



## **BGR ENERGY SYSTEMS LIMITED**

**Registered Office:** A-5 Pannamgadu Industrial Estate, Ramapuram Post, Nellore District, Andhra Pradesh 524401

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### **MEDIA RELEASE**

**28 October 2011**

**Chennai**

## **CLARIFICATION**

It has been reported in certain sections of the media that the Income Tax Department has asked BGR Energy Systems Limited to pay INR 107 crore as additional tax related to 12 of its projects.

Responding to media queries, Mr P. R. Easwar Kumar, President & Chief Financial Officer, BGR Energy, 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. BGR Energy has 30 days 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 INR 107 crore that has been claimed by the Central Excise Department.

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

BGR Energy is a leading company in the business of Turnkey Engineering and Contracting for Balance of Plant (BoP) and full service Engineering, Procurement and Construction (EPC) for Power projects in India and LSTK Contracts for Oil and Gas projects in India and abroad. BGR Energy designs and manufactures 22 high technology equipment / systems for Power, Process and Infrastructure projects for the world markets. As of 31 March 2011, the Company had achieved a turnover of INR 4,763 crore or a little more than USD 1 billion.

**BSE : 532930 | NSE : BGRENERGY**

**For further information, please contact:**

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