

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 ended **30th September, 2014** ("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 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. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors at their meeting held on 12.11.2014. 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, 2014 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 30.09.2014 are as follows:

Particulars of Expenditure	Amount deferred for 1 st quarter ended 30.06.2014 (Rs.in lakhs)	Amount deferred for 2 nd Quarter ended 30.09.2014 (Rs.in lakhs)	Total Amount deferred for half year ended 30.09.2014 (Rs.in lakhs)
Staff cost	91.77	116.13	207.90
Manufacturing expenses	67.62	95.13	162.75
Depreciation	139.02	139.02	278.04
Total	298.41	350.28	648.69

- 5) **During the quarter under review, the company has provided depreciation by applying the rates specified under Schedule XIV of the Companies Act, 1956 as against computing the depreciation based on the useful lives as specified under Schedule II read with Section 123 of the Companies Act, 2013 which the companies are required to adopt from 1st April, 2014. In the absence of amount of depreciation computed based on useful lives, its impact on the results for the quarter and half year under review cannot be ascertained.**
- 6) **The company has not made any provision towards Current Income-tax and deferred tax for the quarter under report which, we have been informed by the management, will be made on annual basis.**
- 7) **Borrowings from some of the banks are subject to confirmation and reconciliation. In the absence of confirmation from such banks, the company provided interest on adhoc basis which may be subject to revision on receipt of confirmation from bank. Hence its impact on the results for the quarter under review cannot be ascertained.**
- 8) 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), (6) and (7) 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 the Companies Act, 1956 (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dt. 13th September, 2013 of the Ministry of Corporate Affairs) 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.

Place : Vijayawada
Date : 12.11.2014



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

(Signature)

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