

**LIMITED REVIEW REPORT  
TO THE BOARD OF DIRECTORS OF  
GOBIND SUGAR MILLS LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Gobind Sugar Mills Limited ('the Company') for the quarter ended 30<sup>th</sup> September, 2012 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 these financial statements 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without qualifying our conclusion, we draw attention that inspite of substantial erosion of the Company's net worth (without considering the impact of qualification as given in para 4 below), the accounts have been prepared on going concern assumption as 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.
4. *We observe that the Company has recognized Deferred Tax Asset (net) Rs. 3,330.83 lacs (including Rs. 62.28 lacs during the quarter) 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, there is absence of virtual certainty in terms of Accounting Standard – 22. Accordingly, had the impact of the same been considered, there would be a loss of Rs. 3,768.31 lacs as against the reported loss of Rs. 437.48 lacs for the quarter.*  
*In respect of above, our review report for the corresponding quarter 30<sup>th</sup> September, 2011 and audit report for the year ended 30<sup>th</sup> June, 2012 was similarly modified.*
5. Based on our review conducted as above, *except for the effects of our observation stated in para (4) above*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", notified pursuant to the Companies (Accounting Standards) Rules, 2006 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in

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# **S.R. BATLIBOI & CO.**

Chartered Accountants

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.R. BATLIBOI & CO.**

**CHARTERED ACCOUNTANTS**

**Firm Registration Number : 301003E**



per Anil Gupta

Partner

Membership No. 87921

Place : Gurgaon

Dated: 7/11/12

**GOBIND SUGAR MILLS LIMITED**

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

**Unaudited Financial Results for the quarter ended 30th September, 2012**

PARTICULARS	Quarter ended			(Rs in Lacs)
	30.09.2012	30.06.2012	30.09.2011	Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>PART I</b>				
<b>1 Income from operations</b>				
(a) Gross Sales / Income from Operations	6,538.73	8,784.08	4,680.44	26,785.67
Less : Excise Duty & Cess	255.72	351.81	173.68	1,082.34
Net sales / income from Operations	6,283.01	8,432.27	4,506.76	25,703.33
(b) Other Operating Income	33.87	11.03	6.28	22.64
<b>Total income from operations (net)</b>	<b>6,316.88</b>	<b>8,443.30</b>	<b>4,513.04</b>	<b>25,725.97</b>
<b>2 Expenses</b>				
(a) Cost of raw materials consumed	10.65	2,323.13	9.16	23,600.94
(b) Purchases of stock-in-trade	-	983.00	377.63	2,366.42
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade (after adjusting excise duty & cess)	5,501.05	4,153.76	3,810.31	(3,078.59)
(d) Employee benefits expenses	165.64	181.28	170.12	900.06
(e) Depreciation	101.48	105.65	104.45	421.93
(f) Other expenses	326.53	331.00	279.69	1,963.51
<b>Total expenses</b>	<b>6,105.35</b>	<b>8,077.82</b>	<b>4,751.36</b>	<b>26,174.27</b>
<b>3 Profit / (Loss) from Operations before other income, finance costs and exceptional item (1-2)</b>	<b>211.53</b>	<b>365.48</b>	<b>(238.32)</b>	<b>(448.30)</b>
4 Other Income	0.99	1.47	33.02	28.35
<b>5 Profit / (Loss) from ordinary activities before finance costs and exceptional item (3+4)</b>	<b>212.52</b>	<b>366.95</b>	<b>(205.30)</b>	<b>(419.95)</b>
6 Finance costs	416.97	512.86	478.27	1,872.94
<b>7 Profit / (Loss) from ordinary activities after finance costs but before exceptional item (5-6)</b>	<b>(204.45)</b>	<b>(145.91)</b>	<b>(683.57)</b>	<b>(2,292.89)</b>
8 Exceptional Item	-	-	-	963.48
<b>9 Profit / (Loss) from ordinary activities before tax (7-8)</b>	<b>(204.45)</b>	<b>(145.91)</b>	<b>(683.57)</b>	<b>(3,256.37)</b>
10 Tax Expenses :				
(a) Current Tax	-	-	-	-
(b) Minimum Alternative Tax (MAT) Reversal	295.31	-	-	-
(c) Deferred Tax Charge / (Credit)	(62.28)	33.56	(221.78)	(975.64)
<b>11 Net Profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>(437.48)</b>	<b>(179.47)</b>	<b>(461.79)</b>	<b>(2,280.73)</b>
12 Extraordinary Item	-	-	-	-
<b>13 Net Profit / (Loss) for the period (11-12)</b>	<b>(437.48)</b>	<b>(179.47)</b>	<b>(461.79)</b>	<b>(2,280.73)</b>
14 Paid-up Equity Share Capital (Face value per share Rs 10/-)	320.00	320.00	320.00	320.00
15 Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	(-) 3690.41
<b>16 Basic and Diluted Earning per share (of Rs 10/- each)</b>	<b>(13.67)</b>	<b>(5.61)</b>	<b>(14.43)</b>	<b>(71.27)</b>


<b>PART II</b>				
<b>A PARTICULARS OF SHAREHOLDING</b>				
<b>1 Public Shareholding</b>				
- Number of Equity Shares	1,124,368	1,124,368	1,124,368	1,124,368
- Percentage of Shareholding	35.14	35.14	35.14	35.14
<b>2 Promoters &amp; Promotor Group Shareholding</b>				
<b>(a) Pledged / Encumbered</b>				
- Number of Shares	-	-	-	-
- Percentage of Shares (as a % of the total shareholding of promoter and promotor group)	-	-	-	-
- Percentage of Shares (as a % of the total share capital of the company)	-	-	-	-
<b>(b) Non - encumbered</b>				
- Number of Shares	2,075,632	2,075,632	2,075,632	2,075,632
- Percentage of Shares (as a % of the total shareholding of promoter and promotor group)	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
<b>Particulars</b>				
<b>B INVESTOR COMPLAINTS</b>		Quarter ended 30.09.2012		
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		

**Notes :**

- 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 year.
- Segment reporting as required by Accounting Standard 17 is not applicable, since the Company is engaged only in the business of manufacture and sale of sugar and its by-products and also operate in a single geographical segment.
- The Auditors in their report on the accounts for the year ended 30th June 2012 has commented upon recognition of Deferred Tax Asset (net) based on future profitability projections. The Company expects that the above issue is likely to be resolved favourably.
- The Auditors in their report on the accounts for the year ended 30th June 2012 has also commented upon the preparation of accounts on going concern basis. The promoters of the company have during the quarter ended 30th September, 2012 infused Rs 3300.00 lacs towards subscription of share capital in the company resulting in its net worth becoming positive.
- The Board of Directors has approved the merger of New Erore Tradecom Limited (NETL) with the Company in the meeting held on November 7, 2012 with effect from the appointed date of July 1, 2012. Pursuant to this merger, the undertaking of NETL, pursuant to the provisions contained in Section 391 to 394 and other applicable provisions of the Companies Act 1956, shall stand transferred to and vested in the Company on a going concern basis without any further act, deed or matter. The impact of amalgamation will be given once the merger becomes effective.
- Exceptional items, during the year ended 30th June 2012 represents liabilities towards differential sugar cane price for the season 2007-08, decided by the Hon'ble Supreme Court of India. The said amount was paid by the Company during the current quarter.
- The previous period figures have been regrouped, wherever necessary, to conform to the current period figures.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 8th November, 2012. Limited Review of the same has been carried out by the statutory auditors of the Company.

Place: Gurgaon  
Date: 7th November, 2012

For and on behalf of the Board  
Gobind Sugar Mills Limited

  
H.S.BAWA  
(Chairman)