

QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Name of the Company: KNR CONSTRUCTIONS LIMITED

Quarter ending on: 30th September 2011

| Particulars | Clause of Listing agreement | Compliance Status Yes/No | Remarks |
|---|-----------------------------|--------------------------|---|
| I Board of Directors | 49 I | | |
| (A) Composition of Board | 49(IA) | Yes | |
| (B) Non-executive Directors' compensation & disclosures | 49 (IB) | Yes | |
| (C) Other provisions as to Board and Committees | 49 (IC) | Yes | |
| D) Code of Conduct | (49 (ID) | Yes | |
| II. Audit Committee | 49 (II) | | |
| (A) Qualified & Independent Audit Committee | 49 (IIA) | Yes | |
| (B) Meeting of Audit Committee | | Yes | |
| (C) Powers of Audit Committee 49 (IIC) | 49 (IIB) | Yes | |
| (D) Role of Audit Committee | 49 II(D) | Yes | |
| (E) Review of Information by Audit Committee | 49 (IIE) | Yes | |
| III. Subsidiary Companies | 49 (III) | N.A | <p>On 30.09.2008 the company has formed a subsidiary company "KNR Agrotech and Beverages Pvt Ltd." but the same yet to commence any business.</p> <p>The Company has also incorporate a subsidiary company in</p> |

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|--|-----------|-----|--|
| | | | <p>Sultanate of Oman namely “ KNR Constructions LLC” but the same yet to commence any business.</p> <p>The Company has acquired a wholly owned subsidiary in Ras Al Khaimah, UAE namely “ KNRCL FZE”</p> <p>On 28.03.2011 the company has acquired “KNR Infrastructure Projects Private Limited” but acquiring 100% Equity but the same yet to commence any business</p> |
| IV. Disclosures | 49 (IV) | | |
| (A) Basis of related party transactions | 49 (IV A) | Yes | Statement of summary of related party transaction (if any) are periodically placed before the audit committee |
| (B) Disclosure of Accounting Treatment | 49 (IV B) | N.A | There is no deviation from the accounting standards in preparation of financial statements |
| (C) Board Disclosures | 49 (IV C) | Yes | |
| (D) Proceeds from public issues, rights issues, preferential issues etc. | 49 (IV D) | Yes | |
| (E) Remuneration of Directors | 49 (IV E) | Yes | |
| (F) Management | 49 (IV F) | Yes | |

| | | | |
|---|-----------|-----|--|
| (G) Shareholders | 49 (IV G) | Yes | |
| V. CEO/CFO Certification | 49 (V) | Yes | |
| VI. Report on Corporate Governance | 49 (VI) | Yes | |
| VII. Compliance | 49 (VII) | Yes | |

For KNR Constructions Limited

M. V. Venkata Rao
Company Secretary & Compliance Officer

Date: 8th October 2011
Place: Hyderabad