

**BGR ENERGY SYSTEMS LIMITED**

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E-mail: rrk@bgrenergy.com Web site: www.bgrcorp.com

BeSec/030/10
November 25, 2010

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

FAX No.022 - 6641 8124 /25 /26

Bombay Stock Exchange Limited
Department of Corporate Services
P.J. Towers, Dalal Street
Mumbai - 400 001

FAX No. 022 - 2272 2037

Dear Sirs,

Sub: Clarification regarding Money Matters (India) Private Limited issue.

Ref: (i) NSE Symbol - BGREENERGY; Series - EQ.
(ii) Scrip Code - 532930

There has been reports in print and electronic media indicating some connection with bribery / illegal gratification scandal involving LIC Housing Finance Limited and some PSU banks.

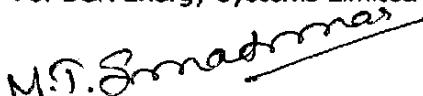
We strongly deny any connection whatsoever with the said scandal and reports to the contrary are absolutely false/ defamatory / malicious and illegal.

In this regard, we are giving a reply to Central Bureau of Investigation, Mumbai and Press Release explaining the factual position. We are attaching a copy of letter addressed to Central Bureau of Investigation, Mumbai and Press release.

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

Encl :a.a.

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REGISTERED OFFICE :

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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 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.

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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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