M. ANANDAM & CO.,

CHARTERED ACCOUNTANTS

Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Clause 41 of the Listing Agreement

To
Board of Directors of
Kakatiya Cement Sugar and Industries Limited

1. We have audited the quarterly financial results of Kakatiya Cement Sugar and Industries Limited for the quarter ended 31st March, 2013 and the year to date results for the period 1st April, 2012 to 31st March, 2013 attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The quarterly financial results are the derived figures between the audited figures in respect of the year ended 31st March 2013 and the published year to date figures up to 31st December, 2012, being the date of the end of the third quarter of the current financial year which are subjected to limited review. The financial results for the quarter ended 31st March, 2013 have been prepared on the basis of the financial results for the nine-month period ended 31st December, 2012. The audited annual financial statements as at and for the year ended 31st March, 2013 and the relevant requirements of clause 41 of the listing agreement and are the responsibility of the Company's Management and have been approved by the board of directors of the company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine months period ended 31st December 2012 ,which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS - 25), "Interim Financial Reporting", issued, pursuant to Companies (Accounting Standards) Rules, 2006, (as amended) as per Section 211 (3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India. Our audit of the annual financial statements as at and for the year ended 31st March, 2013, and the relevant requirements of clause 41 of the listing agreement.

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 results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

M. ANANDAM & CO., SECUNDERABAD, CHARTERED ACCOUNTANTS

7 'A', SURYA TOWERS, SARDAR PATEL ROAD, SECUNDERABAD - 500 003.
PHONE : 27812377, 27812034, FAX : 27812091 URL : www.anandam.in

3. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

   (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us in this regard; and

   (ii) give a true and fair view of the net profit and other financial information for the quarter ended 31st March, 2013 as well as the year to date results for the period from 1st April, 2012 to 31st March, 2013.

4. Further we also report that the figures for the quarter ended 31st March, 2013 represent the derived figures between the audited figures in respect of the financial year ended 31st March 2013 and the published year to date figures up to 31st December, 2012 being the date of the end of the third quarter of the current financial year, which are subjected to a limited review as stated above as required under clause 41(I) (d) of the listing agreement.

5. Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For M.Anandam & Co.,
Chartered Accountants
(Firm Regn.No.000125S)

A.V. Sadasiva
Partner
M.No. 018404

M. ANANDAM & CO., SECUNDERABAD, CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 27th May, 2013