



BGR ENERGY SYSTEMS LIMITED
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PRESS RELEASE

BGR ENERGY CLARIFIES THEIR POSITION
IN THE MONEY MATTERS (INDIA) PVT LTD ISSUE /ILLEGAL
GRATIFICATION SCANDAL

Chennai, November 25, 2010 : BGR Energy Systems Ltd executes Engineering, Procurement and Contracting ("EPC") contracts for power projects and executes turnkey contracts to supply Balance of Plant ("BOP") equipment, services and civil works for power generation .

There have been reports in the electronic and print media indicating the involvement of BGR Energy Systems Limited and Group companies with the bribery and illegal gratification scandal involving LIC Housing Finance and PSU Banks.

We wish to state that the Working Capital Loan was sanctioned to us by consortium of Banks in which Bank of India is a participating bank. The loan was syndicated by IDBI Bank, who is also the leader of the consortium. Working capital loan to the extent of Rs.500 Crores was sanctioned by Bank of India vide Sanction Letter dated 14.10.2008.

BGR Energy Systems Limited and the group companies have not dealt with M/s Money Matters India Pvt Ltd, Mumbai, for handling or processing any investments / loan, etc. from any public sector financial institution and banks at any point of time.

We have not resorted to any illegal or unethical methods to get our working capital sanctioned for our business purposes. We strongly deny all the allegations by certain

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REGISTERED OFFICE :

A-5 PANNAMGADU INDUSTRIAL ESTATE, RAMAPURAM POST, SULURPET TALUK, NELLORE DISTRICT, ANDHRA PRADESH 524401 INDIA
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electronic and print media reports of involvement of BGR Energy Systems Limited and group companies with regard to the present illegal gratification scandal.

The Company has replied to Economic Offences Wing, Central Bureau of Investigation, Mumbai, clarifying the position with regard to fact that the Group Companies have no involvement in the aforementioned scandal. The copy of the letter given to CBI is attached herewith.

About BGR Energy Systems Limited

BGR Energy carries on business in two segments as a manufacturer of Capital Goods and as an executor of Turnkey Engineering 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.
2. Turnkey Engineering Projects – Engineering, Procurement and Construction (EPC) and Balance of Plant (BOP) Contracts for Power, Water and Infrastructure projects and LSTK contracts for Oil & Gas sector.

For further information, please contact:

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