

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 2018, 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 10 to the financial results regarding the figures for the quarter ended 31 March 2018 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 2018 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 2018 and our review of financial results for the nine months period ended 31 December 2017.
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.



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3. As explained in Note 4 of the accompanying financial results, the Company has valued its inventory of finished goods and work in progress (WIP) based on net realizable value (NRV) which is lower than the cost of finished goods and WIP. In the absence of necessary audit evidence with respect to NRV used by the management, we are unable to comment on the carrying value of the inventory and its consequential impact on the accompanying financial results.
4. In our opinion and to the best of our information and according to the explanations given to us, the financial results:
 - (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 except for the possible effects of the matter described in paragraph 3; 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 2018 except for the possible effects of the matter described in paragraph 3.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500018

Neeraj Goel

per Neeraj Goel

Partner

Membership No. 099514



Place: Gurugram

Date: 23 May 2018

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 2018

(Rs. in lacs except per share data)

| Particulars | Quarter ended | | | Year ended | |
|---|-----------------|------------------|------------------|-------------------|------------------|
| | 31 March 2018 | 31 December 2017 | 31 March 2017 | 31 March 2018 | 31 March 2017 |
| | (Refer note 10) | (Unaudited) | (Refer note 10) | (Audited) | (Audited) |
| 1 Income from operations | | | | | |
| (a) Revenue from operations | 6,425.69 | 7,262.91 | 19,098.18 | 29,432.87 | 40,489.27 |
| (b) Other income | 1,189.28 | 624.42 | 460.13 | 2,516.83 | 1,603.72 |
| Total income from operations | 7,614.97 | 7,887.33 | 19,558.31 | 31,949.70 | 42,092.99 |
| 2 Expenses | | | | | |
| (a) Cost of raw materials consumed | 25,607.07 | 15,127.67 | 19,242.92 | 41,872.06 | 30,394.54 |
| (b) Change in inventories of finished goods and work-in-progress | (22,046.53) | (10,925.11) | (6,822.13) | (20,910.29) | (4,268.21) |
| (c) Excise duty and cess on sale of goods | - | - | 964.44 | 343.27 | 2,101.91 |
| (d) Employee benefits expenses | 634.36 | 544.46 | 832.13 | 1,997.40 | 2,039.93 |
| (e) Finance costs | 1,704.36 | 1,284.07 | 1,587.20 | 6,179.43 | 4,759.32 |
| (f) Depreciation and amortisation expenses | 487.91 | 407.38 | 412.77 | 1,697.97 | 1,146.60 |
| (g) Other expenses | 1,173.32 | 959.26 | 1,333.12 | 3,225.36 | 2,471.60 |
| Total expenses | 7,560.49 | 7,397.73 | 17,550.46 | 34,405.20 | 38,645.69 |
| 3 Profit/(loss) before exceptional items and tax (1-2) | 54.48 | 489.60 | 2,007.85 | (2,455.50) | 3,447.30 |
| 4 Exceptional items (refer note 5) | - | - | 750.38 | - | 1,500.38 |
| 5 Profit/(loss) before tax (3-4) | 54.48 | 489.60 | 1,257.47 | (2,455.50) | 1,946.92 |
| 6 Tax expense: | | | | | |
| (a) Current tax | - | - | - | - | - |
| (b) Deferred tax credit/(charge) | (351.89) | (210.54) | 256.81 | 398.14 | (110.14) |
| 7 Profit/(loss) for the period/year (5+6) | (297.41) | 279.06 | 1,514.28 | (2,057.36) | 1,836.78 |
| 8 Other comprehensive income (OCI) | | | | | |
| Items that will not be reclassified to profit and loss | | | | | |
| Remeasurement of defined benefit plans | (121.33) | (32.35) | (108.85) | (218.99) | (108.85) |
| Equity instruments designated at fair value through OCI | 0.19 | 0.22 | 0.62 | 1.47 | 0.62 |
| Income tax effect | 41.48 | 11.56 | 37.53 | 75.28 | 37.52 |
| Total other comprehensive income/(loss) | (79.66) | (20.57) | (70.71) | (142.24) | (70.71) |
| 9 Total comprehensive income/(loss) for the period/year (7+8) | (377.07) | 258.49 | 1,443.57 | (2,199.60) | 1,766.07 |
| 10 Paid up equity share capital | 320.00 | 320.00 | 320.00 | 320.00 | 320.00 |
| (Face value per share Rs. 10/- each) | | | | | |
| 11 Other equity excluding revaluation reserves | - | - | - | 11.24 | 2,208.16 |
| 12 Earnings per share (Rs. 10/- each) (not annualised) (Basic and diluted) | (9.29) | 8.72 | 47.32 | (64.29) | 57.40 |

Segment information:-

| Particulars | Quarter ended | | | Year ended | |
|--|------------------|------------------|------------------|-------------------|------------------|
| | 31 March 2018 | 31 December 2017 | 31 March 2017 | 31 March 2018 | 31 March 2017 |
| | (Refer note 10) | (Unaudited) | (Refer note 10) | (Audited) | (Audited) |
| 1 Segment revenue (Revenue from operations) | | | | | |
| a) Sugar | 6,827.16 | 7,482.04 | 18,882.98 | 28,618.28 | 39,823.12 |
| b) Power | 4,510.83 | 2,639.85 | 3,684.90 | 8,691.59 | 6,430.64 |
| Sub total | 11,337.99 | 10,121.89 | 22,567.88 | 37,309.87 | 46,253.77 |
| Less : Inter segment revenue | 4,912.30 | 2,858.98 | 3,469.70 | 7,877.00 | 5,764.50 |
| Total revenue | 6,425.69 | 7,262.91 | 19,098.18 | 29,432.87 | 40,489.27 |
| 2 Segment results | | | | | |
| a) Sugar | (1,847.79) | 107.30 | 1,599.73 | (3,112.72) | 2,834.21 |
| b) Power | 1,806.99 | 732.40 | 1,638.24 | 2,369.24 | 2,017.43 |
| Sub total | (40.80) | 839.70 | 3,237.97 | (743.48) | 4,851.64 |
| Less : Finance costs | 1,154.94 | 853.60 | 1,587.20 | 4,108.86 | 2,990.82 |
| Add/less: Unallocable incomes/expenses (net of unallocable expenses/incomes) | 1,250.22 | 503.50 | 357.08 | 2,396.84 | 1,586.48 |
| Profit / (loss) before tax and exceptional items | 54.48 | 489.60 | 2,007.85 | (2,455.50) | 3,447.30 |
| Less : Exceptional items (sugar business) | - | - | 750.38 | - | 1,500.38 |
| Profit / (loss) before tax and after exceptional items | 54.48 | 489.60 | 1,257.47 | (2,455.50) | 1,946.92 |
| 3 Segment assets | | | | | |
| a) Sugar | 65,539.43 | 42,352.34 | 43,192.61 | 65,539.43 | 43,192.61 |
| b) Power | 21,062.41 | 19,637.61 | 20,409.84 | 21,062.41 | 20,409.84 |
| c) Unallocated | 8,242.03 | 8,415.87 | 7,766.10 | 8,242.03 | 7,766.10 |
| Total | 94,843.87 | 70,405.82 | 71,368.55 | 94,843.87 | 71,368.55 |
| 4 Segment liabilities | | | | | |
| a) Sugar | 48,413.26 | 24,488.95 | 32,170.55 | 48,413.26 | 32,170.55 |
| b) Power | - | - | - | - | - |
| c) Unallocated | 46,099.37 | 45,211.25 | 36,669.83 | 46,099.37 | 36,669.83 |
| Total | 94,512.63 | 69,700.20 | 68,840.38 | 94,512.63 | 68,840.38 |

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



GOBIND SUGAR MILLS LIMITED

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Notes to the Audited Financial Results for quarter and year ended 31 March 2018

1 Statement of assets and liabilities :

(Rs. in lacs)

| Particulars | As at 31 March 2018 (Audited) | As at 31 March 2017 (Audited) |
|--|-------------------------------------|-------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 39,875.55 | 38,514.02 |
| Capital work-in-progress | 757.26 | 1,194.38 |
| Intangible assets | 34.85 | 44.60 |
| Financial assets | | |
| (i) Investments | 17.33 | 14.82 |
| (ii) Other financial assets | 2.36 | 1.34 |
| Deferred tax assets (net) | 8,224.70 | 7,751.28 |
| Other non-current assets | 461.10 | 208.20 |
| | 49,373.14 | 47,728.64 |
| Current assets | | |
| Inventories | 38,949.63 | 17,932.59 |
| Financial assets | | |
| (i) Trade receivables | 1,592.40 | 1,613.92 |
| (ii) Cash and cash equivalents | 77.83 | 54.15 |
| (iii) Bank balances other than (i) above | 13.55 | 13.35 |
| (iv) Loans | 6.76 | 6.40 |
| (v) Other financial assets | 3,102.91 | 535.40 |
| Current tax assets (net) | 0.22 | 0.11 |
| Other current assets | 1,727.43 | 3,483.99 |
| | 45,470.72 | 23,639.91 |
| Total Assets | 94,843.87 | 71,368.55 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 320.00 | 320.00 |
| Other equity | 11.24 | 2,208.16 |
| | 331.24 | 2,528.16 |
| Liabilities | | |
| Non-current liabilities | | |
| Financial liabilities | | |
| (i) Borrowings | 30,727.74 | 17,121.71 |
| Provisions | 307.59 | 140.86 |
| Other non-current liabilities | 4,700.95 | 4,640.66 |
| | 35,736.28 | 21,903.23 |
| Current liabilities | | |
| Financial liabilities | | |
| (i) Borrowings | 23,312.81 | 22,249.51 |
| (ii) Trade payables | 28,283.25 | 16,697.32 |
| (iii) Other financial liabilities | 5,209.34 | 6,142.21 |
| Other current liabilities | 1,789.91 | 1,746.56 |
| Provisions | 181.04 | 101.55 |
| | 58,776.35 | 46,937.15 |
| Total Equity and Liabilities | 94,843.87 | 71,368.55 |

19/3/18



GOBIND SUGAR MILLS LIMITED

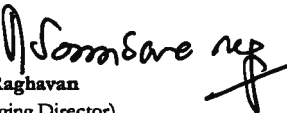
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Notes to the Audited Financial Results for quarter and year ended 31 March 2018 (cont'd.)

- 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 the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013.
- 4 The Company has valued its inventory of finished goods and work in process based on net realizable value which is lower than the cost of finished goods and work in process.
- 5 The Company has recognized an amount of Rs. 8,224.70 lacs as deferred tax assets (net) as at 31 March 2018, as 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 60,000 litres per day, 16 MW 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. Accordingly, during the quarter and year ended 31 March 2018, the Company has accounted for such grant amounting to Rs. 680.44 lacs.
- 7 The Government of Uttar Pradesh issued press release for grant of subsidy for Sugar industry for the crushing 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 year ended 31 March 2017, the Company recognized subsidy amounting to Rs. 64.74 lacs related to the crushing season 2015-2016 in initial days of April 2016 (total subsidy recognized for the aforesaid crushing season amounted to Rs. 1,500.38 lacs, based on estimated average selling prices of the period mentioned above).
Considering the substantial delay in receiving the same and changes in expectations of the Company regarding its realization, the Company decided to derecognize the whole amount of subsidy as an exceptional item in the year ended 31 March 2017.
- 8 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 quarter ended 31 March 2018, 31 December 2017 and year ended 31 March 2018 is not comparable with previous year's corresponding reported periods as Excise duties formed part of revenue from operations and expenses during the previous periods.
- 9 With effect from 09 March 2018, the Company got its equity shares delisted voluntarily from "The Calcutta Stock Exchange Ltd." vide their letter dated 08 March 2018. Equity shares of the Company remains listed on Metropolitan Stock Exchange of India Ltd.
- 10 Amounts for the quarters ended 31 March 2018 and 31 March 2017 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.
- 11 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 23 May 2018.
- 12 The figures for the corresponding previous period/year have been regrouped/reclassified, wherever necessary to make them comparable.

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: 23 May 2018