

GOBIND SUGAR MILLS LIMITED

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

Statement of Standalone & Consolidated Audited Financial Results for the quarter and six months period ended 31st March, 2014

PARTICULARS	Standalone					Consolidated	
	Quarter ended		Period ended			Period ended	
	31.03.2014 (Audited) (Refer note 8 below)	31.12.2013 (Unaudited)	31.03.2013 (Unaudited)	31.03.2014 (Audited)	30.09.2013 (Audited)	31.03.2014 (Audited)	30.09.2013 (Audited)
PART I							
1 Income from operations							
(a) Gross Sales / Income from Operations	9,903.23	7,198.32	3,856.93	17,101.55	27,565.74	17,101.55	27,565.74
Less: Excise Duty & Cess	415.36	222.10	237.09	637.46	1,188.30	637.46	1,188.30
Net sales / income from Operations	9,487.87	6,976.22	3,619.84	16,464.09	26,377.44	16,464.09	26,377.44
(b) Other Operating Income	124.03	5.92	0.89	129.95	68.80	130.00	68.82
Total income from operations (net)	9,611.90	6,982.14	3,620.73	16,594.04	26,446.24	16,594.09	26,446.26
2 Expenses							
(a) Cost of raw materials consumed	15,984.63	3,248.77	17,207.55	19,233.40	26,154.17	19,233.40	26,154.17
(b) Purchases of stock-in-trade	558.58	315.57	-	874.15	116.81	874.15	116.81
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade (after adjusting excise duty & cess)	(8,850.78)	3,961.01	(15,251.55)	(4,889.77)	(2,254.23)	(4,889.77)	(2,254.23)
(d) Employee benefits expenses	369.69	228.50	298.67	598.19	1,101.76	598.19	1,101.76
(e) Depreciation	113.13	105.40	106.44	218.53	530.66	218.53	530.66
(f) Other expenses	889.69	478.62	745.26	1,368.31	2,272.66	1,368.92	2,273.44
Total expenses	9,064.94	8,337.87	3,106.37	17,402.81	27,921.83	17,403.42	27,922.61
3 Profit / (Loss) from Operations before other income, finance costs and exceptional item (1-2)	546.96	(1,355.73)	514.36	(808.77)	(1,475.59)	(809.33)	(1,476.35)
4 Other Income (Refer note 7)	1.23	0.22	2.71	1.45	740.58	3.25	798.36
5 Profit / (Loss) from ordinary activities before finance costs and exceptional item (3+4)	548.19	(1,355.51)	517.07	(807.32)	(735.01)	(806.08)	(677.99)
6 Finance costs	440.76	447.80	609.83	888.56	2,685.50	875.97	2,704.36
7 Profit / (Loss) from ordinary activities after finance costs but before exceptional item (5-6)	107.43	(1,803.31)	(92.76)	(1,695.88)	(3,420.51)	(1,682.05)	(3,382.34)
8 Exceptional item	-	-	-	-	-	-	-
9 Profit / (Loss) from ordinary activities before tax (7-8)	107.43	(1,803.31)	(92.76)	(1,695.88)	(3,420.51)	(1,682.05)	(3,382.34)
10 Tax Expenses :							
(a) Current Tax	-	-	-	-	-	-	-
(b) Minimum Alternative Tax (MAT) Reversal	-	-	-	-	295.31	-	295.31
(c) Deferred Tax Charge / (Credit)	54.64	(581.84)	(57.55)	(527.20)	(1,205.98)	(527.20)	(1,205.98)
11 Net Profit / (Loss) from ordinary activities after tax (9-10)	52.79	(1,221.47)	(35.21)	(1,168.68)	(2,509.84)	(1,154.85)	(2,471.68)
12 Extraordinary Item	-	-	-	-	-	-	-
13 Net Profit / (Loss) for the period (11-12)	52.79	(1,221.47)	(35.21)	(1,168.68)	(2,509.84)	(1,154.85)	(2,471.68)
14 Minority interest	-	-	-	-	-	6.23	-
15 Net Profit / (Loss) after tax and minority interest for the period (13-14)	52.79	(1,221.47)	(35.21)	(1,168.68)	(2,509.84)	(1,161.08)	(2,471.68)
16 Paid-up Equity Share Capital (Face value per share ₹. 10/-)	320.00	320.00	320.00	320.00	320.00	320.00	320.00
17 Paid - Up Preference share capital	8,175.00	7,000.00	5,300.00	8,175.00	6,000.00	8,175.00	6,000.00
18 Reserves excluding Revaluation Reserves	-	-	-	(7,357.57)	(6,191.44)	(7,253.35)	(6,094.82)
19 Basic and Diluted Earning per share (of ₹ 10/- each)	1.65	(38.17)	(1.10)	(36.52)	(78.43)	(36.28)	(77.24)
PART II							
A PARTICULARS OF SHAREHOLDING							
1 Public Shareholding							
- Number of Equity Shares	11,24,368	11,24,368	11,24,368	11,24,368	11,24,368	11,24,368	11,24,368
- Percentage of Shareholding	35.14	35.14	35.14	35.14	35.14	35.14	35.14
2 Promoters & Promoter Group Shareholding							
(a) Pledged / Encumbered							
- Number of Shares	-	-	-	-	-	-	-
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-
- Percentage of Shares (as a % of the total share capital of the company)	-	-	-	-	-	-	-
(b) Non - encumbered							
- Number of Shares	20,75,632	20,75,632	20,75,632	20,75,632	20,75,632	20,75,632	20,75,632
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00	100.00
- Percentage of Shares (as a % of the total share capital of the company)	64.86	64.86	64.86	64.86	64.86	64.86	64.86



Particulars	Quarter ended 31.03.2014
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed of during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil

Segmentwise Revenue, Results and Capital Employed under clause 41 of the listing agreement

(₹. In lacs)

Particulars	Standalone					Consolidated	
	Quarter Ended			Period ended		Period ended	
	31.03.2014	31.12.2013	31.03.2013	31.03.2014	30.09.2013	31.03.2014	30.09.2013
1 Segment Revenue (Net):							
a) Sugar	9,610.99	6,649.12	3,620.73	16,260.11	26,325.00	16,260.16	26,325.02
b) Fertilizer (Traded goods)	0.91	333.02	-	333.93	121.24	333.93	121.24
Total	9,611.90	6,982.14	3,620.73	16,594.04	26,446.24	16,594.09	26,446.26
2 Segment Results - Profit/(loss) before tax and interest							
a) Sugar	579.81	(1,401.98)	408.34	(822.17)	(1,546.25)	(822.73)	(1,569.22)
b) Fertilizer (Traded goods)	2.51	14.80	-	17.31	4.22	17.31	4.22
Less: Unallocated Corporate (Expense) / Income	(47.50)	(10.00)	-	(57.50)	699.26	(55.70)	757.04
Add : Interest Income	1.23	0.22	2.71	1.45	3.82	1.45	3.82
Less : Interest expense	(428.62)	(406.35)	(503.81)	(834.97)	(2,581.56)	(822.38)	(2,578.21)
Total Profit /(loss) Before Tax	107.43	(1,803.31)	(92.76)	(1,695.88)	(3,420.51)	(1,682.05)	(3,382.35)
3 Capital Employed (Segment Assets - Segment Liabilities)							
a) Sugar	13,743.04	7,164.48	17,875.90	13,743.04	11,784.01	13,818.68	11,824.57
b) Fertilizer (Traded goods)	2.50	(426.70)	-	2.50	(113.24)	2.50	(113.24)
c) Unallocated	(12,608.11)	(6,830.59)	(17,121.94)	(12,608.11)	(11,542.21)	(12,579.53)	(11,486.15)
Total	1,137.43	(92.81)	753.96	1,137.43	128.56	1,241.65	225.18

Notes :

1 Statement of Assets and Liabilities

PARTICULARS	(₹. In lacs)			
	Standalone		Consolidated	
	Period ended		Period ended	
	As at 31.03.2014 (Audited)	As at 30.09.2013 (Audited)	As at 31.03.2014 (Audited)	As at 30.09.2013 (Audited)
Equity and Liabilities				
Shareholders' Funds				
Share Capital	8,495.00	6,320.00	8,495.00	6,320.00
Reserve and Surplus	(7,357.57)	(6,191.44)	(7,253.35)	(6,094.82)
	1,137.43	128.56	1,241.65	225.18
Minority Interest			898.71	892.48
Non-current Liabilities				
Long-term borrowings	2,143.33	1,330.00	2,143.33	1,330.00
	2,143.33	1,330.00	2,143.33	1,330.00
Current Liabilities				
Short-term borrowings	15,876.43	15,177.38	15,809.32	14,109.93
Trade payables	13,037.90	4,773.93	13,038.32	4,774.08
Other current liabilities	1,724.97	1,266.95	1,696.67	2,249.98
Short-term provisions	34.19	31.63	34.19	31.63
	30,673.49	21,249.89	30,578.50	21,165.62
TOTAL	33,954.25	22,708.45	34,862.19	23,613.28
Assets				
Non-Current Assets				
Fixed Assets	6,313.95	4,161.62	6,313.95	4,161.62
Non-current investments	993.08	993.08	1,788.75	1,788.75
Deferred tax assets (net)	5,001.73	4,474.53	5,001.73	4,474.53
Long-term loans and advances	2,733.62	373.98	2,733.62	373.98
	15,042.38	10,003.21	15,838.05	10,798.88
Current Assets				
Inventories	17,461.34	12,305.29	17,461.34	12,305.29
Trade Receivables	12.80	5.48	12.80	5.48
Cash and bank balances	626.35	59.86	702.40	125.57
Short-term loans and advances	765.89	334.19	802.11	369.14
Other current assets	45.49	0.42	45.49	8.92
	18,911.87	12,705.24	19,024.14	12,814.40
TOTAL	33,954.25	22,708.45	34,862.19	23,613.28



- 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. As such, the above quarterly results are not indicative of the likely results for the current quarter.
- 3 The Auditors in their report on the accounts for the period ended 31st March, 2014 as well as for the quarter ended on 31st March, 2014 have commented upon recognition of Deferred Tax Assets (net). Based on future profitability projections the management is optimistic that there would be sufficient taxable income in future to claim credit of Deferred Tax Assets.
- 4 The Auditors in their report on the accounts for the period ended 31st March, 2014 have also commented upon the preparation of accounts on going concern basis. However, the management based on the profitability projections is hopeful that the Company would be in a position to generate positive cash flow and profitability in near future.
- 5 The Company is expanding its capacity from 7500 TCD to 10,000 TCD and setting up Sugar Refinery having capacity of 5000 TCD (out of total capacity) and Co- generation plant. The Company has acquired contiguous land for the above purposes. In view of upcoming projects of the Company and estimated funds requirements for the financial closure of the projects, the Board at its meeting held on 7th February, 2014 approved issue of up to Rs. 55 Crores (Rupees Fifty Five Crores) by way of issuance of Preference Shares u/s 81(1A) of the Companies Act, 1956. The Preferential issue of preference shares was approved by the shareholders as well at an Extraordinary General Meeting held on 28 March, 2014.
- 6 The Company has changed its Financial year from fifteen months period ended September 30, 2013 to six months period ended March 31, 2014 and accordingly, the Company has prepared the results for the quarter and six months period ended March 31, 2014. The Financial year of the Company shall end on March 31 every year hereon.
- 7 The Company has earned profit of ₹. 736.76 lacs (as per standalone accounts) and ₹. 657.52 lacs (as per consolidated accounts) from sale of 45.05% equity shares held in its subsidiary to Zuari Investments Limited in the 15 months period ended 30th September, 2013.
- 8 The figures of the last quarter are the balancing figures between audited figures in respect of the full financial period upto March 31, 2014 and the unaudited published period to date figures upto December 31, 2013 being the date of end of the first quarter of the financial period which was subjected to review.
- 9 The previous periods' figures have been regrouped, wherever necessary, to conform to the current period figures.
- 10 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 06th May, 2014.

Place: Gurgaon

Date: 6th May, 2014

For and on behalf of the Board
Gobind Sugar Mills Ltd.


R. S. Raghavan
(Managing Director)



Auditor's Report On Quarterly Financial Results and Period to Date Results of the Company Pursuant to the Clause 41 of the Listing Agreement

To
Board of Directors of
Gobind Sugar Mills Limited,

1. We have audited the quarterly financial results of Gobind Sugar Mills Limited for the quarter ended March 31, 2014 and the financial results for the period ended March 31, 2014, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, 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. The quarterly financial results are the derived figures between the audited figures in respect of the period ended March 31, 2014 and the published quarter figures up to December 31, 2013, being the date of the end of the first quarter of the current financial period, which were subject to limited review. These quarterly financial results as well as period to date financial results and the relevant requirements of Clause 41 of the Listing Agreement are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the quarter ended December 31, 2013 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) under the Companies Act, 1956 and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the period ended March 31, 2014; and the relevant requirements of Clause 41 of the Listing Agreement.
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. Without qualifying our opinion, we draw attention to Note 4 of quarterly financial results which indicates that the Company incurred a net loss of Rs. 1,168.68 lacs during the six months period ended March 31, 2014 (without considering the impact of qualification as given in para 4 below) and, as of that date; the Company's current liabilities exceeded its current assets by Rs. 11,761.62 lacs. These conditions, along with other matters as set forth in Note 4 of quarterly financial results, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.
4. *We observe that the Company has recognized Deferred Tax Asset (net) Rs. 5,001.73 lacs in terms of Accounting Standard – 22, "Accounting for Taxes on Income", notified pursuant to the Companies (Accounting Standards) Rules, 2006, based on the future profitability projections made by the management. However, in our opinion, in the absence of virtual certainty and convincing evidence of the aforesaid projections in terms of Accounting Standard – 22, no deferred tax should be recognized. Had the impact of the same been considered, there would be a loss of Rs. 4,948.94 lacs as against the reported profit of Rs. 52.79 lacs for the quarter.*



S.R. BATLIBOI & CO. LLP

Chartered Accountants

In respect of above, our review report for the corresponding quarter ended March 31, 2013, for the quarter ended December 31, 2013 and audit report for the period ended September 30, 2013 was similarly modified.

5. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the period to date results:
 - i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - ii. *except for the effects of the matter described in paragraph 4 above*, give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2014 and for the period ended March 31, 2014.

6. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2014 represent the derived figures between the audited figures in respect of the financial period ended March 31, 2014 and the published quarter figures up to December 31, 2013, being the date of the end of the first quarter of the current financial period, which were subjected to a limited review as stated in paragraph 1 above, as required under Clause 41(I)(d) of the Listing Agreement.

7. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

Firm registration number: 301003E

Anil Gupta

per Anil Gupta

Partner

Membership No.: 87921

Place: Gurgaon

Date:

6/7/2014

