



**BGR ENERGY SYSTEMS LIMITED**  
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## **PRESS RELEASE**

### **BGR ENERGY RAISES CREDIT LINES FOR Rs. 3850 CRORES**

**Chennai, March 23, 2009:** BGR Energy Systems Limited, the Chennai head-quartered EPC and BOP Turnkey Engineering and Contracting Company for Power Projects, has signed up credit lines to fund its working capital requirements for execution of EPC contract for 2 x 600 MW Kalisindh Thermal Power Project at Jhalawar of Rajasthan Rajya Vidyut Utpadan Nigam Limited ("RRVUNL"). The dual currency EPC Contract consisting of Rs. 3296 Crore and USD 405 million was awarded to BGR Energy by RRVUNL in July, 2008. BGR Energy is the only Company in India executing an EPC contract for 1200 MW for State Utility Power Project and the contract was awarded to BGR Energy on International Competitive Bidding.

To part finance the working capital requirements and to meet non-fund based facilities for execution of this EPC Contract, the Company mandated IDBI Bank Limited to arrange fund based facility of Rs. 700 Crore and non-fund based (Bank guarantee and Letter of Credit) facilities of Rs. 3150 Crores. A consortium of eleven banks led by IDBI Bank Limited evinced keen interest to finance these facilities and the loan book was over written by the Banks. The structured funding facilities will have participation from the following banks:

Particulars	Bank	Credit Line (Rs. Crs)		
		Fund Based	Non Fund Based	Total
Lead Bank	IDBI Bank Limited	125	700	<b>825</b>
2 <sup>nd</sup> Lead Bank	Bank of India	83	387	<b>470</b>
Participating Banks	Indian Bank	60	340	<b>400</b>
	Andhra Bank	40	190	<b>230</b>
	Karur Vysya Bank	32	148	<b>180</b>
	Corporation Bank	40	190	<b>230</b>
	Allahabad Bank	80	380	<b>460</b>
	Central Bank of India	80	288	<b>368</b>
	State Bank of Bikaner and Jaipur	80	150	<b>230</b>
	AXIS Bank	40	237	<b>277</b>
	Syndicate Bank	40	140	<b>180</b>
<b>Total</b>		<b>700</b>	<b>3150</b>	<b>3850</b>

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**REGISTERED OFFICE :**

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The Company was successful in raising these credit lines in an environment of tough credit situation in financial markets. The Banks have evinced keen interest to participate in the consortium and offered competitive pricing and terms to the Company. It may be recalled that the Company has availed similar credit lines from the consortium of banks for the EPC and BOP contracts executed by the Company and serviced the facilities to the satisfaction of the Banks.

The credit lines would enable the Company to meet the cash flow, BG and LC requirements of the Project for a period of 42 months.

#### **Company's Borrowings And Liquidity**

The Company's current net borrowings stand at Rs.725 Crores and this new credit line of Rs.700 Crores will be drawn down over 30 months. The Company now carries a cash book of over Rs.300 Crores. The company has a healthy gearing ratio of 1.35 times.

#### **Order Book Position**

The Company is now executing EPC and BOP Contracts for Power sector and LSTK contracts for Oil & Gas sector. An overview of the current order book is as follows:

<b>S/N</b>	<b>Description</b>	<b>Rupees in Crores</b>	<b>%</b>
A	Power Sector – EPC & BOP Contracts	9482	94
B	Oil & Gas sector turnkey contracts	415	4
C	Equipment business	163	2
	<b>Total</b>	<b>10,060</b>	<b>100</b>

#### **About BGR Energy Systems Limited**

BGR Energy carries on business in two segments viz., manufacturer of Capital Goods and Turnkey Engineering and Contracting for Power, Oil and Gas Projects.

1. Capital Goods – Design, Engineering, Manufacture and Supply of Hi-Tech Systems and Equipment for the Power, Oil & Gas, Refinery, Petrochemical and Process Industries.



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2. Turnkey Engineering and Contracting – Engineering, Procurement and Construction (EPC) and Balance of Plant (BOP) contracts for Power, Water and Infrastructure projects and LSTK contracts for Oil & Gas sector.

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