

Cals Refineries Limited

Disclosures in accordance with Clause 41 of the Listing Agreement For the quarter ended March 31, 2010

1. The Company has raised Rs. 788 crores 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 development is in progress. The commercial operations are expected to start in last quarter of financial year 2011-2012 considering the time being taken for financial closures.
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.

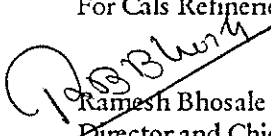
In accordance with the clarification given by the Department of Company Affairs (Letter No. 2/17/64-PR, dated January 29, 1964) all expenses and income have been duly disclosed in "Pre-operative expenses pending allocation" account. However, these expenses will be allocated in accordance with the applicable 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 31<sup>st</sup> December 2009. During the quarter ended 31<sup>st</sup> March 2010, the company received 3 complaints. All the 3 complaints were resolved/replied and there were no complaints pending as on 31<sup>st</sup> March 2010.
5. The above disclosures were reviewed by the Audit Committee. The Board of Directors has approved the above disclosures and its release.

For Cals Refineries Limited

  
Ramesh Bhosale  
Director and Chief Financial Officer

Place: Mumbai  
Date: 15<sup>th</sup> May 2010