

KNR Constructions Limited

Dated 28th May 2012

Ref: KNRCL/SD/2012/063 & 64

Dept. of Corporate Services,
Bombay Stock Exchange Limited
P J Towers, Dalal Street,
Fort, MUMBAI - 400001

National Stock Exchange of India Limited
"Exchange Plaza",
Bandra Kurla Complex,
Bandra (E), MUMBAI - 400051

Fax: +91 - 22- 2272 2037 / 39 / 41
+91 22 2272 3121 / 3719 / 1557

Fax: +91- 22- 6641 8124 / 25 / 26
+91 22 2659 8237 / 38

Sir,

Sub: - Proceedings of the Board Meeting

Ref:-KNR Constructions Limited,
BSE Code: 532942, NSE Symbol: KNRCON

With reference to the above cited subject, we wish to inform you that in the just concluded meeting of the Board of Directors of the Company inter-alia the following items were resolved : -

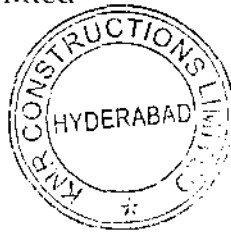
1. Considered and adopted the Audited Financial Results (Standalone and Consolidated) for the Quarter and Year ended 31st March 2012 along with Auditors Report (Standalone and Consolidated).
2. Board has recommended a dividend of Re. 1.00 per (Rupee One only) Equity Share for the year ended 31st March 2012 subject to the approval of the Shareholders at the Annual General Meeting.

This is for your information and records.

Yours sincerely,
for KNR Constructions Limited

M.V. Venkata Rao

M. V. VENKATA RAO
Company Secretary



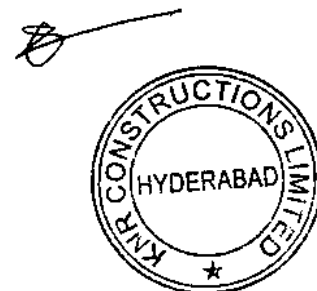
KNR CONSTRUCTIONS LIMITED

KNR House, 3rd & 4th Floor, Plot No. 114, Phase-I, Kavuri Hills, Hyderabad - 500 033



FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2012

SL No.		PARTICULARS	STANDALONE					(Rupees in Lakhs)	
			THREE MONTHS ENDED			FOR THE YEAR ENDED		CONSOLIDATED	
			31/03/12	31/12/11	31/03/11	31/03/12	31/03/11	31/03/12	31/03/11
			Audited	Un-Audited	Audited	Audited	Audited	Audited	Audited
PART I									
1	INCOME FROM OPERATIONS								
	a) Net sales / income from operations (net of excise duty)		17,673.06	21,400.31	30,657.36	86,599.78	105,127.32	89,215.01	
	Less: Company's Share in Joint Ventures		1,534.83	2,407.47	8,214.19	11,650.81	26,829.75	-	
	Net Sales/ Income From Operations		16,138.23	18,992.84	22,443.17	74,948.97	78,297.57	105,170.31	
	b) Other Operating Income		9.83	(88.57)	298.12	101.38	1,005.48	8.13	
	TOTAL INCOME FROM OPERATIONS (NET)		16,148.06	18,904.27	22,741.29	75,050.35	79,303.05	105,170.64	
2	EXPENSES								
	a) Cost of materials consumed		6,335.21	7,115.62	7,260.38	28,736.34	19,080.10	32,045.61	
	b) Changes in inventories of finished goods, Stock in Progress		-	-	-	-	-	(1,530.26)	
	c) Employee benefits expense		727.58	660.94	595.82	2,686.61	1,926.32	3,017.77	
	d) Depreciation and amortization expense		1,532.27	1,256.66	1,176.71	5,137.56	4,144.10	5,560.28	
	e) Other expenses		3,917.72	1,264.42	2,300.09	8,549.31	7,418.90	10,430.26	
	f) Spreading & Assortment Expenses		1,475.24	2,680.47	2,515.04	12,888.29	8,179.41	14,718.96	
	g) Sub contract Expenses		1,625.21	3,150.71	5,827.66	8,812.68	29,661.75	17,310.76	
	TOTAL EXPENSES		15,613.23	16,128.82	19,675.70	66,810.79	70,410.58	81,553.38	
3	PROFIT / (LOSS) FROM OPERATIONS BEFORE OTHER INCOME, FINANCE COSTS AND EXCEPTIONAL ITEMS (1-2)		534.83	2,775.45	3,065.59	8,239.56	8,892.47	7,669.76	
4	OTHER INCOME		436.61	17.36	88.42	565.94	245.95	1,110.52	
5	PROFIT / (LOSS) FROM ORDINARY ACTIVITIES BEFORE FINANCE COSTS AND EXCEPTIONAL ITEMS (3+4)		971.44	2,792.81	3,154.01	8,805.50	9,138.42	8,780.28	
6	FINANCE COSTS		284.93	251.75	180.44	963.75	782.23	1,181.38	
7	PROFIT / (LOSS) FROM ORDINARY ACTIVITIES AFTER FINANCE COSTS BUT BEFORE EXCEPTIONAL ITEMS (5-6)		686.51	2,541.06	2,973.57	7,841.75	8,356.19	7,598.90	
8	EXCEPTIONAL ITEMS		-	-	-	-	-	-	
9	PROFIT / (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX (7-8)		686.51	2,541.06	2,973.57	7,841.75	8,356.19	7,598.90	
10	TAX EXPENSE		237.40	863.70	782.51	2,565.38	2,673.67	2,683.65	
11	PROFIT / (LOSS) FROM ORDINARY ACTIVITIES AFTER TAX (9-10)		449.11	1,677.36	2,191.06	5,276.37	5,682.52	4,915.25	
12	EXTRAORDINARY ITEMS (NET OF TAX EXPENSE RS)		-	-	-	-	-	-	
13	NET PROFIT / (LOSS) FOR THE PERIOD (11-12)		449.11	1,677.36	2,191.06	5,276.37	5,682.52	4,915.25	
14	SHARE OF PROFIT / (LOSS) OF ASSOCIATES		-	-	-	-	-	(418.95)	
15	MINORITY INTEREST		-	-	-	-	-	0.02	
16	ADD / (LESS) PRIOR YEAR SHARE OF PROFIT FROM ASSOCIATES		-	-	-	-	-	184.29	
17	NET PROFIT / (LOSS) AFTER TAXES, MINORITY INTEREST AND SHARE OF PROFIT / (LOSS) OF ASSOCIATES (13+14+15)		449.11	1,677.36	2,191.06	5,276.37	5,682.52	4,680.61	
18	PAID UP EQUITY SHARE CAPITAL (FACE VALUE RS 10 PER SHARE)		2,812.35	2,812.35	2,812.35	2,812.35	2,812.35	2,812.35	
19	RESERVES EXCLUDING REVALUATION RESERVES		-	-	-	37,868.98	32,919.07	38,966.38	
20.1	EARNINGS PER SHARE (BEFORE EXTRAORDINARY ITEMS) Basic and Diluted * Not Annualized		1.60	5.96*	7.79*	18.76	20.21	16.64	
20.2	EARNINGS PER SHARE (AFTER EXTRAORDINARY ITEMS) Basic and Diluted * Not Annualized		1.60	5.96*	7.79*	18.76	20.21	16.64	



PART II

A PARTICULARS OF SHAREHOLDING								
1. PUBLIC SHAREHOLDING								
- Number of Shares	7,308,439	7,308,439	7,308,439	7,308,439	7,308,439	7,308,439	7,308,439	7,308,439
- Percentage of Shareholding	25.99%	25.99%	25.99%	25.99%	25.99%	25.99%	25.99%	25.99%
2. PROMOTERS AND PROMOTER GROUP SHAREHOLDING								
a) Pledged / Encumbered								
- Number of Shares	640,000	450,000	Nil	640,000	Nil	640,000	Nil	
- Percentage of Shares (Total Shareholding of Promoter & Promoter Group)	3.07%	2.16%	-	3.07%	-	3.07%	-	
- Percentage of Shares (Total Share Capital of the Company)	2.28%	1.60%	-	2.28%	-	2.28%	-	
b) Non-Encumbered								
- Number of Shares	20,175,021	20,365,021	20,815,021	20,175,021	20,815,021	20,175,021	20,815,021	
- Percentage of Shares (Total Shareholding of Promoter & Promoter Group)	96.93%	97.84%	100%	96.93%	100%	96.93%	100%	
- Percentage of Shares (Total Share Capital of the Company)	71.73%	72.41%	74.01%	71.73%	74.01%	71.73%	74.01%	

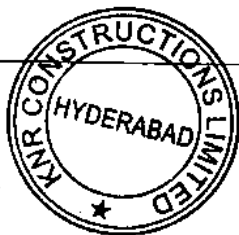
PARTICULARS		3 months ended 31/03/2012
B INVESTOR COMPLAINTS		
Pending at the beginning of the quarter.		Nil
Complaints were received during the quarter and quarter ended 31-03-2012.		Nil
Disposed of during the quarter		Nil
Remaining unresolved at the end of the quarter		Nil

Notes:

- The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on 28-05-2012
- The company is engaged in only one reportable segment viz "Construction and Engineering" and at single geographical area namely India
- Tax expenses includes provision for current tax and deferred tax
- The Board has recommended an Equity Dividend of Rs. 1.00 per Equity Share of Rs. 10/- each Nominal Value subject to the approval of the shareholders in the Annual General Meeting.
- The figures have been regrouped and/or rearranged wherever considered necessary.
- The Figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto third quarter of the financial year

For KNR Constructions Ltd.


 K. Narasimha Reddy
 Managing Director

 Place: Hyderabad
 Date: 28-May-12


KNR CONSTRUCTIONS LIMITED



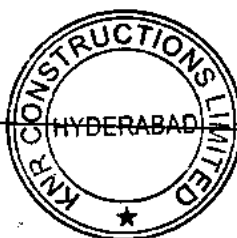
STATEMENT OF ASSETS AND LIABILITIES AS ON 31st MARCH 2012

(Rupees In Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	As at 31/03/2012	As at 31/03/2011	As at 31/03/2012	As at 31/03/2011
A EQUITY AND LIABILITIES				
1) Shareholders' Funds				
a) Share Capital	2,812.35	2,812.35	2,812.35	2,812.35
b) Reserves and Surplus	37,868.98	32,919.07	38,966.38	34,593.31
c) Money received against share warrants	-	-	-	-
Sub-total - Shareholders' funds	40,681.33	35,731.42	41,778.73	37,405.66
2) Share Application Money Pending Allotment	-	-	-	-
3) Minority Interest	-	-	108.94	101.85
4) Non - Current Liabilities				
a) Long-term borrowings	335.84	475.40	641.96	591.70
b) Deferred tax liabilities (net)	72.26	273.24	79.90	280.89
c) Other Long term Liabilities	6,702.17	10,122.48	8,279.81	12,602.36
d) Long-term Provisions	107.68	119.94	107.68	119.94
Sub-total - Non- Current Liabilities	7,217.95	10,991.06	9,109.35	13,594.89
5) Current Liabilities				
a) Short-term borrowings	4,650.49	5,946.90	4,650.49	5,959.82
b) Trade Payables	10,203.07	10,094.25	10,815.62	11,532.98
c) Other Current Liabilities	9,940.84	12,873.58	10,014.25	13,992.56
d) Short-term Provisions	8,895.19	6,447.67	10,311.76	6,710.45
Sub-total - Current Liabilities	33,689.59	35,362.40	35,792.12	38,195.81
TOTAL EQUITY AND LIABILITIES	81,588.87	82,084.88	86,789.14	89,298.21
B ASSETS				
1) Non-Current Assets				
a) Fixed Assets	31,027.70	29,183.27	32,243.99	31,848.99
b) Goodwill on consolidation	-	-	3.24	1.52
c) Non-current Investments	2,910.60	2,783.30	3,298.70	3,533.36
d) Deferred Tax Assets (net)	-	-	-	-
e) Long-term loans and advances	6,891.37	6,245.49	6,389.69	6,063.95
f) Other non-current assets	504.68	593.79	506.21	534.56
Sub-total - Non-current Assets	41,334.35	38,805.85	42,441.83	41,982.38
2) Current Assets				
a) Current Investments	2,553.67	4,075.05	-	-
b) Inventories	2,676.69	2,208.60	6,431.70	4,590.13
c) Trade Receivables	9,341.35	14,051.20	8,832.69	14,498.52
d) Cash and Cash Equivalents	845.40	3,811.39	1,160.76	4,574.61
e) Short-term loans and advances	15,096.79	11,003.81	17,025.02	14,938.37
f) Other Current Assets	9,740.62	8,128.98	10,897.14	8,714.20
Sub-total - Current Assets	40,254.52	43,279.03	44,347.31	47,315.83
TOTAL ASSETS	81,588.87	82,084.88	86,789.14	89,298.21

for KNR Constructions Ltd.,

Place: Hyderabad
Date: 28-05-2012



K. Narasimha Reddy
K. Narasimha Reddy
Managing Director

C. Sukumar Babu & Co
Chartered Accountants,
Flat. No: 513, Aditya Enclave,
Annapurna Block, Ameerpet
Hyderabad-500016

The Members of
KNR Constructions Limited

1. We have audited the attached Balance Sheet of **KNR Constructions Limited** as at March 31, 2012, the Statement of Profit and Loss for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed thereto, in which are incorporated the returns from Dubai branch ("the Branches") audited by other auditors. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;
 - b) in our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books and proper returns, adequate for the purposes of our audit have been received from the branches not visited by us. The Branch Auditors Reports have been forwarded to us and appropriately dealt with;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts and with the audited returns from the Branches;

- d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012 ;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. On the basis of written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

for **SUKUMAR BABU & CO.,**
Chartered Accountants
(ICAI Registration No.004188S)



C.SUKUMAR BABU
Partner
M.No: 200/24293

Place: Hyderabad
Date: 28-05-2012

Annexure to the Auditors' Report

(Referred to in Paragraph 3 of our Report of even date)

i) In respect of its fixed assets

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
- b) As explained to us, all the fixed assets have been physically verified by the management during the year in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) The fixed assets disposed off during the year in our opinion do not constitute a substantial part of the fixed assets of the Company and such disposal has in our opinion, not affected the going concern status of the Company.

ii) In respect of its inventories

- a) According to the information and explanations given to us, the Management has physically verified the inventory during the year. In our opinion, having regard to the nature of business and location of stocks, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.

iii) a) According to the information and explanations given to us, the Company has granted unsecured loans to Companies covered in the Register maintained under Section 301 of the Companies Act, 1956. There are companies under the same management as defined under Sub-section (1-B) of section 370 of the Companies Act, 1956.

- b) There are no specific agreements for these transactions and were made on an on account basis. In the absence of agreements for these loans, the terms and conditions and their impact on the interests of the Company cannot be ascertained.
- c) The Company has given advances / loans to its wholly owned subsidiaries (including foreign companies) during the year. In respect of the said advances / loans, the maximum amount outstanding at any time during the year is Rs.3136.63 lakhs and the year ending balance is Rs.526.68 lakhs.

- d) In the absence of agreements, the transactions were made on an on-account basis and hence the question of regularity of payment of principal and interest does not arise.
 - e) In the absence of specific agreements for these transactions, the question of over-dues does not arise for these transactions.
 - f) The Company has taken unsecured loans during the year from other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. There are no specific agreements for these transactions and were made on an on-account basis. In the absence of agreements, the regularity of payment of principal and interest could not be verified.
- iv) In our opinion and according to the information and explanations given to us, the company has internal control system commensurate with its size and the nature of its business for the purchase of inventory and fixed assets.
- v) In respect of contracts or arrangements entered into in the register maintained in pursuance of section 301 of the Companies Act, 1956 to the best of our knowledge and belief and according to the information and explanations given to us:
- a) the Particulars of contracts or arrangements referred to in section 301 that needs to be entered into the register maintained under the said section have been so entered.
 - b) in our opinion , the transactions (excluding loans reported under paragraph(iii) above) exceeding the value of Rs.5 lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- viii) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any of the products or activities of the company.

ix) In respect of statutory dues:

- a) According to the Information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues applicable to it with the appropriate authorities during the year.
- b) According to the Information and explanations given to us, there were no undisputed amounts payable in respect of income tax, wealth tax, customs duty, excise duty and cess which were in arrears as at March 31, 2012 for a period of more than six months from the date they became payable:
- c) The disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of statute	Nature of dues	Rupees in lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	26.18	F.Y 1999-00	ITAT, Hyderabad
	Income Tax	116.05	F.Y 2001-02	ITAT, Hyderabad
	Income Tax	13.34	F.Y 2005-06	Deputy Commissioner of Income Tax , Circle 2(1), Hyderabad
	Income Tax	1141.80	F.Y 2006-07	ITAT, Hyderabad
	Income Tax	223.37	F.Y 2007-08	Deputy Commissioner of Income Tax , Circle 2(1), Hyderabad
	Interest on TDS delay payments	9.86	F.Y 2009-10	Deputy Commissioner of Income Tax , Circle 14(2), Hyderabad
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	21.39	F.Y 2000-01	Sales Tax Tribunal, Hyderabad
Andhra Pradesh Value Added Tax Act, 2005	VAT	307.36	F.Y 2008-09	Appellate Deputy Commissioner (CT), Punjagutta Division, Hyderabad
	VAT	431.72	F.Y 2009-10	Appellate Deputy Commissioner (CT), Punjagutta Division, Hyderabad

Karnataka Value Added Tax Act, 2005	VAT	100.00	F.Y 2005-06	Joint Commissioner of Commercial Taxes, (Appeals), Bangalore.
	VAT	30.52	F.Y 2006-07	Joint Commissioner of Commercial Taxes, (Appeals), Bangalore.
	VAT	81.52	F.Y 2008-09	Joint Commissioner of Commercial Taxes, (Appeals), Bangalore.
	VAT	12.16	F.Y 2010-11	Joint Commissioner of Commercial Taxes, (Appeals), Bangalore.

Note: Company has given bank guarantees for Rs 241.63 lakhs to the Karnataka State Government against disputed VAT demands.

- x) The Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares and debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiii) In our opinion, the Company is not a Chit Fund or a Nidhi or Mutual Benefit Fund/Society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company does not deal or trade in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.

- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were prima facie applied by the Company during the year for the purposes for which the same were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short-term basis have, prima facie, not been used for long-term investment.
- xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares or warrants during the year to a company covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) According to the information and explanations given to us, no debentures have been issued by the Company. Accordingly the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx) During the year covered by our audit report, the company has not raised any money by public issues.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

for **SUKUMAR BABU & CO.,**
Chartered Accountants
(ICAI Registration No.004188S)



C.SUKUMAR BABU
Partner
M.No: 200/24293

Place: Hyderabad
Date: 28-05-2012

C. Sukumar Babu & Co
Chartered Accountants,
Flat. No: 513, Aditya Enclave,
Annapurna Block, Ameerpet
Hyderabad-500016.

Auditors' Report

The Board of Directors of
KNR Constructions Limited

1. We have audited the attached Consolidated Balance Sheet of **KNR Constructions Limited** (the Company) and its Subsidiaries, Joint Ventures and Associates (collectively referred to as 'the Group') as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto in which are incorporated the returns from Oman and Dubai and certain Joint Ventures, audited by other auditors. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard-23 (Accounting for Investments in Associates in Consolidated Financial Statements) and jointly controlled entities accounted in accordance with Accounting Standard-27 (Financial Reporting of Interests in Joint Ventures) as notified under Companies (Accounting Standards) Rules, 2006. These consolidated financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, jointly controlled entities and associates, whose financial statements reflect Group's share of total assets of Rs. 4082.35 lakhs as at March 31, 2012, Group's share of total revenue of Rs. 12107.76 lakhs, and Group's share of profit/(loss) of Rs. (131.18) lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these Subsidiaries, Joint Ventures, Associates is based solely on the report of other auditors except in case of those concerns referred in note no: 34 forming part of the accounts.

4. We report that:

- a. the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard-21 (Consolidated Financial Statements), Accounting Standard-23 (Accounting for Investments in Associates in Consolidated Financial Statements) and Accounting Standard-27 (Financial Reporting of Interests in Joint Ventures) as notified by the Companies (Accounting Standards) Rules, 2006 ;
- b. Based on our audit and on consideration of reports of the other auditors on separate statements and on the other financial information of the components subject to 3 above, in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

for **SUKUMAR BABU & CO.,**
Chartered Accountants
(ICAI Registration No.004188S)



C.SUKUMAR BABU
Partner.
M.No: 200/24293

Place: Hyderabad
Date: 28-05-2012