

S S KOTHARI MEHTA & CO

CHARTERED ACCOUNTANTS

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Limited Review Report for the quarter ended 30th September, 2015

**To the Board of Directors
Dwarikesh Sugar Industries Limited
Bijnore, Uttar Pradesh, India**

1. We have reviewed the accompanying statement of unaudited financial results of Dwarikesh Sugar Industries Limited ('the Company') for the quarter ended September 30, 2015 (the "Statement") being submitted by the company pursuant to the requirements of clause 41 of the Listing Agreement with Stock Exchanges in India except for the disclosures regarding 'Public Shareholding' and "Promoter and Promoter Group Shareholding" which have been traced from the disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (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 statement is 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. Basis of qualification

The Company has not provided for the interest liability of Rs. 98.30 lacs on unsecured loans taken from 3 body corporates for the period ended September 30, 2015, owing to the financial stress in the sugar industry. Due to this, profit for the quarter ended September 30, 2015 is overstated and loss & liability payable for the period ended September 30, 2015 is understated by the same amount.

4. Emphasis of Matter

Without qualifying our report, we draw attention to note no. 4 of foot notes to the financial results wherein the company has recognised deferred tax assets on unabsorbed depreciation and business losses till the financial year ended March 31, 2015 of Rs.2,000.67 Lacs. Continuing losses in the last few years indicate the condition of an uncertainty as regards realisation of such deferred tax assets. The company's management is of the view that it expects turnaround of sugar sector by way of expected assistance from Central and State Government in view of which, such deferred tax assets continue to be treated as realisable.

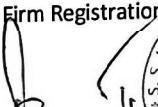


5. Based on our review conducted as per paragraph 2 above and *except for our qualification as per paragraph 3 above with its consequential impact* and our observations as per paragraph 4 above whose possible Impact on results for the quarter is not ascertainable at this stage, nothing further has come to our attention, read with note no. 5 of foot notes to the statement wherein no provision for income tax and deferred tax, if any, has been considered, the same would be accounted for at the end of the financial year, that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014] and other recognized 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.

For S.S. Kothari Mehta & Co.

Chartered Accountants

Firm Registration No. 000756N


Arun K. Tulsiani

Partner

Membership No. 089907



Place: New Delhi

Date: November 09, 2015