

**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 31<sup>st</sup> December, 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. 3,670.99 lacs (including Rs. 340.16 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, in the absence of virtual certainty and convincing evidence of the aforesaid projections in terms of Accounting Standard – 22, had the impact of the same been considered, there would be a loss of Rs. 4,379.26 lacs as against the reported loss of Rs. 708.27 lacs for the quarter.*


*In respect of above, our review report for the corresponding quarter ended 31<sup>st</sup> December, 2011, for the quarter ended 30<sup>th</sup> September, 2012 and audit report for the year ended June 30<sup>th</sup>, 2012 was similarly modified.*

*SMJ*

**S.R. BATLIBOI & CO.**  
Chartered Accountants

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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 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:

1/2/2013

**GOBIND SUGAR MILLS LIMITED**

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

**Unaudited Financial Results for the quarter / half year ended 31st December, 2012**

PARTICULARS	(Rs in Lacs)					
	Quarter ended			Half Year ended		Year Ended
	31.12.2012 (Unaudited)	30.09.2012 (Unaudited)	31.12.2011 (Unaudited)	31.12.2012 (Unaudited)	31.12.2011 (Unaudited)	30.06.2012 (Audited)
<b>PART I</b>						
<b>1 Income from operations</b>						
(a) Gross Sales / Income from Operations	4,357.90	6538.73	4,785.37	10,896.63	9,465.81	26,785.67
Less : Excise Duty & Cess	150.84	255.72	152.60	406.56	326.28	1,082.34
Net sales / income from Operations	4,207.06	6283.01	4,632.77	10,490.07	9,139.53	25,703.33
(b) Other Operating Income	19.20	33.87	2.19	53.07	8.47	22.64
<b>Total income from operations (net)</b>	<b>4,226.26</b>	<b>6316.88</b>	<b>4,634.96</b>	<b>10,543.14</b>	<b>9,148.00</b>	<b>25,725.97</b>
<b>2 Expenses</b>						
(a) Cost of raw materials consumed	7,524.98	10.65	7,208.76	7,535.63	7,217.92	23,600.94
(b) Purchases of stock-in-trade	-	-	382.10	-	759.73	2,366.42
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade (after adjusting excise duty & cess)	(3,522.84)	5501.05	(3,479.00)	1,978.21	331.31	(3,078.59)
(d) Employee benefits expenses	244.09	165.64	237.89	409.73	408.01	900.06
(e) Depreciation	109.56	101.48	106.49	211.04	210.94	421.93
(f) Other expenses	604.96	326.53	518.81	931.49	798.50	1,963.51
<b>Total expenses</b>	<b>4,960.75</b>	<b>6,105.35</b>	<b>4,975.05</b>	<b>11,066.10</b>	<b>9,726.41</b>	<b>26,174.27</b>
<b>3 Profit / (Loss) from Operations before other income, finance costs and exceptional item (1-2)</b>	<b>(734.49)</b>	<b>211.53</b>	<b>(340.09)</b>	<b>(522.96)</b>	<b>(578.41)</b>	<b>(448.30)</b>
4 Other Income	1.77	0.99	13.15	2.76	19.37	28.35
<b>5 Profit / (Loss) from ordinary activities before finance costs and exceptional item (3+4)</b>	<b>(732.72)</b>	<b>212.52</b>	<b>(326.94)</b>	<b>(520.20)</b>	<b>(559.04)</b>	<b>(419.95)</b>
6 Finance costs	315.71	416.97	383.75	732.68	835.22	1,872.94
<b>7 Profit / (Loss) from ordinary activities after finance costs but before exceptional item (5-6)</b>	<b>(1,048.43)</b>	<b>(204.45)</b>	<b>(710.69)</b>	<b>(1,252.88)</b>	<b>(1,394.26)</b>	<b>(2,292.89)</b>
8 Exceptional Item	-	-	963.48	-	963.48	963.48
<b>9 Profit / (Loss) from ordinary activities before tax (7-8)</b>	<b>(1,048.43)</b>	<b>(204.45)</b>	<b>(1,674.17)</b>	<b>(1,252.88)</b>	<b>(2,357.74)</b>	<b>(3,256.37)</b>
10 Tax Expenses :						
(a) Current Tax	-	295.31	-	295.31	-	-
(b) Minimum Alternative Tax (MAT) Reversal	-	(62.28)	(541.24)	(402.44)	(763.02)	(975.64)
(c) Deferred Tax Charge / (Credit)	(340.16)	-	-	-	-	-
<b>11 Net Profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>(708.27)</b>	<b>(437.48)</b>	<b>(1,132.93)</b>	<b>(1,145.75)</b>	<b>(1,594.72)</b>	<b>(2,280.73)</b>
12 Extraordinary Item	-	0	-	-	-	-
<b>13 Net Profit / (Loss) for the period (11-12)</b>	<b>(708.27)</b>	<b>(437.48)</b>	<b>(1,132.93)</b>	<b>(1,145.75)</b>	<b>(1,594.72)</b>	<b>(2,280.73)</b>
14 Paid-up Equity Share Capital (Face value per share ` 10/-)	320.00	320.00	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 ` 10/- each)</b>	<b>(22.13)</b>	<b>(13.67)</b>	<b>(35.40)</b>	<b>(35.80)</b>	<b>(49.84)</b>	<b>(71.27)</b>
<b>PART II</b>						
<b>A PARTICULARS OF SHAREHOLDING</b>						
1 Public Shareholding						
- Number of Equity Shares	1,124,368	1,124,368	1,124,368	1,124,368	1,124,368	1,124,368
- Percentage of Shareholding	35.14	35.14	35.14	35.14	35.14	35.14
2 Promoters & Promotor Group Shareholding						
(a) Pledged / Encumbered						
- 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) Non - encumbered						
- Number of Shares	2,075,632	2,075,632	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	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
<b>Particulars</b>						
<b>B INVESTOR COMPLAINTS</b>	Quarter ended 31.12.2012					
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 :

## 1 Statement of Assets and Liabilities

PARTICULARS	As at	
	31.12.2012 (Unaudited)	30.06.2012 (Audited)
<b>Equity and Liabilities</b>		
Shareholders' Funds		
Share Capital		
Reserve and Surplus	5,620.00	2,320.00
	(4,833.93)	(3,690.41)
<b>Non-current Liabilities</b>	786.07	(1,370.41)
Long-term provisions	-	22.42
<b>Current Liabilities</b>	-	22.42
Short-term borrowings		
Trade payables	11,718.21	13,122.96
Other current liabilities	4,101.63	6,602.68
Short-term provisions	875.59	785.20
	38.66	18.80
<b>TOTAL</b>	<b>16,734.09</b>	<b>20,529.64</b>
<b>Assets</b>	<b>17,520.16</b>	<b>19,181.65</b>
<b>Non-Current Assets</b>		
Fixed Assets		
Non-current Investments	3,323.37	3,400.91
Deferred Tax Asset (net)	1,806.32	1,805.82
Long-term loans & advances	3,670.99	3,268.55
	123.11	23.41
<b>Current Assets</b>	8923.79	8498.69
Inventories		
Trade Receivables	8,125.23	10,040.62
Cash and Bank Balances	27.01	29.33
Short-term loans and advances	151.72	57.82
Other current assets	291.79	554.51
	0.62	0.68
<b>TOTAL</b>	<b>8,596.37</b>	<b>10,682.96</b>
	<b>17520.16</b>	<b>19181.65</b>

- 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 year.
- 3 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.
- 4 The Auditors in their report on the accounts for the year ended 30th June 2012 commented on recognition of Deferred Tax Asset (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.
- 5 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. 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.
- 6 The Board of Directors approved the merger of New Eros 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 Company 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 become effective.
- 7 Exceptional items, during the year ended 30th June 2012 represented liabilities towards differential sugar cane price for the season 2007-08, decided by the Hon'ble Supreme Court of india.
- 8 The previous period figures have been regrouped, wherever necessary, to conform to the current period figures.
- 9 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 1st February, 2013. Limited Review of the same was carried out by the statutory auditors of the Company.

Place: Gurgaon  
Date: 1st February, 2013

For and on behalf of the Board  
Gobind Sugar Mills Limited

*Mr. R. A. Wadia*  
Marco Wadia  
Director

Director