

17 - 22<sup>th</sup> August, 2016

The Secretary  
The Calcutta Stock Exchange Ltd  
7, Lyons Range  
Kolkata 700001

Company Code: 10017013

Sub: Reporting under Regulation 30 read with part A of Schedule III and Regulation 33 of SEBI (Listing obligations Disclosure Requirements) Regulations, 2015

Dear Sir / Madam

Please find enclosed herewith Unaudited Quarterly results of Gobind Sugar Mills Limited for the quarter ended 30<sup>th</sup> June, 2016 (in original) along with the Limited Review Report of Auditors (in original) there on for your records and putting the same on your website.

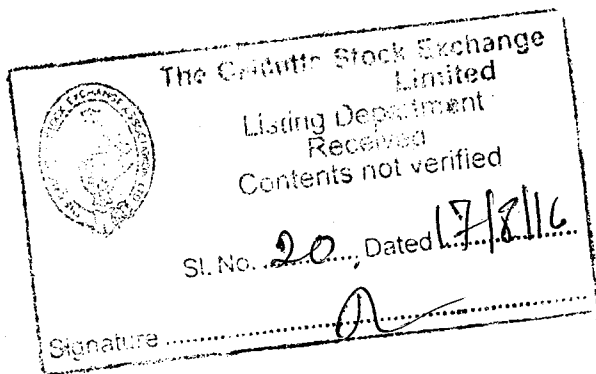
Also, the Board of Directors, in its meeting held today has accorded its approval for listing of its entire paid up equity share capital to be listed on Metropolitan Stock Exchange of India Ltd. (MSEI).

Kindly acknowledge receipt.

Thanking You,

Yours Sincerely  
For Gobind Sugar Mills Limited

  
Laxman Aggarwal  
Company Secretary



**GOBIND SUGAR MILLS LIMITED**

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CIN No. : L15421WB1952PLC020577, Website : www.gobindsugar.com

# Walker Chandiook & Co LLP

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## Review Report on Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Gobind Sugar Mills Limited

1. We have reviewed the accompanying statement of unaudited financial results ("Statement") of Gobind Sugar Mills Limited ("the Company") for the quarter ended 30 June 2016. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 June 2015, including the reconciliation of net loss under Ind AS of the corresponding quarter with net loss reported under previous GAAP, as included in the statement have not been subject to limited review or audit. 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 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 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. As stated in Note 8 to the financial results, the Company continues to carry deferred tax assets of Rs. 5,718.02 lacs, net of deferred tax liabilities (30 June 2015: Rs 6,770.37 lacs) on items comprising unabsorbed depreciation, carry forward of losses and other timing differences, which, in view of the management, shall be realized on generation of taxable profits in future years. However, in the absence of convincing evidences on availability of sufficient future taxable profits, recognition of deferred tax assets, in our opinion, is not consistent with the accounting principles as laid down under Ind-AS 12, "Income Taxes", specified under Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013. Had the Company reversed these deferred tax assets, the tax expense for the quarter ended 30 June 2016 would have been higher by Rs. 5,718.02 lacs (quarter ended 30 June 2015: Rs. 6,770.37 lacs) and reported profit after tax of Rs.110.21 lacs for the quarter ended 30 June 2016 would have converted into loss of Rs. 5,607.81 lacs, (reported loss after tax of Rs. 2,141.02 lacs for the quarter ended 30 June 2015 would have increased to Rs. 8,911.39 lacs). Our review report on the financial results for the quarter ended 30 June 2016 and the predecessor auditor's review report on the financial results for the quarter ended 30 June 2015 and the audit opinion on the financial statements for the year ended 31 March 2016 was also qualified in respect of this matter.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune



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# Walker Chandiook & Co LLP

4. As stated in Note 9 to the financial results, the Company recorded a subsidy income in respect of Interest subvention from Government of Uttar Pradesh amounting to Rs. 539.37 lacs as other income during the year ended 31 March 2016. However, in our opinion, this subsidy is a government grant related to specific fixed assets and the recognition of this subsidy as other income is not in accordance with the accounting principles laid down under Ind-AS 20 "Accounting for Government Grants and Disclosure of Government Assistance", specified under Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013. Had the Company recorded this subsidy in accordance with Ind-AS 20, reported profit after tax of Rs. 110.21 lacs for the quarter ended 30 June 2016 would have converted into loss after tax of Rs. 417.39 lacs.
5. Based on our review conducted as above, except for the effects of qualifications as described in the previous paragraphs, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 read with SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The review of financial results for the three months period ended 30 June 2015 included in the statement were carried out and reported by another auditor vide their qualified review report dated 12 August 2015 whose review reports has been furnished to us and have been adjusted by the management in order to comply with Ind AS as explained in Note 6 of the financial results.

For Walker Chandiook & Co LLP  
(formerly Walker, Chandiook & Co)  
Chartered Accountants  
Firm Registration No: 001076N/N500013

*Neeraj*

per Neeraj Goel  
Partner  
Membership No. 099514



Place: Gurgaon  
Date: 11 August 2016

**GOBIND SUGAR MILLS LIMITED**

Registered Office : 9/1, R.N. Mukherjee Road, Kolkata - 700001

Unaudited Financial Results for the quarter ended 30 June 2016

(Rs. in lacs except for EPS)

PARTICULARS	Quarter ended	
	30 June 2016 (Unaudited)	30 June 2015 (Unaudited)
<b>PART I</b>		
<b>1 Income from operations</b>		
(a) Gross Sales / Income from Operations	8,780.33	3,104.51
Less : Excise Duty & Cess	474.83	215.78
Net sales / income from Operations	8,305.50	2,888.73
(b) Other Operating Income	16.61	4.35
<b>Total income from operations (net)</b>	<b>8,322.11</b>	<b>2,893.08</b>
<b>2 Expenses</b>		
(a) Cost of raw materials consumed	775.15	2,572.18
(b) Purchases of stock-in-trade	-	601.63
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade (after adjusting excise duty & cess)	5,553.43	1,736.99
(d) Employee benefits expenses	352.66	269.44
(e) Depreciation and amortization expense	209.97	51.71
(f) Other expenses	417.64	376.49
<b>Total expenses</b>	<b>7,308.85</b>	<b>5,608.44</b>
<b>3 Profit/(Loss) from Operations before other income, finance costs and exceptional item (1-2)</b>	<b>1,013.26</b>	<b>(2,715.36)</b>
<b>4 Other Income</b>	<b>228.61</b>	<b>302.42</b>
<b>5 Profit/(Loss) from Operations before finance costs and exceptional item (3+4)</b>	<b>1,241.87</b>	<b>(2,412.94)</b>
<b>6 Finance costs</b>	<b>1,048.62</b>	<b>901.71</b>
<b>7 Profit/(Loss) from Operations after finance costs but before exceptional item (5-6)</b>	<b>193.25</b>	<b>(3,314.65)</b>
<b>8 Exceptional Item</b>		
<b>9 Profit/(Loss) before tax (7-8)</b>	<b>193.25</b>	<b>(3,314.65)</b>
<b>10 Tax Expenses :</b>		
(a) Current Tax	-	-
(c) Deferred Tax (Credit)	(83.04)	1,173.63
<b>11 Net Profit/(Loss) for the period after taxes (9-10)</b>	<b>110.21</b>	<b>(2,141.02)</b>
<b>12 Other Comprehensive Income</b>		
<b>13 Total Comprehensive Income (11+12)</b>	<b>110.21</b>	<b>(2,141.02)</b>
<b>14 Paid-up Equity Share Capital</b> (Face value per share Rs. 10/-)	<b>320.00</b>	<b>320.00</b>
<b>15 Basic and Diluted Earning per share</b>	<b>3.44</b>	<b>(66.91)</b>

Segment wise Revenue, Results and Capital Employed as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Quarter Ended	
	30 June 2016 (Unaudited)	30 June 2015 (Unaudited)
<b>1 Segment Revenue (Net):</b>		
a) Sugar	8,068.32	3,195.50
b) Power	734.30	-
<b>Total Segment Revenue</b>	<b>8,802.62</b>	<b>3,195.50</b>
Less: Inter Segment Revenue	252.27	-
<b>Total</b>	<b>8,550.35</b>	<b>3,195.50</b>
<b>2 Segment Results - Profit/(loss) before tax and interest</b>		
a) Sugar	1,227.09	(2,412.94)
b) Power	89.40	-
<b>Total</b>	<b>1,316.49</b>	<b>(2,412.94)</b>
Less: Finance Costs	1,048.62	901.71
Add/(Less): Other unallocable income net of unallocable expenditure	(74.62)	-
<b>Total Profit/(loss) Before Tax</b>	<b>193.25</b>	<b>(3,314.65)</b>
<b>3 Capital Employed (Segment Assets - Segment Liabilities)</b>		
a) Sugar	29,207.54	32,214.90
b) Power	11,136.41	-
c) Unallocated	5,732.25	6,784.92
<b>Total</b>	<b>46,076.20</b>	<b>38,999.82</b>

Note:

The Company reports (i) Sugar and (ii) Power as segments in its segment statement in accordance with Ind AS 108 on "Operating Segments"



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**Notes to Financial Results**

- 1 Sugar is a seasonal industry where crushing normally takes place during the period between November and April, while sales are distributed throughout the year. As such, the above quarterly results are not indicative of the likely results for the current quarter.
- 2 This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Consequently results for the quarter ended 30 June 2015 have been restated to comply with Ind AS requirements to make them comparable.
- 3 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11 August 2016.
- 4 The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated 30 November 2015 has been modified to comply with the requirements of the SEBI's Circular CIR/CFD/FAC/62/2016 dated 05 July 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- 5 The statement does not include Ind-AS compliant results for the preceding quarter and previous year ended 31 March 2016, as the same were not mandatory as per SEBI's Circular CIR/CFD/FAC/62/2016 dated 05 July 2016.
- 6 Results for the quarter ended 30 June 2016 have been subjected to a Limited Review by the Auditors. The Ind AS compliant corresponding figures of quarter ended 30 June 2015, have not been subjected to the Limited Review by the Auditors. The Company has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- 7 Reconciliation of results between previously reported (referred to as "Previous GAAP") and Ind AS for the quarter presented as under:

Particulars	Note Reference	(Rs. in Lacs)
		Quarter ended 30 June 2015
Net Profit/(Loss) as per Previous GAAP		(2,052.03)
Increase in Finance costs (reclassification of Preference Shares as Financial Liability)	(a)	(90.69)
Decrease in Finance costs (effect of application of Effective Interest Method on Borrowings)	(b)	2.58
Deferred Tax Adjustments	(b)	(0.88)
Net Profit/(Loss) as per Ind AS		(2,141.02)

**Notes:**

- (a) Consequent to adoption of Ind AS, redeemable preference share capital has been reclassified as financial liability at fair value on the date of transition. Differences between the fair value and transaction prices have been accounted for as deemed capital contributions. Accordingly interest has been recorded and charged to the Statement of profit and loss using discount rates considered for initial fair valuation.
- (b) Under Ind AS, upfront fees paid on the processing of term loans which were earlier charged off to statement of profit and loss/ included in the cost of fixed assets is now netted off in the carrying amounts of borrowings. Accordingly the same is now amortised using effective interest rates method. Corresponding effects of the same have been considered in the retained earnings and deferred taxes.
- 8 The Auditors in their report on the accounts for the quarter ended 30 June 2016 have commented upon recognition of Deferred Tax Assets (net). Based on future profitability projections, the management is optimistic that there would be sufficient taxable profits in future to claim credit of Deferred Tax Assets. The predecessor auditors had also qualified upon recognition of Deferred Tax Assets (net) for the quarter ended 30 June 2015.
- 9 During the previous year ended 31 March 2016, the Company became eligible to interest subvention under the Scheme of Sugar Industry, Co-generation and Distillery Promotion Policy 2013 which entitles Company to receive reimbursement of 5% on the interest payable on the loans obtained from banks/financial institutions/SDF on account of plant and machinery utilized for construction of cogeneration plant. The interest subvention is available on commissioning of cogeneration plant within prescribed time frame and further satisfactory operational results, as defined in the scheme in detail. The Company has achieved the conditions prescribed in the scheme and consequently has filed the claim for interest subvention dated on 19 February 2016. The Company is yet to receive this amount from the government. The Company recorded this subsidy as a revenue grant and accordingly, the interest subvention pertaining to period upto Capitalisation of asset amounting to Rs. 539.37 lacs was recorded in the Other Income. Had this been recorded as a grant related to fixed assets profit after tax for the quarter ended 30 June 2016 would have been lower by Rs. 417.39 lacs.
- 10 Other income includes interest subvention of Rs.116.09 lacs. Under the Scheme of Sugar Industry, Co-generation and Distillery Promotion Policy 2013, the company is eligible to receive reimbursement of 5% on the interest payable on the loans obtained from banks/financial institutions/SDF on account of plant and machinery utilized for construction of cogeneration plant. The interest subvention is available on commissioning of cogeneration plant within prescribed time frame and further satisfactory operational results, as defined in the scheme in detail. The Company has achieved the conditions prescribed in the scheme and consequently has filed the claim for interest subvention dated on 19 February 2016. The Company is yet to receive this amount from the government. However, considering compliance of eligibility conditions such income has been recorded in the Other Income.
- 11 The Company commissioned 30MW co-generation power plant and started its commercial production from 15 December 2015 resulting in creation of a new Segment "Power". Consequently there is no segment for corresponding comparative period ended 30 June 2015.
- 12 The Board of Directors of the Company vide its meeting held on 07 June 2016 had rescinded the proposals for issue of 5,25,000 Equity Shares and 7,20,000 convertible warrants on preferential basis to the promoters / promoter group of the Company.
- 13 The Board of Directors of the Company vide its meeting held on 11 August 2016 have approved the proposal for listing of the total paid up equity share capital of the Company on Metropolitan Stock Exchange of India Limited (MSEI).
- 14 The Government of Uttar Pradesh has announced subsidy for Sugar industry for the sugar season 2015-2016 linked to average selling price of sugar and by-products during the period 1 October 2015 to 31 May 2016. During the current quarter, the Company has recognised such subsidy amounting to Rs.64.74 lacs, based on the present and expected likely average price. The Company is hopeful to realise the subsidy as the average selling price is expected to be below the threshold level announced by the Government of Uttar Pradesh.

Place: Gurgaon  
Date: Thursday, August 11, 2016



For and on behalf of the Board  
Gobind Sugar Mills Ltd.  
*R S Raghavan*  
R S Raghavan  
Managing Director

