

**Mumbai, February 10, 2009:**

HCC clarifies that the Limited Review Report by the Statutory Auditors of the Company with regard to the un-audited financial results (standalone) for the quarter ended December 31, 2008 was submitted to the Stock Exchanges on January 23, 2009 and there have been no fresh disclosures to the Stock Exchanges either by the Company or the Statutory Auditors.

Further, HCC had vide Note No. 4 of the Un-audited financial results for quarter ended December 31, 2008 submitted to the Stock Exchanges on January 16, 2009 and published in newspapers on January 17, 2009 clarified that in accordance with the legal opinion and in compliance with the provisions of Schedule VI of the Companies Act, 1956, the fluctuations in the foreign exchange rates related to borrowings in foreign currency and foreign currency convertible bonds were adjusted in the carrying costs of fixed assets.

HCC had also clarified through the same Note that had the accounting treatment as per AS 11 continued to be followed by the company, the PAT for the quarter ended 31st December 2008, would have been lower by Rs 2457.64/- lacs and for nine months ended 31st December 2008 by Rs 6352.39/- lacs. The aforementioned facts were also reported at para no. 3 by the Statutory Auditors of the Company in its Limited Review Report dated January 16, 2009.

The delayed dissemination of the Limited Review Report by the Bombay Stock Exchange has caused confusion relating to the aforesaid matter. HCC strongly denies any difference between the financial disclosures submitted and published by it at the time of declaration of Un-audited financial results and the financial disclosures disseminated by the Stock Exchange today i.e. February 10, 2009.