

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
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Independent Auditor's Report on 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 audited the financial results of Gobind Sugar Mills Limited ('the Company') for the year ended 31 March 2019, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 15 to the financial results regarding the figures for the quarter ended 31 March 2019 as reported in these financial results, which are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These financial results are based on the financial statements for the year ended 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the financial statements for the year ended 31 March 2019 and our review of financial results for the nine months period ended 31 December 2018.
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.
3. In our opinion and to the best of our information and according to the explanations given to us, the financial results:



Walker ChandioK &Co LLP

Independent Auditor's Report on Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and
- (ii) give a true and fair view of the net loss (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2019.

For Walker ChandioK & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Neeraj

Neeraj Goel
Partner
Membership No. 099514



Place: Gurugram
Date: 17 May 2019

GOBIND SUGAR MILLS LIMITED

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

Website : www.gobindsugar.com, email : ig.gsml@adventz.com, Phone : +91-124-4827800, CIN : L15421WB1952PLC020577

Audited Financial Results for the quarter and year ended 31 March 2019*(INR in lacs except per share data)*

Particulars	Quarter ended			Year ended	
	31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
	(Refer note 15)	(Unaudited)	(Refer note 15)	(Audited)	(Audited)
1 Income from operations					
(a) Revenue from operations	9,653.58	11,730.87	6,425.69	46,384.92	29,432.87
(b) Other income	2,839.26	786.77	1,189.28	5,280.16	2,516.83
Total income from operations	12,492.84	12,517.64	7,614.97	51,665.08	31,949.70
2 Expenses					
(a) Cost of raw materials consumed	26,527.63	7,753.71	25,607.07	43,215.11	41,872.06
(b) Change in inventories of finished goods and work-in-progress	(22,872.10)	2,625.44	(22,046.53)	(7,395.58)	(20,910.29)
(c) Excise duty and cess on sale of goods	-	-	-	-	343.27
(d) Employee benefits expenses	822.49	513.67	634.36	2,403.48	1,997.40
(e) Finance costs	2,005.01	1,656.01	1,704.36	6,945.91	6,179.43
(f) Depreciation and amortization expenses	507.58	452.98	487.91	1,800.40	1,697.97
(g) Other expenses	3,129.77	1,674.68	1,173.32	7,323.93	3,225.36
Total expenses	10,120.38	14,676.49	7,560.49	54,293.25	34,405.20
3 Profit/(Loss) before tax (1-2)	2,372.46	(2,158.85)	54.48	(2,628.17)	(2,455.50)
4 Tax expense:					
(a) Current tax	-	-	-	-	-
(b) Deferred tax credit/(charge)	(1,806.50)	55.97	(351.89)	(954.30)	398.14
5 Profit/(Loss) for the period/year (3+4)	565.96	(2,102.88)	(297.41)	(3,582.47)	(2,057.36)
6 Other comprehensive income (OCI)					
Items that will not be reclassified to profit and loss					
Remeasurement of defined benefit plans	201.40	(54.74)	(121.33)	37.16	(218.99)
Equity instruments designated at fair value through OCI	(1.38)	(0.85)	0.19	(1.18)	1.47
Income tax effect	(69.29)	19.31	41.48	(12.45)	75.28
Total other comprehensive income/(loss)	130.73	(36.28)	(79.66)	23.53	(142.24)
7 Total comprehensive income/(loss) for the period/year (5+6)	696.69	(2,139.16)	(377.07)	(3,558.94)	(2,199.60)
8 Paid up equity share capital	373.09	373.09	320.00	373.09	320.00
(Face value per share INR 10/- each)					
9 Other equity excluding revaluation reserves	-	-	-	(2,399.45)	11.24
10 Earnings/(loss) per share (INR 10/- each) (not annualized) (Basic and diluted)	12.65	(54.42)	(9.29)	(97.31)	(64.29)

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Segment information:-

(INR in lacs)

Particulars	Quarter ended			Year ended	
	31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
	(Refer note 15)	(Unaudited)	(Refer note 15)	(Audited)	(Audited)
1 Segment revenue (Revenue from operations)					
a) Sugar	9,756.11	11,667.03	6,827.16	44,721.71	28,618.28
b) Power	4,300.61	1,581.77	4,510.83	9,307.30	8,691.59
Sub total	14,056.72	13,248.80	11,337.99	54,029.01	37,309.87
Less : Inter segment revenue	4,403.14	1,517.93	4,912.30	7,644.09	7,877.00
Total revenue (Revenue from operations)	9,653.58	11,730.87	6,425.69	46,384.92	29,432.87
2 Segment results					
a) Sugar	1,077.97	(1,894.19)	(1,847.79)	(3,709.37)	(3,112.72)
b) Power	1,925.27	221.85	1,806.99	2,911.88	2,369.24
Sub total	3,003.24	(1,672.34)	(40.80)	(797.49)	(743.48)
Less : Finance costs	1,597.39	1,243.28	1,154.94	5,148.19	4,108.86
Add/less: Unallocable incomes/expenses (net of unallocable expenses/incomes)	966.61	756.77	1,250.22	3,317.51	2,396.84
Profit / (loss) before tax	2,372.46	(2,158.85)	54.48	(2,628.17)	(2,455.50)
3 Segment assets					
a) Sugar	76,353.92	46,794.53	65,539.43	76,353.92	65,539.43
b) Power	20,979.34	15,215.01	21,062.41	20,979.34	21,062.41
c) Unallocated	14,301.13	11,126.21	8,242.03	14,301.13	8,242.03
Total	111,634.39	73,135.75	94,843.87	111,634.39	94,843.87
4 Segment liabilities					
a) Sugar	46,543.47	26,095.02	48,413.26	46,543.47	48,413.26
b) Power	-	-	-	-	-
c) Unallocated	67,043.07	63,822.75	46,099.37	67,043.07	46,099.37
Total	113,586.54	89,917.77	94,512.63	113,586.54	94,512.63

Note : The Company reports (i) Sugar and (ii) Power as segments in accordance with Ind AS 108 "Operating Segments".

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Notes to the Audited Financial Results for quarter and year ended 31 March 2019**1 Statement of assets and liabilities :***(INR in lacs)*

Particulars	As at 31 March 2019 (Audited)	As at 31 March 2018 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	39,453.87	39,875.55
Capital work-in-progress	7,142.03	757.26
Intangible assets	25.10	34.85
Financial assets		
(i) Investments	16.15	17.33
(ii) Other financial assets	17.32	2.36
Deferred tax assets (net)	7,257.95	8,224.70
Other non-current assets	919.11	461.10
Non-current tax assets (net)	45.96	0.22
	54,877.49	49,373.36
Current assets		
Inventories	46,006.49	38,949.63
Financial assets		
(i) Investments	117.00	-
(ii) Trade receivables	3,830.78	1,592.40
(iii) Cash and cash equivalents	161.92	77.83
(iv) Other bank balances	1.57	13.55
(v) Loans	38.51	6.76
(vi) Other financial assets	5,290.13	3,102.91
Other current assets	1,310.50	1,727.43
	56,756.90	45,470.51
Total Assets	111,634.39	94,843.87
EQUITY AND LIABILITIES		
Equity		
Equity share capital	373.09	320.00
Instruments entirely equity in nature	74.21	-
Other equity	(2,399.45)	11.24
	(1,952.15)	331.24
Liabilities		
Non-current liabilities		
Financial liabilities (Borrowings)	45,046.19	30,727.74
Provisions	405.41	307.59
Other non-current liabilities	5,544.65	4,700.95
	50,996.25	35,736.28
Current liabilities		
Financial liabilities		
(i) Borrowings	19,387.07	23,312.81
(ii) Trade payables		
-Total outstanding due of micro,small and medium enterprises	41.75	33.09
-Total outstanding due of creditors other than micro,small and medium enterprises	29,994.65	28,250.16
(iii) Other financial liabilities	9,666.19	5,209.34
Other current liabilities	3,399.07	1,789.91
Provisions	101.56	181.04
	62,590.29	58,776.35
Total Equity and Liabilities	111,634.39	94,843.87

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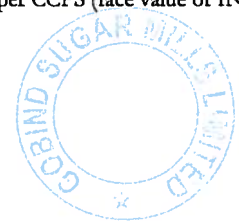
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Notes to the Audited Financial Results for quarter and year ended 31 March 2019 (Cont'd)

- 2 Sugar is a seasonal industry where crushing normally takes place during the period between November and April, while sales are distributed throughout the year. Bagasse based co-generation power plant is affected by the availability of bagasse, which is a by product of the sugar cane.
- 3 The financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013.
- 4 As at 31 March 2018, the Company valued its inventory of finished goods and work in process based on Net Realizable Value ("NRV") which is lower than the cost of finished goods and work in process. The audit report for the quarter and year ended 31 March 2018 has been qualified in the absence of necessary audit evidences supporting NRV used by the management of the Company for valuation of finished goods and work in process. However, subsequently the NRV of finished goods increased beyond cost of finished goods during the current year. Audit report for the quarter and year ended 31 March 2019 and review report for the quarter ended 31 December 2018 have not been qualified.
- 5 The Company carries an amount of INR 7,257.95 lacs as deferred tax assets (net) as at 31 March 2019. The management of the Company is confident of generating sufficient taxable profits in the near future considering the power purchase arrangements with the Uttar Pradesh Power Corporation Limited, positive expected cash flows, future expansion plans like setting up of Distillery having capacity of 100,000 litres per day, 16 MW Co-generation Power Plant and industry focused trade policies of the government.
- 6 The Central Government pursuant to Notification No. 1(5)/2018-S.P.-I dated 9 May 2018 issued by Ministry of Consumer Affairs (Department of Food and Public Distribution), has notified a scheme of assistance to sugar mills against sugar cane crushed during sugar season 2017-18. Pursuant to the aforementioned notification, during the year ended 31 March 2018, the Company had accounted for such grant amounting to INR 680.44 lacs. However, based upon non-fulfillment of extended conditions of the aforementioned notification, the Company has derecognized such receivable amount during the year ended 31 March 2019.
- 7 The State Government pursuant to Notification No. 15/2018/1719/46-3-18-3 (36-A)/2018 issued by Uttar Pradesh Shasan Chini Udyog Anubhag-3 has notified a scheme "Scheme for Extending Financial Assistance to Sugar Undertakings - 2018" (the "Scheme") for settlement of sugar cane price dues for crushing season 16-17 and 17-18 by providing loans to sugar industries at subsidized rates of interest and cane subsidy at the rate of INR 4.50/- per qntl of sugar cane crushed during the aforementioned crushing season. Under the Scheme, the Company has recorded an amount of INR 664.29 lacs as grant for crushing season 17-18 during the year ended 31 March 2019.
- 8 The Central Government pursuant to notification dated 19 July 2018, issued by Ministry of Consumer Affairs (Department of Food and Public Distribution) has notified the scheme namely - "Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity" with the objective of increasing and augmentation of ethanol production. Under the said scheme, sugar mills will receive interest subvention @ 6% per annum or 50% of rate of interest charged by banks, whichever is lower on amount of loans sanctioned in form of assistance under the aforementioned scheme. On 29 September 2018, the Company has got the in-principal approval of loan amounting to INR 9,660.00 lacs under the said scheme, for setting up of its Distillery having capacity of 100,000 litres per day. Out of the same, INR 2,500 lacs has been disbursed to the Company through Indian Renewable Energy Development Agency (IREDA) and balance amount is yet to be disbursed to the Company.
- 9 The Central Government pursuant to notification dated 5 October 2018, issued by Ministry of Consumer Affairs (Department of Food and Public Distribution) has notified the schemes namely - "Scheme for Assistance to Sugar Mills" and "Scheme for defraying expenditure towards internal transport, freight, handling and other charges on export" collectively known as "Schemes" for crushing season 18-19 to improve liquidity position of sugar mills enabling them to clear cane price dues of farmers for crushing season 18-19. Based on substantial fulfillment of conditions attached to the Schemes, the Company has recognized proportionate amount of subsidy under "Other income" amounting to INR 1,724.02 lacs with an corresponding "Other expense" of INR 1,445.44 lacs being costs incurred for fulfillment of conditions attached to the Schemes.
- 10 During the year ended 31 March 2019, on 14 November 2018, the Company has :
 - i) Issued 530,917 Equity Shares to one of the Promoters (Zuari Investments Limited or "ZIL") of the Company on preferential basis at INR 100/- per Equity Share (face value of INR 10/- and share premium being INR 90/- per Equity Share); and
 - ii) Issued 742,130 Compulsorily Convertible Preference Shares ("CCPS") to ZIL on preferential basis at INR 100/- per CCPS (face value of INR 10/- and share premium being INR 90/- per CCPS).

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GOBIND SUGAR MILLS LIMITED

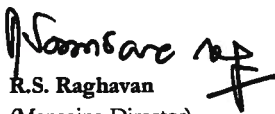
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Notes to the Audited Financial Results for quarter and year ended 31 March 2019 (Cont'd)

- 11 During the year ended 31 March 2019, the Company has incurred a book loss (total comprehensive loss) of INR 3,558.94 lacs (31 March 2018: INR 2,199.60 lacs) and the accumulated losses of the Company amounted to INR 10,221.14 lacs (31 March 2018: INR 7,811.39 lacs). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The management of the Company is confident to generate sufficient profits and cash from operations in near future considering improving sugar sale prices, industry focused state and central government trade policies, expansion plans in form of setting up of Distillery having capacity of 100,000 litres per day and 16 MW Co-generation Power Plant.
- Further, the holding company has confirmed its intent as well as ability to extend continued financial support to the Company, as and when needed, so as to enable the Company continues its operations as a going concern in foreseeable future.
- In view of the same, the management of the Company is hopeful of generating sufficient cash flows in the future to meet the Company's financial obligations. Hence, these financial statements have been prepared on a going concern basis.
- 12 Post applicability of Goods and Service Tax Act (GST), w.e.f. 01 July 2017, the revenue is disclosed net of GST. Accordingly, the revenue from operations for year ended 31 March 2019 is not comparable with previous year's corresponding reported periods as Excise duties formed part of revenue from operations and expenses during the previous period upto 30 June 2017.
- 13 Ind AS 115, Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018 and has replaced existing revenue recognition requirements under Ind AS 18 "Revenue". Under the revised reporting standard, i.e. Ind AS 115, no adjustment is required to be made to the retained earnings as at 1 April 2018.
- 14 The Company vide application dated 23 March 2019 with Regional Director, Registrar of Companies, Kolkata, has applied for shifting of registered office from the State of West Bengal to the National Capital Territory of Delhi.
- 15 Amounts for the quarters ended 31 March 2019 and 31 March 2018 represents the balancing amounts between audited amounts for the full financial year and the published year to date amounts upto third quarter of the respective financial year which were subjected to limited review.
- 16 The figures of previous reported quarters have been regrouped/reclassified wherever considered necessary in order to comply with financial reporting requirements.
- 17 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 17 May 2019.

For and on behalf of the Board of Directors of
Gobind Sugar Mills Limited


R.S. Raghavan
(Managing Director)
DIN No. 00362555



Place: Gurugram
Date: 17 May 2019