

Limited Review Report

**Review Report to
The Board of Directors.
Gobind Sugar Mills Limited**

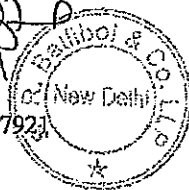
1. We have reviewed the accompanying statement of unaudited financial results of Gobind Sugar Mills Limited ('the Company') for the quarter ended June 30, 2015 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been 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 the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (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 Statement is 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. *We report that the Company has recognized Deferred Tax Asset (net) Rs. 6,830.04 lacs (including Rs. 1,174.51 lacs during the quarter) in terms of Accounting Standard – 22, "Accounting for Taxes on Income", specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014), 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 asset should be recognized. Had the impact of the same been considered, there would be a loss of Rs.8,882.07 lacs as against the reported loss of Rs. 2,052.03 lacs for the quarter.*

In respect of above, our audit report for the year ended March 31, 2015 and our review report for the quarter ended June 30, 2014 were similarly modified.

4. Based on our review conducted as above, *except for the effects of the our observations 3*, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) 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. LLP
ICAI Firm registration number: 301003E
Chartered Accountants

per Anil Gupta
Partner
Membership No.: 87923



Place: New Delhi
Date:

12/8/2015

GOBIND SUGAR MILLS LIMITED

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

Unaudited Financial Results for the quarter ended 30th June, 2015

(Rs. in Lacs)

PARTICULARS	Quarter ended			Year Ended
	30.06.2015 (Unaudited)	31.03.2015 Audited (Refer note 7 below)	30.06.2014 (Unaudited)	31.03.2015 (Audited)
PART I				
1 Income from operations				
(a) Gross Sales / Income from Operations	3,104.51	4,312.08	5,948.69	17,695.15
Less : Excise Duty & Cess	215.78	244.38	222.31	746.88
Net sales / income from Operations	2,888.73	4,067.70	5,726.38	16,948.27
(b) Other Operating Income (refer note 5)	286.79	16.90	3.17	437.96
Total income from operations (net)	3,175.52	4,084.60	5,729.55	17,386.23
2 Expenses				
(a) Cost of raw materials consumed (refer note 6)	2,572.18	14,150.00	161.08	19,600.45
(b) Purchases of stock-in-trade	601.63	-	1.25	-
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade (after adjusting excise duty & cess)	1,736.99	(11,717.48)	5,362.27	(3,195.54)
(d) Employee benefits expenses	269.44	413.72	212.67	1,099.30
(e) Depreciation	51.71	57.08	67.56	254.60
(f) Other expenses	376.49	925.87	225.18	1,974.45
Total expenses	5,608.44	3,829.19	6,030.01	19,733.26
3 Profit/(Loss) from Operations before other income, finance costs and exceptional item (1-2)	(2,432.92)	255.41	(300.46)	(2,347.03)
4 Other Income	19.98	18.03	0.36	1,547.92
5 Profit/(Loss) from ordinary activities before finance costs and exceptional item (3+4)	(2,412.94)	273.44	(300.10)	(799.11)
6 Finance costs	813.60	606.41	478.53	1,945.86
7 Profit/(Loss) from ordinary activities after finance costs but before exceptional item (5-6)	(3,226.54)	(332.97)	(778.63)	(2,744.97)
8 Exceptional Item	-	-	-	-
9 Profit/(Loss) from ordinary activities before tax (7-8)	(3,226.54)	(332.97)	(778.63)	(2,744.97)
10 Tax Expenses :				
(a) Current Tax	-	-	-	-
(b) Minimum Alternative Tax (MAT) Reversal	-	-	-	-
(c) Deferred Tax (Credit)	(1,174.51)	286.56	(252.63)	(633.39)
11 Net Profit/(Loss) from ordinary activities after tax (9-10)	(2,052.03)	(619.53)	(526.00)	(2,111.58)
12 Extraordinary Item	-	-	-	-
13 Net Profit/(Loss) for the period (11-12)	(2,052.03)	(619.53)	(526.00)	(2,111.58)
14 Paid-up Equity Share Capital (Face value per share Rs. 10/-)	320.00	320.00	320.00	320.00
15 Paid-up Preference Share Capital	11,725.00	10,525.00	8,700.00	10,525.00
16 Reserves excluding Revaluation Reserves	-	-	-	(9,506.60)
17 Basic and Diluted Earning per share in Rs.	(64.13)	(19.36)	(16.44)	(65.99)
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
- Percentage of Shareholding	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	20,75,632	20,75,632	20,75,632	20,75,632
- 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
Particulars				
B INVESTOR COMPLAINTS	Quarter ended 30.06.2015			
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

Particulars	Quarter Ended			Year Ended
	30.06.2015	31.03.2015	30.06.2014	31.03.2015
1 Segment Revenue (Net):				
a) Sugar	2,942.96	4,068.16	5,572.07	16,782.75
b) Fertilizer (Traded goods)	232.56	16.44	157.48	603.48
Total	3,175.52	4,084.60	5,729.55	17,386.23
2 Segment Results - Profit/(loss) before tax and interest				
a) Sugar	(2,473.50)	261.82	(333.56)	(2,393.34)
b) Fertilizer (Traded goods)	0.88	0.95	13.10	34.90
Less: Unallocated Corporate (Expense) / Income	7.41	(8.69)	-	1,493.93
Add : Interest Income	12.57	18.03	0.36	20.33
Less : Interest expense	(773.91)	(605.08)	(458.53)	(1,900.79)
Total Profit /(loss) Before Tax	(3,226.54)	(332.97)	(778.63)	(2,744.97)
3 Capital Employed (Segment Assets - Segment Liabilities)				
a) Sugar	32,894.95	30,522.35	14,107.51	30,522.35
b) Fertilizer (Traded goods)	(381.41)	(157.58)	(137.99)	(157.58)
c) Unallocated	(32,024.41)	(29,026.37)	(12,874.47)	(29,026.37)
Total	489.13	1,338.40	1,095.05	1,338.40

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 current year.
- Due to Steep decline in sugar realization, the Company has incurred significant higher losses during the quarter. The Sugar manufacturers are in active discussions with the State and Central Government on the matter of pricing of sugar cane and other incentives for the sugar industry in order to make the operations viable. The management is hopeful of positive outcome from the discussions with the respective Governments and expects to be in a position to generate positive cash flow and profitability in the future.
- The Auditors in their report on the accounts for the year ended 31st March, 2015 as well as for the quarter ended on 30th June, 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.
- The Company is undertaking a project to set up a 30MW co-generation power plant together with an expansion of capacity from 7500 TCD to 10,000 TCD besides a 500 TPD sugar refinery at a total cost of Rs 311 crores. The Company acquired contiguous land for the above purpose. To fund the project, Board at its meeting held on 7th Feb 2014 approved preferential issue of preference shares of the Company upto Rs 55 crores under erstwhile Section 81(1A) of the Companies Act, 1956. The above issue was approved by the share holders of the Company in the extraordinary general meeting held on 28th March 2014. The debt requirement of Rs 160 crores was also tied up. Loan of Rs. 90 crores has been approved in principle by Sugar Development Fund (SDF) vide their letter dated 22nd July 2015.
- The Government of Uttar Pradesh vide notification dated 16th June, 2015, has reduced the commission on cane purchase from 3% of fair remunerative price (FRP) to Rs. 2 per quintal (fixed) of cane purchased for the sugar season 2012 - 2013 and 2014 - 2015. In respect of season 2012 - 2013, the Company has written back its liability of Rs. 282.17 lacs which has been included in "other operating income". In respect of season 2014 - 2015, the Company has reinstated its liability in this regard and corresponding receivable by Rs. 395.64 lacs since the amount of cane commission is receivable from the Government of Uttar Pradesh on a payment basis.
- The Government of Uttar Pradesh has announced subsidy for Sugar industry for the sugar season 2014 - 2015 linked to average selling price of sugar and by-products during the period 01st October, 2014 to 31st May, 2015. Till 30th June, 2015, the Company has recognised such subsidy amounting to Rs. 2,459.83 lacs (including Rs. 286.88 lacs during the current quarter), based on the present and expected likely average selling price. The Company is hopeful to realise the above amount of subsidy as the average selling price is expected to be below the threshold level announced by the Government of Uttar Pradesh.
- The figures of the quarter ended 31st March, 2015 were the balancing figures between audited figures in respect of the full financial year upto March 31, 2015 and the unaudited published period to date figures upto December 31, 2014 being the date of end of the third quarter of the financial year which were subjected to limited review by the auditors.
- The above results have been reviewed by the Audit Committee at its meeting held on 11th August 2015 and approved by the Board of Directors at its meeting held on 12th August, 2015
- The previous periods' figures have been regrouped, wherever necessary, to conform to the current period figures.

Place: Gurgaon
Date: August 12, 2015

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



R S Raghavan
R S Raghavan
Managing Director

