



BGR ENERGY SYSTEMS LIMITED
443 ANNA SALAI, TEYNAMPET, CHENNAI 600018 INDIA
TEL: 91 44 24301000, 24374000, FAX: 91 44 24360576
Web site: www.bgrcorp.com

May 30, 2024

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

BSE Limited
Department of Corporate Services
PJ Towers, Dalal Street,
Fort, Mumbai - 400 001

NSE Symbol: BGREENERGY

BSE Scrip: 532930

Sub.: Financial Results for the financial year ended March 31, 2024.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, ('SEBI Listing Regulations'), we wish to inform you that the Board of Directors of the Company at its meeting held today (i.e) **Thursday, May 30, 2024**, has considered and approved the Audited Standalone and Consolidated Financial Results for the financial year ended March 31, 2024.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, ('SEBI Listing Regulations'), we herewith enclose:

1. Audited Standalone and Consolidated Financial Results for the financial year ended March 31, 2024.
2. Audit Report for the above Standalone and Consolidated Financial Results.
3. Statement on impact of audit qualifications in the audit report in respect of Standalone Audited Financial Results for the financial year ended March 31, 2024.
4. Statement on impact of audit qualifications in the audit report in respect of Consolidated Audited Financial Results for the financial year ended March 31, 2024.

The Board of Directors meeting commenced at 12 pm. and concluded at 5.30 p.m.

Kindly take the above information on record and acknowledge.

Thanking you,

Yours truly,
for **BGR Energy Systems Limited**

Arjun Govind Raghupathy
Managing Director

BGR ENERGY SYSTEMS LIMITED

Reg Off : A-5 Pannamgadu Industrial Estate, Ramapuram Post. Sullurpet Taluk, Nellore District. Andhra Pradesh 524401



Corp.Off: 443, Anna Salai, Teynampet, Chennai 600018 Ph: +91 44 24301000, Fax: +91 44 24364656

Corporate Identity Number: L40106AP1985PLC005318 Email: compliance@bgrenergy.com Website: www.bgrcorp.com

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2024

Rs.Lakhs

| | Particulars | STANDALONE | | | | |
|-----------|---|----------------|----------------|----------------|----------------|----------------|
| | | Quarter ended | | | Year ended | |
| | | 31.03.2024 | 31.12.2023 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) | |
| 1 | Income | | | | | |
| (a) | Revenue from operations | 17001 | 46201 | 10667 | 101221 | 80627 |
| (b) | Other income | 9580 | 1028 | 2631 | 10814 | 5129 |
| | Total Income | 26581 | 47229 | 13298 | 112035 | 85756 |
| 2 | Expenses | | | | | |
| (a) | Cost of raw materials and components consumed | (22244) | 76845 | 18729 | 84015 | 55912 |
| (b) | Cost of manufacturing and construction | 2291 | 1953 | 3667 | 8130 | 12333 |
| (c) | Other direct cost | 872 | 1009 | 285 | 2720 | 1471 |
| (d) | Changes in inventories of finished goods, stock in trade and work in progress | - | - | 540 | - | 118 |
| (e) | Employee benefits expense | 2780 | 2713 | 2967 | 11312 | 12555 |
| (f) | Depreciation and amortization expense | 300 | 333 | 456 | 1333 | 1674 |
| (g) | Finance costs | 12564 | 11739 | 9899 | 44510 | 39942 |
| (h) | Other expenses | 16718 | 8147 | 4981 | 27695 | 25270 |
| | Total expenses | 13281 | 102739 | 41524 | 179715 | 149275 |
| 3 | Profit/(Loss) before exceptional items and tax (1-2) | 13300 | (55510) | (28226) | (67680) | (63519) |
| 4 | Exceptional items | - | - | - | - | - |
| 5 | Profit / (Loss) from ordinary activities before tax (3+4) | 13300 | (55510) | (28226) | (67680) | (63519) |
| 6 | Tax expense | 3 | 13268 | (7136) | 7535 | (15665) |
| 7 | Net Profit / (Loss) for the period (5-6) | 13297 | (68778) | (21090) | (75215) | (47854) |
| 8 | Other Comprehensive Income (OCI) | 531 | 3 | 21 | 546 | (18) |
| 9 | Total Comprehensive Income / (Loss) for the period (7+8) | 13828 | (68775) | (21069) | (74669) | (47872) |
| 10 | Paid -up equity share capital (Face value of the share Rs.10 each) | 7216 | 7216 | 7216 | 7216 | 7216 |
| 11 | Reserves (excluding revaluation reserve) | (41563) | (55392) | 33106 | (41563) | 33106 |
| 12 | Earnings per Share (EPS) (of Rs. 10 each) (not annualised) | | | | | |
| | a) Basic | 18.43 | (95.31) | (29.23) | (104.23) | (66.32) |
| | b) Diluted | 18.43 | (95.31) | (29.23) | (104.23) | (66.32) |



SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Rs.Lakhs

| Particulars | STANDALONE | | | | |
|---|---------------|----------------|----------------|----------------|----------------|
| | Quarter ended | | | Year ended | |
| | 31.03.2024 | 31.12.2023 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| 1. Segment Revenue | | | | | |
| a) Capital Goods | 4141 | 5964 | 3764 | 20671 | 19364 |
| b) Construction and EPC Contracts | 12864 | 40257 | 7076 | 80648 | 61499 |
| c) Unallocated | - | - | - | - | - |
| Total | 17005 | 46221 | 10840 | 101319 | 80863 |
| Less: Inter Segment Revenue | 4 | 20 | 173 | 98 | 236 |
| Net Sales/Income from Operations | 17001 | 46201 | 10667 | 101221 | 80627 |
| | | | | | |
| 2. Segment Results Profit (+) / (Loss) (-) before tax and interest | | | | | |
| a) Capital Goods | (9467) | (2188) | (560) | (10741) | 1178 |
| b) Construction and EPC Contracts | 35288 | (41577) | (18239) | (12586) | (25239) |
| c) Unallocated | 43 | (6) | 472 | 157 | 484 |
| Total | 25864 | (43771) | (18327) | (23170) | (23577) |
| Less: Interest | 12564 | 11739 | 9899 | 44510 | 39942 |
| Total Profit / (Loss) Before Tax | 13300 | (55510) | (28226) | (67680) | (63519) |
| | | | | | |
| 3. Segment Assets | | | | | |
| a) Capital Goods | 15790 | 28518 | 16667 | 15790 | 16667 |
| b) Construction and EPC Contracts | 373471 | 396359 | 423358 | 373471 | 423358 |
| c) Unallocated | 39005 | 39817 | 48118 | 39005 | 48118 |
| Total | 428266 | 464694 | 488143 | 428266 | 488143 |
| | | | | | |
| 4. Segment Liabilities | | | | | |
| a) Capital Goods | 40668 | 20191 | 3236 | 40668 | 3236 |
| b) Construction and EPC Contracts | 378732 | 449497 | 421478 | 378732 | 421478 |
| c) Unallocated | 43213 | 43182 | 23107 | 43213 | 23107 |
| Total | 462613 | 512870 | 447821 | 462613 | 447821 |



Statement of Assets and Liabilities

Rs.Lakhs

| | Particulars | STANDALONE | |
|-------------------------------|--|----------------|---------------|
| | | 31.03.2024 | 31.03.2023 |
| | | (Audited) | (Audited) |
| ASSETS | | | |
| I | Non Current Assets | | |
| (a) | Property, plant and equipment | 5769 | 8191 |
| (b) | Investment Property | 200 | 252 |
| (c) | Capital work in progress | - | - |
| (d) | Other Intangible assets | - | - |
| (e) | Financial assets | | |
| | (i) Investments | 36098 | 36019 |
| | (ii) Trade receivables | 12596 | 19051 |
| | (iii) Loans | 917 | 931 |
| | (iv) Other financial assets | - | 4766 |
| (f) | Deferred tax assets (net) | - | 7537 |
| | | 55580 | 76747 |
| II | Current Assets | | |
| (a) | Inventories | 4336 | 4238 |
| (b) | Financial assets | | |
| | (i) Trade receivables | 58000 | 67672 |
| | (ii) Cash and cash equivalent | 883 | 219 |
| | (iii) Bank balance other than (ii) above | 6625 | 28035 |
| | (iii) Loans | 43157 | 40949 |
| | (iv) Other financial assets | 402 | 776 |
| (c) | Other current assets | 259283 | 269507 |
| | | 372686 | 411396 |
| | TOTAL ASSETS | 428266 | 488143 |
| EQUITY AND LIABILITIES | | | |
| I | Equity | | |
| (a) | Equity Share Capital | 7216 | 7216 |
| (b) | Other Equity | (41563) | 33106 |
| | Total Equity | (34347) | 40322 |
| II | Liabilities | | |
| | Non Current Liabilities | | |
| (a) | Financial Liabilities | | |
| | (i) Borrowings | 43213 | 23107 |
| | (ii) Lease Liabilities | 223 | 239 |
| | (iii) Trade Payables | | |
| | Total Outstanding dues of micro enterprises and small enterprises | - | - |
| | Total Outstanding dues of creditors other than micro enterprises and small enterprises | 10259 | 9863 |
| (b) | Provisions | 3534 | 4605 |
| (c) | Deferred tax liabilities (net) | - | - |
| | | 57229 | 37814 |
| | Current Liabilities | | |
| (a) | Financial Liabilities | | |
| | (i) Borrowings | 139787 | 161033 |
| | (ii) Lease Liability | 37 | 84 |
| | (iii) Trade payables | | |
| | Total Outstanding dues of micro enterprises and small enterprises | 14790 | 12126 |
| | Total Outstanding dues of creditors other than micro enterprises and small enterprises | 84180 | 83154 |
| | (iii) Other financial liabilities | 138929 | 134174 |
| (b) | Other Current Liabilities | 26596 | 18752 |
| (c) | Provisions | 1065 | 684 |
| (d) | Current tax liabilities (net) | - | - |
| | | 405384 | 410007 |
| | Total Liabilities | 462613 | 447821 |
| | TOTAL EQUITY AND LIABILITIES | 428266 | 488143 |



Handwritten signature/initials in blue ink.

Handwritten signature/initials in black ink.

STATEMENT OF AUDITED STANDALONE CASHFLOW FOR THE YEAR ENDED MARCH 31, 2024

Prepared in compliance with Indian Accounting Standards (Ind AS)

Rs.Lakhs

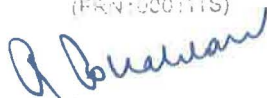
| | Particulars | STANDALONE | |
|----------|--|-------------------------|-------------------------|
| | | For the year ended | |
| | | 31.03.2024 (Audited) | 31.03.2023 (Audited) |
| A | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net profit before tax and extraordinary items | (67680) | (63519) |
| | Adjustments for : | | |
| | Depreciation, Impairment and amortization | 1333 | 1674 |
| | Dividend from Investments - quoted | (1) | (1) |
| | (Profit) / Loss on sale of Property, plant and equipment (net) | 1108 | 32 |
| | Provision for Warranty and Contractual Obligation and ECL | (778) | (484) |
| | Liquidated damages & Trade receivables written off | - | 20422 |
| | Other Comprehensive Income | 546 | |
| | Interest paid | 28790 | |
| | Other finance costs | 15720 | 39942 |
| | Operating profit before working capital changes | (20962) | (1934) |
| | Changes in working capital | | |
| | (Increase) / decrease in trade receivables | 16686 | 20296 |
| | (Increase) / decrease in Inventories | (98) | (386) |
| | (Increase) / decrease in current assets | 37222 | 1229 |
| | (Increase) / decrease in loans and advances | (4932) | 1164 |
| | Increase / (decrease) in trade payables and provisions | (15679) | 6523 |
| | Cash generated from operations | 12238 | 26892 |
| | Direct taxes (paid) / refund (net) | 2738 | 3588 |
| | Net cash flow from operating activities | 14976 | 30480 |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Purchase of Property, plant and equipment | (111) | (213) |
| | Sale of Property, plant and equipment | 92 | 14 |
| | Dividend from Investments - quoted | 1 | 1 |
| | Net cash flow from investing activities | (18) | (198) |
| C | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Long term borrowings (repaid) / availed | 20106 | 23107 |
| | Short term borrowings (repaid) / availed | (5526) | (20267) |
| | Lease Payment | (84) | (84) |
| | Interest paid | (28790) | (33396) |
| | Net cash flow from financing activities | (14294) | (30640) |
| | Net Increase in cash and cash equivalents (A+B+C) | 664 | (358) |
| | Cash and cash equivalents as at April 1, 2023 | 219 | 576 |
| | Cash and cash equivalents as at March 31, 2024 | 883 | 218 |
| | Cash on hand | 4 | 9 |
| | On current accounts | 879 | 50 |
| | On deposit accounts | 0 | 160 |
| | Total Cash and cash equivalents as at March 31, 2024 | 883 | 219 |



Notes:

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at the respective meetings held on May 29, 2024 and May 30, 2024, respectively.
- 2 These Standalone Financial results have been prepared in accordance with Companies (Indian Accounting Standards), Rules, 2015 (as amended) under section 133 of the Companies Act, 2013.
- 3 During the second half of this financial year, the Company received communication from the banks regarding classification of credit exposure of the Company as Substandard pursuant to RBI divergence report. The Company enjoys fund based (Rs.1398 crs) and non fund based (Rs.2358 crs) limits from 12 banks amounting to Rs.3756 crs. Out of this, 9 banks have classified the account as NPA amounting to Rs.3399 crs .
- 4 During the second half of this financial year, the Company has accounted for termination/short closure of certain contracts and revision of project budget which has impacted the turnover. Total shortclosure/termination of contracts is amounting to Rs.4,79,758 lakhs during the year.
- 5 Bank guarantees encashed by clients amounting to Rs.36,241 lakhs which form part of other current asset and the Company has initiated arbitration proceedings. Subsequently, till 29.05.2024 further 4 clients encashed BG valuing Rs.1,29,336 lakhs.
- 6 The promoters have infused funds in the form of Unsecured loan. The Company is taking efforts for debt restructuring and infusion of strategic investor. The Company is making all efforts of implementing a restructuring plan and therefore the accounts of the Company has been prepared on "Going concern basis".
- 7 The Revenue from operations includes claim settlement of Rs.66,325.15 Lakhs received from a customer. Provision of Rs.55,000 Lakhs was accounted in third quarter. Based on agreement reached with counter parties the cost has been finalised as Rs.18,985.70 crs resulting in reversal of provision to the extent of Rs.36,014.30 lakhs during this quarter. Consequently this being an adjusting event relating to the reporting period, the cost of material is adjusted during the quarter.
- 8 Pursuant to the orders of the The Honourable Rajasthan High court on 21.12.2023, the Company received demand notice from the Rajasthan VAT authorities amounting to Rs.50,869.50 lakhs (Tax Rs.14,552.35 lakhs and Interest Rs.36,317.15 lakhs) on 12.01.2024. SLP has been filed in Supreme court on 29.04.2024.
- 10 The company reviewed its Investment in subsidiaries i.e BGR Boilers Private Limited and BGR Turbines company Private Limited and confident of recovering its investment in lieu of settlement and separation agreement with Hitachi Group. Accordingly no provision for dimunitation in value of Investment is made.
- 11 Figures of last quarter are the balancing figures between audited figures in respect of the full financial year and published (regrouped) year to date figures upto the 3rd Quarter of the current financial year.
- 12 The figures for the previous period have been regrouped/rearranged wherever necessary to conform to the current period's classification.

For ANAND & PONNAPPAN
CHARTERED ACCOUNTANTS
(FRN:100111S)



(R. PONNAPPAN)
MEMB No:021695
PARTNER

for BGR ENERGY SYSTEMS LIMITED



ARJUN GOVIND RAGHUPATHY
Managing Director

Place : Chennai
Date : May 30, 2024



- Termination/Short-Closure of material orders of the company other than present ongoing projects, which are under near completion and invocation of performance and advance bank guarantees issued thereon;
- The company has incurred net loss of Rs.74669 lakhs during the period ended 31st March,2024 and has accumulated losses amounting to Rs.41563 lakhs, which resulted in erosion in net worth of the company;
- Resignation of Company's Key Managerial Personnel and Non-Executive Independent Directors of the Company on the Board of the Company;

The Company's Board of Directors are proposing to overcome the facts and conditions without elaborating on access to additional capital, infusion of funds by the promoter group and plans to reduce or delay expenditures.

In light of the significant events or conditions outlined above, we are of the view that the assumption as going concern of the company made by the management is inappropriate.

As a result of the aforesaid matters and on account of material uncertainties, we could not readily ascertain the possible material adjustments that may be required to be made in the value of recorded assets and liabilities and contingent liabilities, as at March 31,2024 and in respect of corresponding possible impact on the statement of profit and loss account (ie., financial performance) for the period ended on that date, could not be recorded in this standalone audited financial results.

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

Emphasis of Matters:

Attention is drawn to the Note No. 7 of the Standalone financial results, Revenue from operations includes claim settlement of Rs.66,325.15 lakhs received on account of final settlement with M/s Damodar Valley Corporation (DVC), Raghunathpur Project.

A Provision of Rs.55,000.00 lakhs was recognised towards contractual obligations with vendors/suppliers on account of sub-contracting the work during the third quarter.



Further, an agreement was reached with counter parties, towards contractual obligations has been finalised amounting to Rs.18,985.70 lakhs during the Month of May 2024, which resulting in reversal of provision to the extent of Rs.36,014.30 lakhs during the last quarter, being an adjusting event to the financial statements.

Our opinion is not modified in respect of this matter.

Responsibility of Management for the Standalone financial results:

These Standalone financial results have been prepared on the basis of the Standalone financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these Standalone financial results that give a true and fair view of the total comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Companies Act,2013 (“the Act”) and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial results that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the Standalone financial results, the Management and 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.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Results:

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



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

- a. Identify and assess the risks of material misstatements of the Standalone financial results, 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;
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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;
- e. Evaluate the overall presentation, structure and content of the Standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality is the magnitude of misstatements in the Standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial results may be influenced. We consider quantitative materiality and qualitative factors as in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial results.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them



all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters:

1. The composition of the Board of Directors of the Company is not adequate as per the requirements of Companies Act,2013 and SEBI (LODR) Regulations, 2015 as amended, for the period between Feb 2024 (ie., 23rd, 24th & 26th Feb,2024) to mid of May 2024 (ie., 14th May,2024), on account resignation of non-executive independent directors on Board.
2. The Standalone financial results include the results for the quarter ended 31st March,2024 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion is not modified in respect of these matters.

Place: Chennai
Date: 30th May,2024
UDIN: 24021695BKCBBW6494

For Anand & Ponnappan
Chartered Accountants

FRN000111S



R. Ponnappan

R. Ponnappan
Partner
MRN: 021695

BGR ENERGY SYSTEMS LIMITED

Reg Off : A-5 Pannamgadu Industrial Estate, Ramapuram Post. Sullurpet Taluk, Nellore District. Andhra Pradesh 524401

Corp.Off: 443, Anna Salai, Teynampet, Chennai 600018 Ph: +91 44 24301000, Fax: +91 44 24364656

Corporate Identity Number: L40106AP1985PLC005318 Email: compliance@bgrenergy.com Website: www.bgrcorp.com

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2024

Rs.Lakhs

| | Particulars | CONSOLIDATED | | | | |
|-----------|---|----------------|----------------|----------------|----------------|----------------|
| | | Quarter ended | | | Year ended | |
| | | 31.03.2024 | 31.12.2023 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) | |
| 1 | Income | | | | | |
| (a) | Revenue from operations | 17001 | 23524 | 10667 | 101236 | 80627 |
| (b) | Other income | 9604 | 100 | 2497 | 10906 | 5038 |
| | Total Income | 26605 | 23624 | 13164 | 112142 | 85665 |
| 2 | Expenses | | | | | |
| (a) | Cost of raw materials and components consumed | -22252 | 19335 | 18902 | 84314 | 56085 |
| (b) | Cost of manufacturing and construction | 2291 | 1809 | 3667 | 8130 | 12333 |
| (c) | Other direct cost | 872 | 583 | 285 | 2720 | 1471 |
| (d) | Changes in inventories of finished goods, stock in trade and work in progress | -- | -- | 540 | -- | 118 |
| (e) | Employee benefits expense | 2835 | 2924 | 3019 | 11531 | 12812 |
| (f) | Depreciation and amortization expense | 301 | 347 | 454 | 1339 | 1675 |
| (g) | Finance costs | 12564 | 10244 | 9899 | 44510 | 39942 |
| (h) | Other expenses | 17047 | 1692 | 5289 | 28142 | 25673 |
| | Total expenses | 13658 | 36934 | 42055 | 180686 | 150109 |
| 3 | Profit/(Loss) before exceptional items and tax (1-2) | 12947 | (13310) | (28891) | (68544) | (64444) |
| 4 | Exceptional items | -- | -- | -- | -- | -- |
| 5 | Profit / (Loss) from ordinary activities before tax (3+4) | 12947 | (13310) | (28891) | (68544) | (64444) |
| 6 | Tax expense | 3 | (2596) | (7136) | 7536 | (15664) |
| 7 | Net Profit / (Loss) for the period (5-6) | 12944 | (10714) | (21755) | (76080) | (48780) |
| 8 | Other Comprehensive Income (OCI) | 530 | 13 | 21 | 545 | (18) |
| 9 | Total Comprehensive Income / (Loss) for the period (7+8) | 13474 | (10701) | (21734) | (75535) | (48798) |
| 10 | Net Profit / (Loss) attributable to | | | | | |
| | a) Owners of the Company | 13052 | (10691) | (21555) | (75818) | (48501) |
| | b) Non Controlling Interest | (108) | (23) | (200) | (262) | (279) |
| 11 | Other Comprehensive Income (OCI) attributable to | | | | | |
| | a) Owners of the Company | 530 | 13 | 21 | 545 | (18) |
| | b) Non Controlling Interest | -- | -- | -- | -- | -- |
| 12 | Total Comprehensive Income attributable to | | | | | |
| | a) Owners of the Company | 13582 | (10678) | (21534) | (75273) | (48519) |
| | b) Non Controlling Interest | (108) | (23) | (200) | (262) | (279) |
| 13 | Paid -up equity share capital (Face value of the share Rs.10 each) | 7216 | 7216 | 7216 | 7216 | 7216 |
| 14 | Reserves (excluding revaluation reserve) | (73300) | (86884) | 1972 | (73300) | 1972 |
| 15 | Earnings per Share (EPS) (of Rs. 10 each) (not annualised) | | | | | |
| | a) Basic | 18.08 | (14.81) | (29.87) | (105.07) | (67.21) |
| | b) Diluted | 18.08 | (14.81) | (29.87) | (105.07) | (67.21) |



[Handwritten signature]

[Handwritten signature]

SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Rs.Lakhs

| Particulars | CONSOLIDATED | | | | |
|---|---------------|----------------|----------------|----------------|----------------|
| | Quarter ended | | | Year ended | |
| | 31.03.2024 | 31.12.2023 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| 1. Segment Revenue | | | | | |
| a) Capital Goods | 4141 | 6767 | 3764 | 20671 | 19364 |
| b) Construction and EPC Contracts | 12864 | 16757 | 7076 | 80663 | 61499 |
| c) Unallocated | - | - | - | - | - |
| Total | 17005 | 23524 | 10840 | 101334 | 80863 |
| Less: Inter Segment Revenue | 4 | - | 173 | 98 | 236 |
| Net Sales/Income from Operations | 17001 | 23524 | 10667 | 101236 | 80627 |
| | | | | | |
| 2. Segment Results Profit (+) / (Loss) (-) before tax and interest | | | | | |
| a) Capital Goods | (9467) | 578 | -560 | (10741) | 1178 |
| b) Construction and EPC Contracts | 34911 | (3658) | (18915) | (13542) | (26218) |
| c) Unallocated | 67 | 14 | 483 | 249 | 538 |
| Total | 25511 | (3066) | (18992) | (24034) | (24502) |
| Less: Interest | 12564 | 10244 | 9899 | 44510 | 39942 |
| Total Profit / (Loss) Before Tax | 12947 | (13310) | (28891) | (68544) | (64444) |
| | | | | | |
| 3. Segment Assets | | | | | |
| a) Capital Goods | 15790 | 28518 | 27696 | 15790 | 27696 |
| b) Construction and EPC Contracts | 416920 | 439746 | 455623 | 416920 | 455623 |
| c) Unallocated | 3112 | 3924 | 12225 | 3112 | 12225 |
| Total | 435822 | 472188 | 495544 | 435822 | 495544 |
| | | | | | |
| 4. Segment Liabilities | | | | | |
| a) Capital Goods | 40668 | 20191 | 10928 | 40668 | 10928 |
| b) Construction and EPC Contracts | 422567 | 492917 | 456601 | 422567 | 456601 |
| c) Unallocated | 43213 | 43182 | 23107 | 43213 | 23107 |
| Total | 506448 | 556290 | 490636 | 506448 | 490636 |
| | | | | | |

[Handwritten signatures]



Statement of Assets and Liabilities

Rs.Lakhs

| | Particulars | CONSOLIDATED | |
|-------------------------------|--|---------------|---------------|
| | | 31.03.2024 | 31.03.2023 |
| | | (Audited) | (Audited) |
| ASSETS | | | |
| I | Non Current Assets | | |
| (a) | Property, plant and equipment | 29641 | 32115 |
| (b) | Investment Property | 252 | 252 |
| (c) | Capital work In progress | - | - |
| (d) | Other Intangible assets | 59 | 59 |
| (e) | Financial assets | | |
| | (i) Investments | 205 | 126 |
| | (ii) Trade receivables | 12596 | 19051 |
| | (iii) Loans | 3513 | 3460 |
| | (iv) Other financial assets | - | 4766 |
| (f) | Deferred tax assets (net) | - | 7537 |
| | | 46266 | 67366 |
| II | Current Assets | | |
| (a) | Inventories | 4336 | 4238 |
| (b) | Financial assets | | |
| | (i) Trade receivables | 58000 | 67672 |
| | (ii) Cash and cash equivalent | 2396 | 1618 |
| | (iii) Bank balance other than (ii) above | 6625 | 28035 |
| | (iv) Loans | 43175 | 40971 |
| | (v) Other financial assets | 411 | 778 |
| (c) | Other current assets | 274613 | 284866 |
| | | 389556 | 428178 |
| | TOTAL ASSETS | 435822 | 495544 |
| EQUITY AND LIABILITIES | | | |
| I | Equity | | |
| (a) | Equity Share Capital | 7216 | 7216 |
| (b) | Other Equity | (73300) | 1972 |
| | Total Equity | (66084) | 9188 |
| IIA | Minority Interest | (4542) | (4280) |
| II | Liabilities | | |
| | Non Current Liabilities | | |
| (a) | Financial Liabilities | | |
| | (i) Borrowings | 43213 | 23107 |
| | (ii) Lease Liability | 223 | 239 |
| | (iii) Trade Payables | | |
| | Total Outstanding dues of micro enterprises and small enterprises | - | - |
| | Total Outstanding dues of creditors other than micro enterprises and small enterprises | 10259 | 9863 |
| (b) | Provisions | 12946 | 14022 |
| (c) | Deferred tax liabilities (net) | - | - |
| | | 66641 | 47231 |
| | Current Liabilities | | |
| (a) | Financial Liabilities | | |
| | (i) Borrowings | 139787 | 161033 |
| | (ii) Lease Liability | 37 | 84 |
| | (iii) Trade Payables | | |
| | Total Outstanding dues of micro enterprises and small enterprises | 14790 | 14376 |
| | Total Outstanding dues of creditors other than micro enterprises and small enterprises | 105551 | 101378 |
| | (iv) Other financial liabilities | 138929 | 134174 |
| (b) | Other Current Liabilities | 39648 | 31676 |
| (c) | Provisions | 1065 | 684 |
| (d) | Current tax liabilities (net) | - | - |
| | | 439807 | 443405 |
| | Total Liabilities | 506448 | 490636 |
| | TOTAL EQUITY AND LIABILITIES | 435822 | 495544 |




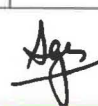
Handwritten signatures and initials at the bottom of the page.

STATEMENT OF AUDITED CONSOLIDATED CASHFLOW FOR THE YEAR ENDED MARCH 31, 2024
Prepared in compliance with Indian Accounting Standards (Ind AS)

Rs.Lakhs

| | Particulars | CONSOLIDATED | |
|----------|--|-------------------------|-------------------------|
| | | For the year ended | |
| | | 31.03.2024 (Audited) | 31.03.2023 (Audited) |
| A | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net profit before tax and extraordinary items | (68544) | (64444) |
| | Adjustments for : | | |
| | Depreciation, impairment and amortization | 1339 | 1675 |
| | Dividend from investments - quoted | (1) | (1) |
| | (Profit) / Loss on sale of Property, plant and equipment (net) | 1108 | 32 |
| | Provision for Warranty and Contractual Obligation and ECL | (777) | (387) |
| | Liquidated damages & Trade receivables written off | - | 20422 |
| | Other Comprehensive Income | 546 | - |
| | Interest paid | 28790 | |
| | Other finance costs | 15720 | 39942 |
| | Operating profit before working capital changes | (21819) | (2761) |
| | Changes in working capital | | |
| | (Increase) / decrease in trade receivables | 16686 | 20183 |
| | (Increase) / decrease in inventories | (98) | (386) |
| | (Increase) / decrease in current assets | 37244 | 1726 |
| | (Increase) / decrease in loans and advances | (4995) | (22095) |
| | Increase / (decrease) in trade payables and provisions | (14718) | 6921 |
| | Cash generated from operations | 12300 | 3588 |
| | Direct taxes (paid) / refund (net) | 2738 | 26827 |
| | Net cash flow from operating activities | 15038 | 30415 |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Purchase of fixed assets | (111) | (213) |
| | Sale of fixed assets | 144 | 12 |
| | Dividend from investments - quoted | 1 | 1 |
| | Net cash flow from investing activities | 34 | (200) |
| C | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Long term borrowings (repaid) / availed | 20106 | 23107 |
| | Short term borrowings (repaid) / availed | (5526) | (20267) |
| | Lease Payment | (84) | (84) |
| | Interest paid | (28790) | (33396) |
| | Net cash flow from financing activities | (14294) | (30640) |
| | Net increase in cash and cash equivalents (A+B+C) | 778 | (425) |
| | Cash and cash equivalents as at April 1, 2023 | 1618 | 2043 |
| | Cash and cash equivalents as at Mar 31, 2024 | 2396 | 1618 |
| | Cash on hand | 34 | 12 |
| | On current accounts | 984 | 63 |
| | On deposit accounts | 1378 | 1543 |
| | Total Cash and cash equivalents as at Dec 31, 2023 | 2396 | 1618 |



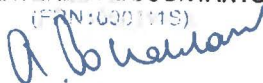



Notes:

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at the respective meetings held on May 29, 2024 and May 30, 2024, respectively.
- 2 These Consolidated Financial results have been prepared in accordance with Companies (Indian Accounting Standards), Rules, 2015 (as amended) under section 133 of the Companies Act, 2013.
- 3 The Consolidated financial statements for the year ending 31.03.2024, have been prepared with the unaudited financial statements of Sravanaa properties Limited, unaudited financial statements of BGR Boilers Private Limited and unaudited financial statements of BGR Turbines Company Private Limited.
- 4 The Consolidated Financial Statements are prepared in accordance with Ind AS 110 - "Consolidated Financial Statement" and Ind AS 111 - "Joint Arrangements".
- 5 The consolidated unaudited financial results includes the interim financial information of three subsidiaries and one joint venture, which have not been reviewed by their auditors and are considered based on accounts certified by their respective management.
- 6 The financial statements of the subsidiaries namely, BGR Boilers Private Limited for the year ended 31.03.2022 and 31.03.2023 and BGR Turbines Company Private Limited for the year ended 31.03.2023 are yet to be audited.
- 7 During the second half of this financial year, the Company received communication from the banks regarding classification of credit exposure of the Company as Substandard pursuant to RBI divergence report. The Company enjoys fund based (Rs.1398 crs) and non fund based (Rs.2358 crs) limits from 12 banks amounting to Rs.3756 crs. Out of this, 9 banks have classified the account as NPA amounting to Rs.3399 crs .
- 8 During the second half of this financial year, the Company has accounted for termination/short closure of certain contracts and revision of project budget which has impacted the turnover. Total shortclosure/termination of contracts is amounting to Rs.4,79,758 lakhs during the year.
- 9 Bank guarantees encashed by clients amounting to Rs.36,241 lakhs which form part of other current asset and the Company has initiated arbitration proceedings. Subsequently, till 29.05.2024 further 4 clients encashed BG valuing Rs.1,29,336 lakhs.
- 10 The promoters have infused funds in the form of Unsecured loan. The Company is taking efforts for debt restructuring and infusion of strategic investor. The Company is making all efforts of implementing a restructuring plan and therefore the accounts of the Company has been prepared on "Going concern basis".
- 11 The Revenue from operations includes claim settlement of Rs.66,325.15 Lakhs received from a customer. Provision of Rs.55,000 Lakhs was accounted in third quarter. Based on agreement reached with counter parties the cost has been finalised as Rs.18,985.70 crs resulting in reversal of provision to the extent of Rs.36,014.30 lakhs during this quarter. Consequently this being an adjusting event relating to the reporting period, the cost of material is adjusted during the quarter.
- 12 Pursuant to the orders of the The Honourable Rajasthan High court on 21.12.2023, the Company received demand notice from the Rajasthan VAT authorities amounting to Rs.50,869.50 lakhs (Tax Rs.14,552.35 lakhs and Interest Rs.36,317.15 lakhs) on 12.01.2024. SLP has been filed in Supreme court on 29.04.2024.
- 13 Figures of last quarter are the balancing figures between audited figures in respect of the full financial year and published (regrouped) year to date figures upto the 3rd Quarter of the current financial year.
- 14 The figures for the previous period have been regrouped/rearranged wherever necessary to conform to the current period's classification.

for BGR ENERGY SYSTEMS LIMITED

For ANAND & PONNAPPAN
CHARTERED ACCOUNTANTS
(FNN:600111S)



(R. PONNAPPAN)
MEMB No: 021695
PARTNER

Place : Chennai
Date : May 30, 2024





ARJUN GOVIND RAGHUPATHY
Managing Director

ANAND & PONNAPPAN

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors of BGR Energy Systems Limited
Report on Audit of the Consolidated Financial Results

Adverse Opinion

We have audited the accompanying Consolidated financial results of **BGR Energy Systems Limited** ("the Parent") and its subsidiaries (the parent and its subsidiaries together referred to as the "Group") for the quarter and period ended 31st March, 2024, (the "Statement") attached herewith, being prepared by the Group pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the "*Basis for Adverse Opinion*" section of our report, the aforesaid Consolidated financial results:

- are presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended in this regard; and
- gives a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2024, the total comprehensive income, and other financial information of the Group for the year ended 31st March, 2024;

Basis for Adverse Opinion

1. Un-Audited of Financial Statements of Subsidiary:

Attention is drawn to Note No.6 to the Consolidated Financial Results, wherein the financial results include unaudited financial results and other financial information of material subsidiaries, namely, BGR Boilers Private Limited for the financial year ended 31st March, 2022, 2023 & 2024 and BGR Turbines Company Private Limited for the financial year ended 31st March, 2023 & 2024. These unaudited financial results as approved by the Board of Directors of the subsidiary company have been furnished to us by the Management of the Holding Company and our report in so far as it relates to the amounts included in respect of this subsidiary are based solely on such unaudited financial results. we are unable to comment on adjustments that may have been required to the accompanying consolidated financial results had such unaudited financial results been audited.



2. Material Uncertainty relating to Going Concern:

The following events and/or transactions occurred during the period has created substantial doubt about the Group's ability to continue as a going concern in the future, typically one year from the date of this financial statements, mainly:

- Classification of working capital borrowings held with Banks as “non-performing assets”, by all the lender Banks, despite regular servicing of interest obligation;
- Operational cash losses and working capital deficit on account of variable and fixed overheads (incl. finance cost and admin expenses);
- Termination/Short-Closure of material orders of the company other than present ongoing projects, which are under near completion and invocation of performance and advance bank guarantees issued thereon;
- The Group has incurred net loss of Rs.75535 lakhs during the period ended 31st March,2024 and has accumulated losses amounting to Rs. 73300 lakhs, which resulted in erosion in net worth of the company;
- Resignation of Company’s Key Managerial Personnel and Non-Executive Independent Directors of the Company on the Board of the Group;

The Group’s Board of Directors are proposing to overcome the facts and conditions without elaborating on access to additional capital, infusion of funds by the promoter group and plans to reduce or delay expenditures.

In light of the significant events or conditions outlined above, we are of the view that the assumption as going concern of the company made by the management is inappropriate.

As a result of the aforesaid matters and on account of material uncertainties, we could not readily ascertain the possible material adjustments that may be required to be made in the value of recorded assets and liabilities and contingent liabilities, as at March 31,2024 and in respect of corresponding possible impact on the statement of profit and loss account (ie., financial performance) for the period ended on that date, could not be recorded in this consolidate audited financial results.

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



Exception:

We have also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Subsidiaries:

- a. Sravanaa Properties Limited;
- b. BGR Boilers Private Limited;
- c. BGR Turbines Company Private Limited;

Joint Venture:

- a. Mecon Gea Energy System (India) Ltd (JV);

We did not audit the financial results of aforesaid three subsidiaries, whose financial results reflects total assets of Rs.94,151.11 lakhs as at March 31,2024, total income of Rs.35.66 lakhs and Rs.212.66 lakhs, total net loss after tax of Rs.358.97 lakhs and Rs. 870.97 lakhs, total comprehensive loss (net) of Rs.359.94 lakhs and Rs.871.94 lakhs for the quarter and annual period ended March 31,2024 and the total net cash flows of Rs.110.86 lakhs as at March 31,2024 respectively, as considered in the consolidated financial results.

The consolidated audited financial results include the Group's share of total net loss after tax and total comprehensive income/ (loss) (net) of Rs. Nil for the quarter and period ended March 31, 2024 respectively, as considered in the Statement, in respect of this Joint Venture, whose financial results has not been audited by us.

These financial results of subsidiaries and Joint Venture are unaudited and has been furnished to us by the Parent's Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/joint venture, is based solely on such unaudited financial results. In our opinion and according to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our opinion on the statement is not modified in respect of the above matters.

Emphasis of Matters:

Attention is drawn to the Note No.11 to the Consolidated financial results, Revenue from operations includes claim settlement of Rs.66,325.15 lakhs received on account of final settlement with M/s Damodar Valley Corporation (DVC), Raghunathpur Project.

A Provision of Rs.55,000.00 lakhs was recognised towards contractual obligations with vendors/suppliers on account of sub-contracting the work during the third quarter.

Further, an agreement was reached with counter parties, towards contractual obligations has been finalised amounting to Rs.18,985.70 lakhs during the Month of



May 2024, which resulting in reversal of provision to the extent of Rs.36,014.30 lakhs during the last quarter, being an adjusting event to the financial statements.

Our opinion is not modified in respect of this matter.

Responsibility of Management for the Consolidated Financial Results:

These Consolidated annual financial results have been prepared on the basis of the Consolidated financial results.

The Parent's Board of Directors are responsible for the preparation and presentation of these Consolidated annual financial results that give a true and fair view of the total comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Companies Act,2013 ("the Act") and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated annual financial results that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the Consolidated annual financial results, the respective Board of Directors are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors is responsible for overseeing the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Results:

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

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



- a. Identify and assess the risks of material misstatements of the Consolidated financial results, 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;
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether Group has adequate internal financial controls system in place and the operating effectiveness of such controls;
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- e. Evaluate the overall presentation, structure and content of the Consolidated financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality is the magnitude of misstatements in the Consolidated financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial results may be influenced. We consider quantitative materiality and qualitative factors as in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial results.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them



all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters:

1. The composition of the Board of Directors of the Parent Company is not adequate as per the requirements of Companies Act,2013 and SEBI (LODR) Regulations, 2015 as amended, for the period between Feb 2024 (ie., 23rd, 24th & 26th Feb,2024) to mid of May 2024 (ie., 14th May,2024), on account resignation of non-executive independent directors on Board.
2. The Consolidated financial results include the results for the quarter ended 31st March,2024 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion is not modified in respect of these matters.

Place: Chennai
Date: 30th May,2024
UDIN: 24021695BKCBBY1835



For Anand & Ponnappan
Chartered Accountants
FRN000111S
R. Ponnappan
R. Ponnappan
Partner
MRN: 021695

**Statement on impact of Audit Qualifications for Standalone & Consolidated
Annual Audited Financial Results**

**Statement on impact of Audit Qualifications for the Financial Year
ended March 31, 2024**

[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2015]

I.

| S. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) (Rs. In lakhs) | | Audited Figures (Audited Figures after adjusting for qualifications) (Rs. In lakhs) | |
|--------|---|--|--------------|--|--------------|
| | | Standalone | Consolidated | Standalone | Consolidated |
| 1 | Total Income | 112035 | 112142 | 112035 | 112142 |
| 2 | Total Expenditure | 179715 | 180686 | 179715 | 180686 |
| 3 | Net Profit / (Loss) | (75215) | (76080) | (75215) | (76080) |
| 4 | Earnings Per Share | (104.23) | (105.07) | (104.23) | (105.07) |
| 5 | Total Assets | 428266 | 435822 | 428266 | 435822 |
| 6 | Total Liabilities | 462613 | 506448 | 462613 | 506448 |
| 7 | Net Worth | (34347) | (66084) | (34347) | (66084) |
| 8 | Any other financial item(s) (as felt appropriate by the management) | Nil | Nil | Nil | Nil |

II. Audit Qualification

a. Details of Audit Qualifications:

For Standalone Financial Results:

1. Material Uncertainty relating to Going Concern:

The following events and/or transactions occurred during the period has created substantial doubt about the company's ability to continue as a going concern in the future, typically one year from the date of this financial statements, mainly:

- Classification of working capital borrowings held with Banks as “non-performing assets”, by all the lender Banks, despite regular servicing of interest obligation;



- Operational cash losses and working capital deficit on account of variable and fixed overheads (incl. finance cost and admin expenses);
- Termination/Short-Closure of material orders of the company other than present ongoing projects, which are under near completion and invocation of performance and advance bank guarantees issued thereon;
- The company has incurred net loss of Rs.74669 lakhs during the period ended 31st March,2024 and has accumulated losses amounting to Rs.41563 lakhs, which resulted in erosion in net worth of the company;
- Resignation of Company's Key Managerial Personnel and Non-Executive Independent Directors of the Company on the Board of the Company;

The Company's Board of Directors are proposing to overcome the facts and conditions without elaborating on access to additional capital, infusion of funds by the promoter group and plans to reduce or delay expenditures.

In light of the significant events or conditions outlined above, we are of the view that the assumption as going concern of the company made by the management is inappropriate.

As a result of the aforesaid matters and on account of material uncertainties, we could not readily ascertain the possible material adjustments that may be required to be made in the value of recorded assets and liabilities and contingent liabilities, as at March 31,2024 and in respect of corresponding possible impact on the statement of profit and loss account (ie., financial performance) for the period ended on that date, could not be recorded in this standalone audited financial results.

For Consolidated Financial Results:

2. Un-Audited of Financial Statements of Subsidiary:

Attention is drawn to Note No.6 to the Consolidated Financial Results, wherein the financial results include unaudited financial results and other financial information of material subsidiaries, namely, BGR Boilers Private Limited for the financial year ended 31st March,2022, 2023 & 2024 and BGR Turbines Company Private Limited for the financial year ended 31st March,2023 & 2024. These unaudited financial results as approved by the Board of Directors of the subsidiary company have been furnished to us by the Management of the Holding Company and our report in so far as it relates to the amounts included in respect of this subsidiary are based solely



on such unaudited financial results. we are unable to comment on adjustments that may have been required to the accompanying consolidated financial results had such unaudited financial results been audited.

3. Material Uncertainty relating to Going Concern:

The following events and/or transactions occurred during the period has created substantial doubt about the Group's ability to continue as a going concern in the future, typically one year from the date of this financial statements, mainly:

- Classification of working capital borrowings held with Banks as “non-performing assets”, by all the lender Banks, despite regular servicing of interest obligation;
- Operational cash losses and working capital deficit on account of variable and fixed overheads (incl. finance cost and admin expenses);
- Termination/Short-Closure of material orders of the company other than present ongoing projects, which are under near completion and invocation of performance and advance bank guarantees issued thereon;
- The Group has incurred net loss of Rs.75535 lakhs during the period ended 31st March,2024 and has accumulated losses amounting to Rs. 73300 lakhs, which resulted in erosion in net worth of the company;
- Resignation of Company’s Key Managerial Personnel and Non-Executive Independent Directors of the Company on the Board of the Group;

The Group’s Board of Directors are proposing to overcome the facts and conditions without elaborating on access to additional capital, infusion of funds by the promoter group and plans to reduce or delay expenditures.

In light of the significant events or conditions outlined above, we are of the view that the assumption as going concern of the company made by the management is inappropriate.

As a result of the aforesaid matters and on account of material uncertainties, we could not readily ascertain the possible material adjustments that may be required to be made in the value of recorded assets and liabilities and contingent liabilities, as at March 31,2024 and in respect of corresponding possible impact on the statement of profit and loss account (ie., financial performance) for the period ended on that date, could not be recorded in this consolidate audited financial results.



1. **Type of Audit Qualification(s)** : (*Qualified Opinion / Disclaimer of Opinion / Adverse Opinion*): Adverse Opinion

2. **Frequency of qualification(s)** : (*Whether appeared first time / repetitive / since how long continuing*): First time

3. **For Audit Qualification(s) where the impact is quantified by the Auditors,**

Management's Views:

Impact not quantified by the Auditor.

4. **For Audit Qualification(s) where the impact is not quantified by the Auditors.**

➤ **Management's estimation on the impact of Audit Qualification:**

Not quantifiable.

➤ **If management is unable to estimate the impact, reasons for the same:**

**For Material Uncertainty relating to Going Concern
(Refer Point No.1 & 3 of Audit Qualifications)**

The Promoters have infused unsecured loan, which is in excess of accumulated losses for the year ended as on 31st March 2024

Though there has been encashment of Bank Guarantees, the Company is continuing to execute the contracts and are hopeful of amicable solutions.

The Company is in discussions with the Bankers for restructuring package.

Based on the above, the Company is of the opinion that the accounts will be stated on Going Concern basis.

Auditor's Comments:

We are guided by para 23 of 'Standards on Auditing (SAs)-570 Going Concern' issued by the ICAI, which requires the auditor to express a modified opinion with regard to material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and that the financial statements do not adequately disclose this matter.



In the absence of the definite management's plan, we have expressed an Adverse Opinion on the Audit of Financial Statements of the Company/Group.

**For Un-Audited of Financial Statements of Subsidiary
(Refer Point No.2 of Audit Qualifications)**

The Auditors' Qualification is a mere statement of fact due to delay in the completion of the audit of financial statements of the Subsidiaries namely,

- M/s BGR Boilers Private Limited for the year ended 31st March,2022,31st March,2023 & 31st March,2024 and
- M/s BGR Turbines Company Private Limited for the year ended 31st March,2023 & 31st March,2024

Due to pending completion, the Board of Directors has adopted the unaudited results. In the Opinion of the Board of Directors, the variations between the audited and un audited financial results/financial information is not material considering the nature and size of the company.

Auditor's Comments:

We concur with views of the Management/Board of the Directors and have no further comments.

Signatures:


Managing Director/CEO


Chief Financial Officer


Chairman of Audit Committee

Statutory Auditors

For ANAND & PONNAPPAN
CHARTERED ACCOUNTANTS
(FRN:000111S)



(R. PONNAPPAN)
MEMB No:021695
PARTNER

Date: 30.05.2023

Place: Chennai

