



**Cals Refineries Limited**

**Disclosures in accordance with Clause 41 of the Listing Agreement For the quarter ended June 30, 2009**

1. The Company has raised Rs. 78,800 lacs through Global Depository Receipts in December 2007. The Company has utilized the same towards the project.
2. The Company is setting up 5 MMTPA refinery at Haldia, West Bengal. Preliminary site work such as land filling and boundary wall construction work is in progress. The commercial operations are expected to start by end of calendar year 2011.
3. **Company's response to qualifications/reservations in the auditors' report on the financial statements for the year ended March 31, 2009**

- Foreign exchange gain/loss, corporate expenses and interest on statutory dues during project construction period are recognised in "Pre-operative expenses pending allocation" account, which forms part of capital work in progress, on a consistent basis.

In accordance with the clarification given by the Department of Company Affairs (Letter No. 2/17/64-PR, dated January 29, 1964) all expenses and income have been duly disclosed in "Pre-operative expenses pending allocation" account. However, these expenses will be allocated in accordance with the applicable accounting standards and norms.

- Liability of Euro 66 million (Rs. 44,675.40 lacs) towards the supply of plant and machinery and Euro 13 million (Rs. 8,799.70 lacs) towards technical services, as stipulated in the respective agreements, has not been recognized by the Company in view of renegotiation of payment terms.

Since, the parties could not fulfill the terms of the agreement; the Company is in the process of renegotiating the agreement with the supplier. Adjustments if any, resulting from renegotiation, to the liability shall be made upon finalization of the said negotiations.

4. There were no investor complaints pending as on March 31, 2009. During the quarter ended June 30, 2009, the Company received 4 complaints. All the 4 complaints were resolved/ replied and there were no complaints pending as on June 30, 2009.
5. The above disclosures were reviewed by the Audit Committee. The Board of Directors at its meeting held on July 28, 2009 approved the above disclosures and its release.

For Cals Refineries Limited

  
**Ramesh Bhosale**  
Director and Chief Financial Officer

Place: Gurgaon  
Date: July 28, 2009