

Cals Refineries Limited

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

1. Cals Refineries Limited ("the Company") has raised Rs. 788 crores through Global Depository Receipts in December 2007. The Company has utilized the same towards the setting up of 5 MMTPA refinery ("the project").
2. The Company is setting up the project at Haldia, West Bengal. Preliminary site work such as land filling and development has been carried out. The commercial operations are expected to start by the end of to start in by March 2013 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, 2010**

Exchange differences arising on reporting monetary assets and liabilities at closing rate, interest on outstanding statutory dues and certain indirect expenses not directly attributable to construction 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.

4. There were no investor complaints pending as on September 30, 2010. During the quarter ended December 31, 2010, the Company received 2 complaint. The complaint was resolved/replied and there were no complaints pending as on December 31, 2010.
5. The above disclosures were reviewed by the Audit Committee. The Board of Directors at its meeting held on February 5, 2011 approved the above disclosure and its release.

For Cals Refineries Limited



Director

Place: Gurgaon

Date: February 5, 2011