

QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE FOR THE QUARTER ENDED 31ST DECEMBER, 2009

| PARTICULARS | CLAUSE OF LISTING AGREEMENT | COMPLIANCE STATUS YES / NO | REMARKS |
|---|-----------------------------|----------------------------|--|
| 01 | 02 | 03 | 04 |
| I. Board of Directors | 49 I | Yes | |
| (A) Composition of the Board | 49 I(A) | Yes | 2 out of 3 Directors are independent—There is a Non-Executive Chairman |
| (B) Non-Executive Directors | 49 (1B) | Yes | Disclosures will be made in Annual Report |
| (C) Other provisions of the Board and Committees | 49 (1C) | Yes | One Board meeting held on 30.10.2009 |
| (D) Code of Conduct | 49 (1D) | Yes | In place since January, 2008 |
| II. Audit Committee | 49 II | Yes | |
| (A) Qualified & Independent Committee | 49 (IIA) | Yes | 2 out of 3 Directors are qualified and independent |
| (B) Meeting of the Audit Committee | 49 (IIB) | Yes | Held on 30.10.2009 |
| (C) Powers of the Audit Committee | 49 (IIC) | Yes | Yes at committee meeting |
| (D) Role of the Audit Committee | 49 (IID) | Yes | Yes – at committee meeting |
| (E) Review of information by Audit Committee | 49 (IIE) | Yes | Yes – at committee meeting |
| III. Subsidiary Companies | 49 (III) | N.A. | N.A. |
| IV Disclosures | 49 (IV) | | |
| (A) Basis of related party transactions | 49 (IVA) | N.A. | N.A. |
| (B) Disclosure of Accounting treatment | 49 (IVB) | Yes | At the Audit Committee Meeting |
| (C) Board Disclosures | 49 (IVC) | Yes | Will be made in Annual Report |
| (D) Proceeds from public issues, rights issues, preferential issues, etc. | 49 (IVD) | N.A. | N.A. |
| (E) Remuneration of Directors | 49 (IVE) | Yes | Will be made in Annual Report |
| (F) Management | 49 (IVF) | Yes | Will be made in Annual Report |
| (G) Shareholders | 49 (IVG) | Yes | Grievances Committee meeting held on 30.12.2009 |
| V. CFO / CEO Certification | 49 (V) | Yes | At every Board Meeting |
| VI. Report on Corporate Governance | 49 (VI) | Yes | Will be made in Annual Report |
| VII. Compliance | 49 (VII) | Yes | All provisions of Clause 49 complied |

For KESAR PETROPRODUCTS LIMITED

S.L. Sharma
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DIRECTOR