at ₹780 lakhs. Based on a detailed review undertaken with the assistance of its tax advisors, the Company has noted that the revised demand is substantially in accordance with the applicable provisions of the Income-tax Act, 1961, subject to certain adjustments which have been represented to the Department. Accordingly, the Company has accepted the revised demand and is in the process of remitting the amount in accordance with the said order.

Further, the refund relating to AY 2018-19 has been processed and received by the Company in February 2026. The said refund, including interest computed up to 31 March 2025 amounting to ₹ 299 lakhs, has been recognised as an income-tax asset. Correspondingly, the total demand as per the order, including applicable interest (₹ 731 lakhs) computed up to 31 March 2025, has been recognised as a tax liability payable under provisions in the financial statements.

As no asset in respect of such refund had been recognised as at 31 March 2024, the Company has recognised the net impact (₹ 465 lakhs) of the aforesaid tax demand and the refund as an expense in the statement of profit and loss for the year ended 31 March 2025, in accordance with the principles of prudence and Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets.



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BGR Boilers Private Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March, 2025

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

- d) As per order received u/s 92CA(3) of Income Tax Act, 1961, the Transfer Pricing Officer ('TPO') has made an upward adjustment amounting to ₹ 2,011 lakhs relating to AY 2017-18 during the financial year 2022-23. The adjustment has been proposed by the TPO considering Cost Plus Method. The Company had filed an appeal with the Dispute Resolution Panel ('DRP') against the order passed by TPO and DRP issued an order stating that the decision of the TPO was upheld. Further, the Company filed an appeal with the Tribunal against order passed by the TPO stating the following:

1. No computer generated Document Identification Number ('DIN') is mentioned in the DRP Direction.
2. Merits of the case.

As per Circular No.19/2019 dated 14 August 2019 issued by the Central Board of Direct Taxes, no communication can be passed by an income tax authority after 01 October 2019 without having a DIN in the body of such communication. Considering the same, Pronouncement has been passed by the Tribunal on 22 December 2023 stating that the DRP direction is void-ab-initio and hence, the adjustment by TPO is invalid. Notwithstanding the pronouncement, the Company believes that even if the Department files an Appeal with the higher courts challenging invalidation of order due to DIN issue, the Company is still in a position to have a favourable outcome on the merits of the case.

- e) As per order received u/s 92CA(3) of Income Tax Act, 1961, the Transfer Pricing Officer ('TPO') has made an upward adjustment amounting to ₹ 2,701 lakhs relating to AY 2018-19 during the financial year 2022-23. The adjustment has been proposed by the TPO considering Cost Plus Method. The Company had filed an appeal with the Dispute Resolution Panel ('DRP') against the order passed by TPO and DRP issued an order stating that the decision of the TPO was upheld. Further, the Company filed an appeal with the Tribunal against order passed by the TPO stating the following:

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- f) The Company has received demand notices pursuant to GST audit pertaining to its Mumbai and Noida locations, which are currently pending at various forums. The Company is in the process of responding to the said demands, including filing of appeals before the GST Appellate Tribunal (GSTAT) or the Commissioner (Appeals), as appropriate. Based on the management's evaluation and the legal advice obtained, the management believes that the Company has a reasonable case on merits in respect of these matters and accordingly, no provision has been recognised in the financial statements.

- g) Based on management's assessment, there are no plans to execute the capital project initially and are evaluating the feasibility and timing of the development of the project in the land parcel available. No claims have been raised by the vendors for the earlier commitments. Accordingly, the management asserts that no provision or disclosure is considered necessary in respect of the unexecuted scope of the capital commitments, if any, as at 31 March 2025.

28 Provision for warranty

The Company has a back to back arrangement with the suppliers to cover its product warranty liability and hence no provision for warranty is considered to be created by the management.

29 Segment reporting

The Company operates in a single operating segment, viz. "Supply of boilers parts and its related components" and " Providing Supervision Services" in connection with ongoing projects and in only one geographic segment as per IND AS 108 - "Operating Segments" - Since the Company's entire business is "Supply of Boilers parts and its Component" and "Providing Supervision Services" in connection with ongoing projects and the Chief operating decision maker review the financial statement as one segment for making operating and financial decision accordingly, there are no other primary segment. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of depreciation and amortisation during the year are all as reflected in the financial statement as at and for the year ended 31 March 2025.

- 30 The Company has not constituted Audit Committee under section 177 of the Companies Act, 2013 and not appointed Internal Auditor as required under section 138 of the Companies Act, 2013. The Company intends to undertake necessary actions to comply with the applicable provisions of the Act to ensure compliance. Management believes that the aforementioned non-compliance is not material to the accompanying financial statements and does not have an adverse impact on the Company's operations.



BGR Boilers Private Limited
Summary of material accounting policies and other explanatory information for the year ended 31 March, 2025
 (All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

31 Analytical ratio

Particulars	Numerator	Denominator	31 March 2025	31 March 2024	% Variance	Notes
Current ratio	Current assets	Current liabilities	0.40	0.41	-2%	1
Return on equity ratio	Net (loss)/profit after taxes	Equity share capital	(0.19)	(0.04)	396%	3
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	3.70	0.40	836%	4
Trade payables turnover ratio	Purchases + Other expenses	Average trade payables	0.10	0.03	187%	2
Net capital turnover ratio	Revenue from operations	Average working capital	(0.05)	(0.00)	916%	4
Net profit ratio	Net (loss)/profit after taxes	Revenue from operations	(2.24)	(4.34)	-48%	3
Return on capital employed	Earning before interest and taxes	Capital employed	10.7%	2.5%	334%	3

Notes:

- Variance are below 25%, hence no explanation is required.
- The decrease is primarily due to higher outstanding trade payables and lower purchases/operating expenses during the current year.
- The increase in losses during the current year is primarily attributable to the recognition of certain provisions and adjustments recorded, which have had an impact on the profitability for the year.
- The change is attributable to an increase in revenue from operations in the current year and due to no receipts from trade receivables.

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BGR Boilers Private Limited
Summary of material accounting policies and other explanatory information for the year ended 31 March, 2025
 (All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

32 Fair Value Measurement

a) Financial instrument by category

	As on 31 March 2025			As on 31 March 2024		
	Amortised Cost	Total Carrying value	Fair value *	Amortised Cost	Total Carrying value	Fair value *
Financial asset						
Trade receivables	303	303	303	303	303	303
Cash and cash equivalents	161	161	161	62	62	62
Other financial assets	23,892	23,892	23,892	23,975	23,975	23,975
Total financials assets	24,356	24,356	24,356	24,340	24,340	24,340
Financial liabilities						
Trade payables	25,589	25,589	25,589	25,053	25,053	25,053
Other financial liabilities	197	197	197	162	162	162
Total financials liabilities	25,786	25,786	25,786	25,215	25,215	25,215

* Management considers amortised cost for financial asset and liabilities to approximate the fair value.

b) Fair value measurement hierarchy

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain financial assets which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:

- > **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- > **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- > **Level 3:** Unobservable inputs for the asset or liability

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BGR Boilers Private Limited**Summary of material accounting policies and other explanatory information for the year ended 31 March, 2025**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

33 Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realizable fair value or future cash flows to the Company. The Company is exposed to market risk specifically through currency risk arising from its foreign currency denominated financial assets and financial liabilities, primarily trade receivables and trade payables and certain other price risks, which result from its operations.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company has not entered into any hedging contract to mitigate the exposure to foreign currency risk.

Foreign currency denominated financial liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management translated at the closing rate:-

Financial liability	Foreign currency exposure	
	EURO	USD
31 March 2025	24	4
31 March 2024	24	4

The following table illustrates the sensitivity of profit in regards to the Company's financial liabilities and the USD/INR exchange rate and EUR/INR exchange rate 'all other things being equal'. It assumes a +/- 1% change of the INR/USD exchange rate for the year ended at 31 March 2025 (31 March 2024: 1%). A +/- 1% change is considered for the INR/EUR exchange rate for the year ended 31 March 2025 (31 March 2024: 1%).

If the INR had strengthened/weakened against the USD/ EURO by 1% during the year ended 31 March 2025 (31 March 2024: 1%), then this would have had the following impact on profit before tax:

Profit before tax	+Strengthen/ -Weaken %	31 March 2025	31 March 2024
EURO	1%	22	22
USD	1%	3	3
EURO	-1%	(22)	(22)
USD	-1%	(3)	(3)

By virtue of the agreement with BGR Energy Systems Limited, the Company does not have any exposure on account of transactions in foreign currency as the gain/losses arising out of transaction between the Company and the Hitachi Power Europe GmbH, in relation to the activities mentioned in Note 1 to these financial statements, will be made good by BGR Energy Systems Limited.

c) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, customer retention, etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

Classes of financial asset	As at	As at
	31 March 2025	31 March 2024
Customer retention	23,876	23,958
Trade receivables	303	303
Cash and bank balances	161	62
Other financial asset	16	17
	24,356	24,340

In respect of trade receivables and retentions, the Company is not exposed to any significant credit risk exposure since the entire trade receivable/customer retention is from the related parties and the Company has net payable position to the related parties. Accordingly, financial assets above does not require any adjustment for expected credit loss.

The credit risk for cash and cash equivalents and fixed deposits are considered negligible, since the counterparties are reputable public sector banks with high quality external credit ratings.




BGR Boilers Private Limited**Summary of material accounting policies and other explanatory information for the year ended 31 March, 2025**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

d) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. Cash flows from trade receivables are all contractually due within six months except for retention and long term trade receivables which are governed by the relevant contract conditions. Also refer note 1.2.

As at 31 March 2025, the Company's non-derivative financial liabilities have contractual maturities as summarised below:

As at 31 March, 2025

Particulars	Within in one year	1 to 5 years	More than 5 Year
Trade payables	17,929	7,660	-
Other financial liabilities	197	-	-
	18,126	7,660	-

As at 31 March, 2024

Particulars	Within in one year	1 to 5 years	More than 5 Year
Trade payables	17,448	7,605	-
Other financial liabilities	162	-	-
	17,610	7,605	-

- 34 The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

For the financial year 2024-25, the Company has used accounting software to maintain its books of account that includes a feature for recording an audit trail (edit log), which was enabled and operated for all relevant transactions. However, in respect of the financial year 2023-24, the audit trail functionality was activated only from 9 January 2024. The audit trail has been maintained and preserved in accordance with applicable statutory requirements from that date onwards.

35 Other disclosures

- a) The company has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013, or section 560 of the Companies Act 1956.
- b) The Company has no borrowing as at 31 March 2025 and 31 March 2024.
- c) There are no proceedings that has been initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) as the company does not hold any benami properties.
- d) The Company has not been declared as a wilful defaulter by any banks.
- e) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- g) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- h) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- i) Other additional information as per Schedule III to the Companies Act, 2013 are either "Nil" or "Not applicable" to the Company.

This is the summary of significant policies and other explanatory information referred to in our report of event date.

For V Narayanan & Co
Chartered Accountants
Firm Registration No. 002398S

Dileep

Dileep Thammana
Partner
Membership No: 227512

Place: Chennai
Date: 29 May 2026



For and on behalf of the board of directors of
BGR Boilers Private Limited
CIN : U74200TN2009PTC070539

Arjun Govind Raghupathy
Arjun Govind Raghupathy
Director
DIN 02700864

Place: Chennai
Date: 29 May 2026

Ram Naresh Singh Tamar
Ram Naresh Singh Tamar
Director
DIN 08784935

Place: Chennai
Date: 29 May 2026

