



BGR ENERGY SYSTEMS LIMITED

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BeSec/030/11
October 28, 2011

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

FAX No. 022 - 26598237

Dear Sirs,

Sub : Clarification on the media reports.

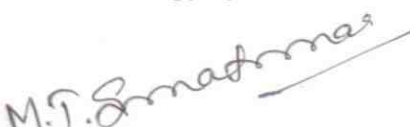
Ref : NSE Symbol - BGRENERGY; Series – EQ.

There has been reports in certain sections of the media that Income Tax Department has asked the Company to pay ₹ 107 crore as additional tax related to 12 of its projects. Responding to the media queries, Mr.P.R. Easwar Kumar, President & Chief Financial Officer has clarified that there is no demand from the Income Tax department and that the report is false. But the company has received a show cause notice from the Central Excise department claiming additional service tax by wrongly combining supply portion contract and service portion contract. The company has 30 days time period to respond to the notice. The company has already paid the service tax on the service portion and no tax is applicable on the supply portion of these contracts.

The company is confident that there will not be any liability of service tax of ₹ 107 crore that has been claimed by the Central Excise department. We request you to publicise this clarification through Stock Exchange Information dissemination system. Kindly oblige.

Thanking you.

Yours truly,
for BGR Energy Systems Limited


M. T. Siva Kumar
Deputy Company Secretary

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