

**LIMITED REVIEW REPORT OF THE UNAUDITED FINANCIAL RESULTS OF**  
**THE JEYPORE SUGAR COMPANY LIMITED**  
**PURSUANT TO CLAUSE 41 OF THE LISTING AGREEMENT**

Review Report to:  
The Board of Directors,  
The Jeypore Sugar Company Limited,  
Chennai.

- 1) We have reviewed the accompanying statement of unaudited financial results of **THE JEYPORE SUGAR COMPANY LIMITED** ("the Company"), for the quarter and half year ended **30<sup>th</sup> September, 2015** ("the statement") being submitted by the company pursuant to the requirements of Clause 41 of the Listing agreement with the stock exchange, except for the disclosures in Part II – Select information referred to in Paragraph 8 below. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors at their meeting held on 6<sup>th</sup> November, 2015. Our responsibility is to issue a report on these financial statements based on our review.
- 2) We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 3) It has been explained to us by the Company's Management that, Sugar Industry being a seasonal industry and since the sugar season does not match with the Company's financial year, recognition of expenses strictly in the period in which they have been incurred, would result in substantial distortion of the financial results in different quarters of the financial year. It is therefore, the consistent practice followed by the Company, to identify such expenses incurred during the off-season that are relatable to the coming season, and to defer them and recognise them only in the season period.
- 4) In respect of the Company's Sugar unit at Chagallu, part of the expenses incurred during off-season towards staff costs, manufacturing expenses and depreciation have been recognised as such during the Quarter ending 30th September, 2015 and remaining expenses have been deferred to the balance period. In the opinion of the Company's Management, the remaining expenses are relatable to the sugar to be produced in the coming season. The expenses so deferred based on the technical evaluation, and pending recognition as revenue expenses for the q.e 30.09.2015 are as follows:


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Particulars of Expenditure	Amount deferred for 1 <sup>st</sup> quarter ended 30.06.2015 (Rs.in lakhs)	Amount deferred for 2nd quarter ended 30.09.2015 (Rs.in lakhs)	Total amount deferred for half year ended 30.09.2015 (Rs.in lakhs)
Staff cost	93.73	93.39	187.12
Manufacturing expenses	29.58	31.36	60.94
Depreciation	30.96	31.30	62.26
<b>Total</b>	<b>154.27</b>	<b>156.05</b>	<b>310.32</b>

- 5) **As consistently followed and informed by the management that the deferred tax liability/(Credit) and provision towards current tax will be made on annual basis.**
- 6) **The management is in the process of identifying and evaluating useful lives of significant components having different useful life from its principle asset. Pending estimation of useful lives of such part of assets, depreciation for the q.e 30<sup>th</sup> September, 2015 has been provided on whole of the assets using the useful lives specified under schedule II of Companies Act, 2013.**
- 7) Based on our review conducted as explained in Paragraph (2) above and after duly considering the practice of recognizing the expenses in the manner explained in paragraphs 3 and 4 above and subject to observations in Paragraph (5) and (6) above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Accounting Standards notified under section 133 of The Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
- 8) Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter and half year ended September 30, 2015 of the Statement, from the details furnished by the Registrars.

Place : Chennai  
Date : 6.11.2015

For Brahmayya & Co  
Chartered Accountants  
Firm Regn.no.000513S

  
(Karumanchi Rajaj)  
ICAI Memb.No.202 309  
Partner