



**BGR ENERGY SYSTEMS LIMITED**

443 ANNA SALAI, TEYNAMPET, CHENNAI 600018 INDIA

TEL: 91 44 24301000 FAX: 91 44 24360576

E-mail: [compliance@bgrenergy.com](mailto:compliance@bgrenergy.com) Web site: [www.bgrcorp.com](http://www.bgrcorp.com)

BeSec/2016  
October 07, 2016

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

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

**NSE Symbol: BGREENERGY**

**BSE Scrip Code: 532930**

Dear Sirs,

Sub: Statement on impact of Audit Qualification for FY ended March 31, 2015.

This is with reference to your E-mail dated August 05, 2016, regarding submission of Statement on impact of Audit Qualification for the financial year 2014-15.

As required, please find enclosed the Statement on impact of Audit Qualification duly signed for the financial year ended March 31, 2015 in the prescribed format.

We request you to take the same on record.

Thanking you,

Yours truly,  
for BGR Energy Systems Limited

A handwritten signature in blue ink, appearing to read "R. Ramesh Kumar", with a long horizontal line extending to the right.

R. Ramesh Kumar  
President – Corporate & Secretary

Encl : a.a.

**REGISTERED OFFICE:**

A-5 PANNAMGADU INDUSTRIAL ESTATE, RAMAPURAM POST, SULLURPET TALUK, NELLORE DISTRICT, ANDHRA PRADESH 524401 INDIA. TEL: 91 44 27948249

Corporate Identity Number: L40106AP1985PLC005318

## BGR ENERGY SYSTEMS LIMITED

Reg. Off: A-5, Pannamgadu Industrial Estate, Ramapuram Post, Nellore District,  
Andhra Pradesh – 5244001

Corp. Off: 443, Anna Salai, Teynampet, Chennai – 600018

CIN: L40106AP1985PLC005318 Email: [compliance@bgrenergy.com](mailto:compliance@bgrenergy.com)

Website: [www.bgrcorp.com](http://www.bgrcorp.com)

### Statement on Impact of Audit Qualifications for the Consolidated Financial Results for the year ended March 31, 2015

[As per Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Consolidated) <b>(A)</b>	Adjusted Figures (audited figures after adjusting for qualifications) (Consolidated) (Refer II. e (i) b ) <b>(B)</b>
			Rs.Lakhs	Rs.Lakhs
	1.	Turnover / Total Income	337336	337336
	2.	Total Expenditure	334866	350245
	3.	Net Profit / (Loss)*	3023	(7991)
	4.	Earnings Per Share (Rs.)	4.19	(11.07)
	5.	Total Assets	679190	664306
	6.	Total Liabilities	547042	543171
	7.	Net Worth	132148	121135
	8.	Any other financial items(s) (as felt appropriate by the management)	Nil	Nil

\*Net Profit / (Loss) is net of minority interest of (Rs.553 lakhs) in **(A)** and (Rs.4918 lakhs) in **(B)**, above

#### II. **Audit Qualification (each audit qualification separately):**

##### a. Details of Audit Qualification:

The consolidated financial statements include unaudited financial statements and other financial information of two subsidiaries, namely, BGR Boilers Private Limited and BGR Turbines Company Private Limited, whose aggregate assets of Rs.1,11,800 lakhs as at March 31, 2015, aggregate revenue of Rs. 1,28,645 lakhs and cash outflow amounting to Rs.277 lakhs for the year then ended. These unaudited financial statements as approved by the respective Board of Directors of the subsidiary companies have been furnished to us by the Management of the Holding Company and our report insofar as it relates to the amounts included in respect of these subsidiaries are based solely on such unaudited financial statements. We are unable to comment on adjustments that may have been required to the accompanying consolidated financial statements had such unaudited financial statements been audited.

##### b. Type of Audit Qualification : Qualified Opinion

##### c. Frequency of Qualification :Whether appeared first time / repetitive / since how long continuing : First Time

##### d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's views: - Not Quantified



e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

a) The company had to publish the consolidated financial results for FY 2014-15, within 60 days from 31.3.2015, and as the audited financial statements of two joint venture companies viz., BGR Boilers Private Limited and BGR Turbines Company Private Limited were not made available, the consolidated financial statements were prepared with unaudited financial statements of these two companies. Subsequently, in FY 2015-16 these joint venture companies entered into an agreement amongst Hitachi, Ltd., Hitachi Power Europe GmbH and BGR Energy Systems Limited. Consequently these subsidiary companies have revised the unaudited financial statements for FY 2014-15. The capital work in progress of Rs. 14012 lakhs, service tax receivable of Rs. 995 lakhs and other adjustments of Rs.498 lakhs have been written off in their respective books. This restatement has resulted in a change in the reported consolidated net profit/ (loss) after taxes and minority interest of Rs.3023 lakhs for the FY 2014-15 into a loss of ( Rs.7991) lakhs as per the restated financial statements

b) The financial statements of BGR Turbines Company Private Limited for the financial year 2014-15 has since been audited and approved by the Board of Directors. The financial statements of BGR Boilers Private Limited for the financial year 2014-15, are restated and unaudited.

(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable

(iii) Auditors' Comments on (i) or (ii) above:

We have reviewed the above and have no comments

III. **Signatories:**

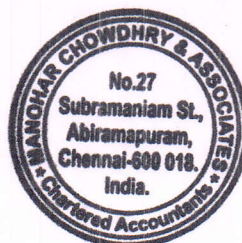
• CEO / Managing Director

• Chief Financial Officer

• Audit Committee Chairman

• Statutory Auditor

For Manohar Chowdhry & Associates  
Chartered Accountants  
Firm Registration No. 001997S



M.S.N.M. Santosh  
Partner  
Membership No. 221916

Place: Chennai  
Date: 01.10.2016